

Final Report: Study on Public Collection

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Final Report: Study on Public Collection

Executive Summary

Introduction [see page 8 of the Report]

This is a report of a study about public collection in Ramsey and Washington Counties, Minnesota. It includes a description of current problems in solid waste management in the Counties, methods used, a description of public collection, results of a public engagement process, analysis of four options, conclusions and recommendations.

Cities, townships and counties are charged by the State of Minnesota with protecting public health, safety and welfare, and protecting the environment. Garbage collection is a necessary public service to assure those charges, much as proper handling of sewage, provision of safe drinking water, providing safe roads, and fire and police protection services. Public collection of waste is when a city, township or county provides or arranges for collection services on behalf of residential, commercial and/or multifamily housing waste generators. The services can collect a wide range of wastes, including garbage, recyclables, compostables (such as yard waste or food waste), bulky items (such as major appliances), household hazardous wastes, and tree and shrub waste.

This report has been prepared by the Ramsey/Washington County Resource Recovery Project in response to County Board resolutions directing a full exploration of a public collection system for solid waste. This study has its roots in a crisis that emerged in early 2001 related to waste deliveries to the Ramsey/Washington County Resource Recovery Facility. During several workshops and meetings in 2001 the Ramsey and Washington County Commissioners came to recognize that the problems at the Resource Recovery Facility were but a symptom of overall problems in waste management, and that the current market for solid waste collection and disposal is preventing achievement of environmental, health and safety goals. In June 2001 the Ramsey and Washington County Boards each adopted resolutions to conduct a study of public collection. The Boards appropriated funds and authorized contracts to complete the work. The initial timeline, which called for the study to be complete at the end of 2001, was extended into 2002 to provide more time for public engagement.

Problem Statement [See page 9 of the report]

Minnesota law on solid waste establishes the policy of the state to protect the environment and public health and conserve resources by managing waste in a variety of ways. State law provides a hierarchy of preferred waste management methods, including reduction, recycling, composting, recovery of energy from waste, and landfilling being the least preferred. In response to State law, Ramsey and Washington Counties have State-approved solid waste management plans with clear long-term goals. These goals aim to 1) manage waste to protect the environment and public health, and to conserve resources; 2) use a variety of methods according to the State's hierarchy, in order to minimize landfilling; 3) manage waste cost-effectively and minimize potential liability for citizens, businesses, and taxpayers; 4) encourage

waste generator responsibility for environmentally sound waste management; and 5) allocate costs fairly to waste generators and users of the solid waste system.

The reason for the study of public collection is that the current system of solid waste collection and management is not moving the Counties toward the long-term goals.

The report finds:

- Waste generation is increasing;
- Recycling is stagnant or decreasing as economic incentives to recycle have diminished;
- Resources that could be put to a higher use through recycling are disposed in processing facilities or landfills;
- Key decisions are made with a focus on short-term cost or profits;
- Illegal dumping of wastes and associated environmental concerns continues in several areas;
- Municipal concerns on truck traffic continue;
- Resource recovery costs are subsidized to compete with landfilling costs; and
- Resource Recovery capacity is not consistently utilized.

Public Collection Study [See page 14 of the Report]

The study on public collection consisted of two main elements: 1) research to better understand public collection, and 2) public engagement, to inform the public about the solid waste system, challenges related to it, and to get input on the concept of public collection.

Research consisted of case studies, development of a municipal database, interviews resulting in city/town histories, a summary of public surveys about waste management, a resident survey, considerable legal review of waste issues, a review of illegal dumping issues, research into the advantages and disadvantages of public collection, and development of a Preliminary Public Collection Framework. The research is summarized beginning on page 14 of the study, with research results found in several appendices.

A framework for public collection was developed based on input during the first phase of public engagement, and the research conducted. The framework is found in Appendix 16 of the Report. The framework identified seven components that would guide how public collection would be implemented:

- Protect the environment, health and safety of the community by managing the waste stream and using waste as a resource;
- Individual communities are provided options for the design of the system in their community;
- Healthy competition between haulers is maintained;
- Local/independent haulers can stay in business;
- Offer a choice of haulers where the community desires it; fewer haulers on the street where the community desires it;

- Fair and competitive prices; and
- Top-quality service.

Both County Boards, in adopting the resolutions to commence the study, clearly stated that there were no predetermined decisions, and that an important part of the study was public input. As a result, staff designed a very thorough public engagement process to cover the Counties broadly and to seek input in a variety of ways.

Public collection has a history of being controversial, and the review of case studies from Minnesota and elsewhere showed that to get balanced input would be a challenge. The waste industry, understandably, has strong concerns about government involvement in collection, and has a history of engaging customers to advocate for the industry position. Because of this, and to get meaningful input for the County Boards the staff put significant effort into gathering input. The public engagement process is summarized beginning on page 19 of the Report, and in several appendices.

The public engagement process occurred in two phases. The first phase was from August 2001 through January 2002, and the second was during February and March 2002. The approach used was to engage a variety of audiences in various ways to provide information and gather meaningful input. In order to do this a variety of tools were developed to explain solid waste issues and to gather input.

Managing this input was a huge task. Each voice mail, email and comment card was listened to, recorded and categorized. Great care was taken to respect the time the sender took to provide comments. From the public input, several contact lists were developed for people that requested feedback and follow-up. These people then received issues of *Collection Connection* when they were released.

The report summarizes, in detail, the input received from municipalities, businesses, organizations, the general public, and the waste industry.

Criteria for Evaluation of Public Collection and Alternatives [See page 13 of the Report]

This report discusses public collection, as well as several alternatives that have been proposed. Several criteria have been developed for the analysis. For each criterion a numerical scale of 1 – 4 has been developed, with a score of 1 being most desired, and a score of 4 being least desired. The categories for ranking are:

- To what extent does the option support the goals?
- Ease of administration and cost of administration;
- Ease of assuring compliance;
- Ease of explaining to the public; and
- Public acceptance.

Analysis [See page 31 of the Report]

While the principal purpose of this study was to evaluate public collection, there were three other options that arose during the study that were analyzed. The four options considered are listed below. Each option is described, analyzed, ranked according to

five criteria explained in the plan, with advantages and disadvantages listed for each. The options are:

- **Implement Public Collection [See page 32 of the Report]**
Using the preliminary framework as a guide, the Counties would proceed to design and implement a public collection system for residential, commercial and multi-family housing waste.
- **The proposal by the NSWMA [See page 38 of the Report]**
The National Solid Waste Management Association has proposed that the larger haulers could assure that the Counties meet their financial obligations to NRG, by agreeing to deliver waste necessary to meet the 280,800-ton per year guarantee.
- **Discontinue Counties' Obligation to the Service Agreement and Processing in July 2007 [See page 41 of the Report]**
The Service Agreement between the Counties and NRG terminates on July 13, 2007. This option explores the system effects if the Counties discontinue any obligation and subsidy to process waste at NRG or an alternate facility after 2007.
- **Restructure Financing and Regulation [See page 44 of the Report]**
The Counties would implement a hauler-collected service charge to replace all or a portion of the property tax-collected service charge, and would develop several contractual and regulatory approaches to implement the goals.

Conclusions [See page 47 of the Report]

- The public strongly supports managing waste in a manner that protects health and the environment. Throughout the engagement process the public confirmed the direction that Minnesota and the Counties have taken in waste management.
- Public collection can be designed and implemented to address environmental, health and safety goals in Ramsey and Washington Counties.
- Public collection exists in several forms in Ramsey and Washington Counties:
 - 12 municipalities have organized collection for residential mixed municipal solid waste;
 - One municipality in Washington County has organized collection for residential and commercial mixed municipal solid waste;
 - Most municipalities in Ramsey County, and several in Washington County, have organized collection for residential recyclables;
 - All of Ramsey County, and several municipalities in Washington County, have public collection of yard waste; and
 - All of Ramsey and Washington Counties have public collection for household hazardous waste.

- Public collection has precedent in Minnesota and other parts of the United States, and operates to provide high quality service in a safe and effective manner.
- Public collection can be designed to address public concerns about hauler choice, survival of independent haulers, competition, quality of service, cost, service reliability and environmental and health goals.
- Independent haulers strongly support having the Resource Recovery Facility available as a place to deliver waste that is not owned by their competition, and having that facility available in the long-term would be a factor in their continued existence. The independent haulers, however, oppose public collection even if it means the Facility could close.
- The waste industry is vigorously opposed to public collection, and is willing spend significant funds and take strong steps to prevent it.
- The Counties have been successful in engaging the public on this issue.
- The public is split on the issue of public collection:
 - Those that support public collection do so mainly for one of various reasons: because it would address garbage truck traffic; it would be more efficient; because of experience elsewhere; because it could cost less or because it supports environmental, health and safety goals.
 - Those that oppose public collection are quite vocal, and do so for several reasons: concern with increasing government involvement; desire to retain choice in selecting a garbage hauler; concern for small businesses; a perception that costs will increase; belief that there is no problem; not agreeing with the environmental goals.
- The waste industry appears to be amenable to implementing a hauler-collected-service-charge along with contracts and regulatory changes directed toward generators to accomplish the goals, in lieu of public collection.

Staff Recommendations [See page 48 of the Report]

The two options: “The proposal by the NSWMA” and “Discontinue Counties’ Obligation to the Service Agreement and Processing in July 2007,” do nothing more to move the Counties toward the Solid Waste Master Plan goals, and, therefore, should not be further considered.

While the option to “Implement Public Collection” provides the best solution to meet the goals, it also causes major collection system changes and has much opposition. This will cause implementation problems. The option to “Change Financing and Regulation,” while not addressing the goals as well as Public Collection, has fewer implementation problems and rates better overall, as noted in the evaluation criteria.

General Recommendations:

Ramsey and Washington Counties should:

- Make decisions that improve the current system in the long-term, with that being defined as beyond July 2007.
- Make system changes to create market incentives for source reduction, recycling, and organics composting, especially among commercial generators.
- Create a forum for Counties and the waste industry to communicate and work together in public/private partnership to implement changes and realign the system toward environmental, health and safety goals.

Specific Recommendations:

Ramsey and Washington Counties should:

- Develop and implement a hauler-collected waste management service charge, and move some or all of the service charge from the property tax statement to that new financing tool.
- Enter into long-term contracts with the waste industry to assure delivery of the optimum amount of waste to the Resource Recovery Facility at a tipping fee appropriate to the market, and to create opportunities for the composting of source separated organic wastes.
- Work with municipalities, as appropriate, to incorporate service standards that support the Counties goals into municipal policies and contracts.
- Take advantage of increased public awareness that resulted from this study, and mailing lists of interested citizens that the Counties and haulers have developed, by using joint education efforts between private and public sector on the implementation of the new system, including promotion of waste and toxicity reduction and recycling.
- Create and fund partnerships with municipalities and haulers to provide increased opportunities for disposal of difficult materials, such as bulky items and brush, in order to reduce illegal dumping and burning. Specific examples of opportunities to develop or test in pilot projects include:
 - Expanded frequency of municipal clean-up events;
 - Curbside collection of bulky items; and/or
 - Vouchers for residents to use local transfer stations at a reduced cost.
- Work with haulers and municipalities to identify violators of local mandatory collection ordinances, in order to assure that waste is being properly managed (and not illegally dumped or burned).

- Create and fund increased opportunities for households and small businesses to legally dispose of special wastes and hazardous wastes.

If these recommendations are implemented and good faith efforts in a public/private partnership result in progress toward the environmental goals, the Counties should not implement public collection at this time.

However, if the Counties cannot substantially achieve these recommendations, and a public/private partnership does not materialize and move the system toward the goals using these methods, public collection should then be implemented.

Introduction

This report has been prepared by the Ramsey/Washington County Resource Recovery Project in response to County Board resolutions directing a full exploration of a public collection system for solid waste. The respective County resolutions are found in Appendix 1.

This study has its roots in a crisis that emerged in early 2001 related to waste deliveries to the Resource Recovery Facility. The crisis was triggered by a business decision made by BFI to violate its waste delivery agreement with the Counties and internalize waste by delivering it to its own Pine Bend Landfill. While BFI triggered the current crisis, the situation has been evolving over the past few years as Waste Management, Inc. decided to deliver only a small portion of the waste it collects in the Counties beginning in 1996, and Superior Services decided to do the same beginning in 2001. Throughout this time the majority of independent waste haulers continued to deliver all of the waste they collect in the Counties to the Resource Recovery Facility.

On March 22, 2001 the Ramsey/Washington County Resource Recovery Project Board held a workshop regarding the future of the Project. At the conclusion of that workshop the Board directed a number of staff activities. One of those activities was to report back to the Board on the following approach: "Evaluate how public collection can be implemented most expediently in the Counties." Public collection means that the Counties would assume responsibility for solid waste collection for residential waste or both residential and commercial waste. This would be done pursuant to traditional local public health authority and the Counties' ability to provide solid waste services as a public service, as many municipalities and counties have already done.

On May 24, 2001 the Project Board received and discussed a staff report on Public Collection, and approved a recommendation that the Ramsey and Washington County Boards fully explore and consider development and implementation of a public collection system for solid waste. During that discussion, the Commissioners recognized that the problems at the Resource Recovery Facility were but a symptom of overall problems in waste management, and that the current market for solid waste collection and disposal is preventing achievement of environmental, health and safety goals.

In June 2001 the Ramsey and Washington County Boards each adopted resolutions to conduct the study, and delegated the responsibility for coordination of the study to the Project Board. The Board appropriated funds and authorized contracts to complete the work. The initial timeline, which called for the study to be complete at the end of 2001, was extended into 2002 to provide more time for public engagement.

This report includes a description of the problem, the methods used in the study, a description of public collection, the results of the public engagement process, and analysis of four options.

Problem Statement

County Role in Solid Waste Management

Minnesota Statute 473.803 requires metropolitan counties to plan and implement activities to meet the State's policy for solid waste management. Overall, local governments are responsible for ensuring that solid waste generated in their jurisdictions is managed in an environmentally and economically sound manner that protects public health and safety. Solid waste management is strongly grounded in the need to safeguard the environment, conserve and recover material and energy resources, and protect public health and safety. Thus, counties are accountable to the public they serve to successfully plan and implement activities to meet the state policy and the corresponding goals established in the solid waste management plans.

Ramsey and Washington Counties embrace this vision, accept their role, and desire to step forward in a responsible manner. The Counties' vision includes working very closely with private service providers in "Public/Private Partnerships" to undertake activities designed to implement state policy.

Both Counties have adopted Regional/County Solid Waste Management Master Plans, which were prepared jointly with other metropolitan counties and have been approved by the State of Minnesota. These plans establish outcomes, policies, and strategies to meet goals established in the State's Regional Solid Waste Policy Plan.

Vision and Goals

The Counties' Solid Waste Management Plans (Plans) are founded in a regional vision for a sustainable community that seeks to minimize waste, prevent pollution, promote efficiency, and provide a sustainable infrastructure for solid waste management. These goals seek to protect the environment, public health, and safety. The goals are aimed at conserving energy and resources. A key goal is to protect the state's land, air, water, other natural resources, and the public health through an integrated system, in which waste is managed using a variety of technologies. The State has a hierarchy of preferred waste management methods, which is important to attain the objectives of sustainability and appropriate solid waste management.

There are five goals inherent in the vision of sustainability that provides the basis for the desired results from activities in the Solid Waste Management Plan. These include:

- Manage wastes to protect the environment and public health, and to conserve resources;
- Manage wastes using a variety of methods according to the State's hierarchy, in order to minimize landfilling;
- Manage wastes cost-effectively and minimize potential liability for citizens, businesses, and taxpayers;
- Encourage waste generator responsibility for environmentally sound waste management; and
- Allocate costs fairly to users.

The Plans for each county have specific outcomes and strategies related to each level of the solid waste hierarchy, including:

- Source reduction;
- Toxicity reduction;
- Recycling;
- Resource recovery and composting; and
- Landfilling.

Problems

Simply stated, the reason for this analysis is that the current system of solid waste collection and management is not moving the Counties toward the long-term goals. Ramsey and Washington Counties are evaluating Public Collection to determine whether expanding public contracting for collection service can help meet the goals of their respective Solid Waste Management Plans.

During this study, the Counties have identified several specific problems and concerns with the current solid waste management system:

- **Waste generation is increasing rapidly**—the amount of solid waste generated each year has been increasing much faster than population growth. In Ramsey and Washington Counties, the waste stream has grown over 18% from 1996 through 2000 versus a population growth of 5% over the same time period, and employment growth of 10%. A lot of waste growth can be attributed to the hot economy of the late 1990's; nonetheless this rate of waste growth is in conflict with goals for source reduction.

See Appendix 2, Problem Statements, Source Reduction, for more detailed information on this issue.

- **Recycling is stagnant or decreasing, as economic incentives to recycle have diminished.** While there is considerable recycling, it has leveled off and is not keeping pace with the growth in the waste stream. Diminished economic incentives have resulted from significantly lower tipping fees combined with lower material market prices.

See Appendix 2, Problem Statements, Recycling for more information about this issue.

- **Resources that could be put to a higher use are disposed in processing facilities or landfills.** Waste composition studies show that almost half (45%) of the material collected as mixed municipal solid waste could be recycled, and about 70% could be used in organics composting facilities.

See Appendix 2, Problem Statements, Resource Conservation for more information about this issue.

- **Key decisions are made with a focus on short-term cost or profits.** Decisions based on short-term costs or profits are not balanced with longer-term costs and benefits for conserving resources and minimizing the generator's potential future liability.

See Appendix 2 for a discussion about industry consolidation and market issues.

- **Illegal dumping of wastes and associated environmental concerns continues in several areas.** Public officials in St. Paul and Ramsey County, as well as several cities in Washington County, note illegal dumping is currently a significant problem.

See Appendix 2 for more information about this issue.

- **Municipal concerns on truck traffic continue.** Several municipal officials raise questions regarding the potential impacts of garbage truck traffic such as safety, excess road wear, and aesthetics (noise and dust).

See Appendix 2 for more information about this issue.

- **Resource recovery costs are subsidized to compete with landfilling costs.** The subsidies are raised on county property tax statements and state taxes on solid waste. Property tax service charges are not tied closely to waste generation. Therefore costs for resource recovery are not allocated fairly to users based on the quantity of waste they generate.
- **Resource Recovery capacity is not consistently utilized.** For the past several years, significant quantities of wastes that could be recovered to

produce energy have been landfilled. In 2002, waste deliveries to resource recovery are projected to be in excess of capacity—a very significant change in waste quantities that currently will only last one year. There has been no ability to plan for efficient management of capacity. In addition:

- Resources are being disposed in landfills;
- Waste stream growth is being managed at the low end of the hierarchy; and
- Increased landfilling creates the potential for long-term clean up needs.

Criteria for Evaluation of Public Collection and Alternatives

This report discusses public collection, as well as several alternatives that have been proposed. Several criteria have been developed for the analysis. For each criterion a numerical scale has been developed. These are:

- f. To what extent does the option support the goals?
 - 1 – Strongly supports the goals and resolves almost all of the problem
 - 2 – Supports most of the goals; resolves most parts of the problem
 - 3 – Supports some of the goals; does not fully resolve some problems
 - 4 – Slightly supports the goals; leaves several parts of the problem unresolved

- g. Ease of administration and cost of administration;
 - 1 – Easy to administer with no additional cost over the present
 - 2 – Somewhat more difficult to administer, with slightly higher administration costs over the present
 - 3 – Difficult to administer, with moderately increased administration costs over the present
 - 4 – Very difficult to administer, with significant additional administration costs over the present

- h. Ease of assuring compliance;
 - 1 – Easy to assure compliance with regulations and contract requirements
 - 2 – Somewhat difficult to assure compliance with regulations and contract requirements
 - 3 – Difficult to assure compliance with regulations and contract requirements
 - 4 – Very difficult to assure compliance with regulations and contract requirements

- i. Ease of explaining to the public;
 - 1 – Very clear and understandable
 - 2 – Somewhat unclear
 - 3 – Complex, but can be explained
 - 4 – Complex and difficult to easily explain

- j. Public acceptance.
 - 1 – Strongly supported by the public
 - 2 – Mixed reaction, generally favorable
 - 3 – Mixed reaction, generally unfavorable
 - 4 – Not at all supported by the public

Public Collection Study

Ramsey and Washington Counties have conducted this study of Public Collection to determine if each County should change the overall approach to collection and management of solid wastes in their county in order to meet the goals of their Solid Waste Management Plans.

These goals are aimed at ensuring that solid waste management protects public health, safety and the environment.

Methods

The study on public collection consisted of two main elements. 1) Research to better understand public collection, and 2) public engagement, to inform the public about the solid waste system, challenges related to it, and to get input on the concept of public collection.

The research included:

- **Case Studies** - Staff and consultants evaluated public collection systems and experiences in other parts of the United States and Canada, and have prepared several case studies. The purpose of these was to identify the experience with public collection in other areas. Case studies can be found in Appendix 4.

- **Municipal database** - Staff and consultants created a computer database of solid waste collection information for cities and townships in the two counties, including information gleaned from hauler licenses and municipal ordinances. This information was used to help define the current collection system, in developing a framework for public collection, and could be further developed for the design of services.
- **City/Town histories** -- Staff conducted extensive interviews with all cities/townships in Ramsey and Washington Counties about their experience in public collection of MSW and recyclables. A summary of these interviews was prepared to assist in understanding the current system, local concerns about public collection, as well as processes for implementing public collection systems. The results of these interviews can be found in Appendix 7.
- **Summary of surveys** -- Staff conducted a review of public surveys that have been conducted on solid waste issues by cities/towns and counties in the metropolitan area, particularly in Ramsey and Washington Counties. Results of those surveys were reviewed and summarized. This information was used to understand public perceptions of solid waste, and to learn about processes used by cities/towns in approaching collection issues. The results of this review can be found in Appendix 6.
- **Survey of residents** - A resident survey was conducted by MarketLine Research, and analysis of the data was carried out by County staff and consultants. The purpose of the survey was to create a baseline of information about residents' thoughts about Public Collection and to determine what residents consider important in trash collection and disposal. The survey attempted to answer the following:
 - What is important to residents in garbage service;
 - If they have an initial preference for Public Collection or open collection;
 - What their preference is for how trash is managed once it is collected; and
 - Specific concerns if their city or the county negotiated a contract with a private hauler for garbage collection service.

The results of the survey can be found in Appendix 5.

- **Legal review** – As part of the project the legal team reviewed appropriate statutes and court cases to help in framing the legal issues around public collection. This included research into financing mechanisms for a public collection system.

- **Framework** – A Preliminary Public Collection Framework was produced to provide an outline of what a public collection system could look like, based on public input during the first part of the study. The preliminary elements of the framework include these facets:
 - Services to be provided;
 - Service delivery;
 - Service zones;
 - Service standards;
 - Number of haulers per zone;
 - Procurement options;
 - Funding/payment methods;
 - Facilities; and
 - Draft potential approaches for municipalities.

The framework provided a basis for further discussion with the public during the second part of the study, and is discussed later in this report. The Framework is included in Appendix 16.

Description of Public Collection

Cities, townships and counties are charged by the State of Minnesota with protecting public health, safety and welfare, and protecting the environment. Garbage collection is a necessary public service to assure those charges, such as proper handling of sewage, provision of safe drinking water, providing safe roads, and fire and police protection services.

Some local governments have decided just to license and regulate private companies that provide waste collection services. Others have decided that it is in the best interest of residents and businesses to have the local government provide or arrange for the service.

Public collection of waste is when a city, township or county provides or arranges for collection services on behalf of residential, commercial and/or multifamily housing waste generators. The services can collect a wide range of wastes, including garbage, recyclables, compostables (such as yard waste or food waste), bulky items (such as major appliances), household hazardous wastes, and tree and shrub waste.

Some cities own trucks and have municipal employees to do the work. The City of Minneapolis uses public employees to provide collection service for garbage, recyclables, yard waste and other items to half of the residents of that city. The City contracts with a consortium of private haulers to serve the other half of the City.

Many local governments in the Twin Cities area provide public collection through a contract with a private waste hauler to provide the service in a defined area. Fifteen cities/towns in Ramsey and Washington Counties have done this for garbage collection, and 39 cities and towns in the two Counties have contracted with a recycler to provide residents curbside recycling.

Local governments have legal authority granted by the State of Minnesota to provide the service directly. If Ramsey and Washington Counties decided to pursue public collection, they could do so under such authority.

The purpose of Public Collection would be to utilize the authorities of Minnesota counties to develop the structure and mechanisms in Ramsey and Washington Counties to carry out the Counties' role to:

- Implement State policy;
- Meet environmental goals;
- Conserve resources;
- Reduce/minimize long-term liability;
- Link generators directly to their responsibility; and
- Ensure continued private sector competition for cost-effective services.

Solid waste, once generated, has an effect on public health and the environment no matter how it is managed. The degree of impact varies with the management method. Proper management of solid waste is a necessary public service. Local governments are responsible for solid waste management within their jurisdictions. Counties, such as Ramsey and Washington, have authority to arrange for collection of solid waste at the generator by adopting an ordinance to provide collection of solid waste as an essential public service. In keeping with the value of Public/Private Partnerships, in a public collection system the Counties would contract with private companies to provide the required services. The Counties' decisions on the types of services required will be guided by the goals in the Solid Waste Management Plans.

A framework for public collection was developed based on input during the first phase of public engagement, and the research conducted. The framework is found in Appendix 16.

The framework identified seven components that would guide how public collection would be implemented.

- Protect the environment, health and safety of the community by managing the waste stream and using waste as a resource.
- Individual communities are provided options for the design of the system in their community.
- Healthy competition between haulers is maintained.
- Local/independent haulers can stay in business.
- Offer a choice of haulers where the community desires it; fewer haulers on the street where the community desires it.
- Fair and competitive prices.
- Top-quality service.

The framework envisions a structure with these parts:

- **Generators:** The Counties would implement a public collection system for residential, commercial and multi-family housing generators.
- **Types of waste:** The public collection system would address mixed municipal solid waste (what most people call “garbage” or “trash”), recyclables, yard waste, brush, bulky wastes (such as furniture), compostable wastes, and household hazardous wastes.
- **Community preference:** The Counties would implement public collection based on community preference, in which municipalities would indicate how they would like services to be designed in their communities.
- **Existing public collection:** In those cities/townships where the community already has contracts in place for service, the Counties will partner with those communities.

- **Zones:** Service Zones would be created:
 - The Counties would create service zones for residential garbage and recycling services, generally along the lines of cities/townships and planning districts in Saint Paul, in which services would be provided.
 - The Counties would create service zones that are countywide for commercial services. Multiple haulers would offer service on a competitive basis in these large zones
- **Private haulers:** The Counties would contract with private haulers to provide garbage and/or recycling service for residential, commercial and multifamily housing.
- **Service Standards:** The Counties would establish service standards to assure that waste is handled according to the County's specifications.
- **Customer Choice:**
 - One or more haulers could provide residential garbage service in a zone, depending on community preference.
 - For residential recycling service, one collector would be selected.
 - For commercial and multi-family housing garbage and recycling, the zones would be countywide, and all existing haulers would be under contract and able to compete for service. New haulers would be allowed to enter into contracts and enter the market.
- **Financing:** The Counties would reduce or eliminate the waste management service charge on the property tax statement, saving taxpayers money. The cost of waste management would be shifted to the waste-hauling bill. There are different funding mechanisms available, depending on the specific structure that is ultimately selected. The most likely option is to maintain a waste management service charge, but have it be collected by waste haulers rather than on the property tax statement. The financing mechanism would need to be designed to sustain the varied services needed to meet the goals.
- **Countywide residential services:** Some residential services would be countywide, such as household hazardous waste collection sites, certain community clean-up events, and yard waste drop-off sites.

The framework includes community profiles for each city and township in the two Counties. For the City of Saint Paul, there are profiles included for each of the seventeen planning districts. Each profile includes a description of the existing system and public collection options for various waste types and various types of generators.

Public Engagement

Both County Boards, in adopting the resolutions to commence the study, clearly stated that there were no predetermined decisions, and that an important part of the study was public input. As a result the staff designed a very thorough public engagement process, to cover the Counties broadly and to seek input in a variety of ways.

Public collection has a history of being controversial, and the review of case studies from Minnesota and elsewhere showed that to get balanced input would be a challenge. The waste industry, understandably, has strong concerns about government involvement in collection, and has a history of engaging customers to advocate for the industry position. Because of this, and to get meaningful input for the County Boards the staff put significant effort into gathering input.

Methods

The public engagement process occurred in two phases. The first phase was from August 2001 through January 2002, and the second was during February and March 2002. The public engagement process had four goals for all audiences:

- *Understand the current situation for waste management in Ramsey/Washington County;*
- *Understand the concept of public collection and how it could be implemented;*
- *Understand the sequence of events for exploring and implementing public collection; and*
- *Express ideas, opinions and concerns about public collection options.*

The approach used was to engage a variety of audiences in various ways to provide information and gather meaningful input. In order to do this a variety of tools were developed to explain solid waste issues, and also to gather the input.

Broad categories of audiences included:

- Cities and Townships in Ramsey and Washington Counties: 51 total
- Saint Paul Planning Districts: 17 Total
- Waste haulers: (There are 105 licensed haulers in the Counties, but many of those are “self-haulers.” There are about 65 haulers that provide service to customers)
- Businesses
- Institutions
- State agencies
- Other organizations

General categories of tools used were:

- ***One-on-one meetings***
- ***Meetings with groups of people*** – such as waste haulers, business organizations, civic organizations, etc.
- ***Community meetings*** – most of these were hosted by a city/township, organization, or district council
- ***Presentations to community organizations*** – the following community groups were presented to from February to March 2002: Woodbury Lions Club, Wildwood Lions Club, New Brighton League of Women Voters, Croix Valley Lions Club, St. Paul East Parks Lions Club, Roseville Lions Club, Park/Port Lioness Club, Falcon Heights/Lauderdale Lions Club, and the White Bear Lions Club.
- ***Letters and emails*** – There was a lot of correspondence on this issue, to introduce the topic, invite people to meetings, respond to comments, etc. Email was used whenever possible to transmit documents and reduce paper and postage costs.
- ***Fact Sheets*** – about a dozen different fact sheets were developed to introduce the topic, describe the study, summarize solid waste issues, and introduce the preliminary framework (once it was produced).
- ***Trash Today*** – two issues, mailed in September and February to all households and businesses in the two Counties. The February issue was devoted entirely to the topic of public collection.
- ***Responses to input*** – many people asked questions, which prompted either phone calls or emails from staff. Every person that emailed comments received an email response of thanks, with some general information. This often resulted in several more emails being exchanged, with further information.
- ***Ramsey County Profile*** – 217,000 copies of this County newspaper were printed and distributed in Ramsey County, with the lead article in the fall issue being on the public collection study.
- ***Media Packets*** – mailed twice to over 50 local news organizations, containing information about the study. These resulted in several interviews and articles in local papers.
- ***Media contacts*** – local and regional media contacted staff and commissioners, and were provided information and contacts to assist in their work. This resulted in a number of articles in major and local newspapers.
- ***Media releases*** – several news releases were issued, early in the study, and when the Preliminary Framework was released for comment.
- ***Cable television appearances*** – on local cable in both Counties, and special shows produced by both Counties' public information staff.
- ***Collection Connection*** – a short newsletter sent by email or US Mail several times to provide updates to all of those people that expressed interest in the topic.
- ***Hauler News*** – sent about monthly to waste haulers with updates about the study and other issues;

- **PowerPoint presentations** – were used in various meetings.
- A portion of the **Resource Recovery Web site** was dedicated to public collection, with pages dedicated to fact sheets, timelines, meeting schedules, links to other relevant sites, and the opportunity to give feedback. A special slide show to explain about solid waste management was developed and placed on the site.
- **Six focus groups** – conducted by a subcontractor to the Project’s public affairs consultant, with three held in each County, and of those two dedicated to businesses and four to residents.
- **Preliminary Framework for Public Collection** – mailed to all waste haulers, placed on the web site, and copies were placed for public viewing in all public libraries in the two counties, at all municipal offices, and at all Saint Paul District Council offices.

A variety of tools were created to provide for input into the study. These included:

- Recording comments made in individual and group meetings and preparing written summaries;
- Creating a dedicated e-mail address (Public_Collection@co.Ramsey.mn.us) to receive messages;
- A dedicated voice-mail number where people could leave messages;
- A feedback link on the web site where users could leave comments
- Publication of the Project’s fax number
- Publication of the Project’s U. S. Mail address
- Prepaid postcards distributed from August 2001 until February 2002
- Letter-sized mailers included in the February 2002 issue of *Trash Today*;
- Comment sheets at public meetings;

One of the most valuable parts of this study was the comments received from the public. For this reason great care was taken to design a system to receive, handle, record, analyze and track input. As the information came, it was recorded, classified, and filed in a central place. That central file was accessible to staff working on various tasks. Key points for the feedback were gleaned from the input, and are noted in summary documents in this report.

Managing this input was a huge task. Each voice mail, email and comment card was listened to, recorded and categorized. Great care was taken to respect the time the sender took to provide comments.

From the public input, several contact lists were developed for people that requested feedback and follow-up. These people then received issues of *Collection Connection* when they were released.

Results

The following are summaries of the results of public input. More detailed results can be found in Appendix 9.

Municipalities: Washington County

See also Appendix 9A.

All of the cities and townships in the County received information and were continually engaged throughout the public collection study process. From January to March 2002, staff attended over eleven meetings and conducted numerous phone conversations with cities and townships. Letters have been received from several cities including: Grant, Afton, Woodbury, West Lakeland Township, and Lake St. Croix Beach. Comments through meeting minutes or phone conversations have also been received from: Oakdale, Cottage Grove, Lake Elmo, Mahtomedi, St. Paul Park, and Stillwater.

A few of the cities oppose public collection (Afton and Mahtomedi). Some have strong concerns over public collection (Lake St. Croix Beach, West Lakeland). The major reasons cited include:

- Possibly reduction of choice of hauler
- Impact on city decision making ability
- Impact on competition
- Impact on small haulers
- Possible increase in County contract administration costs

The cities of Woodbury, Oakdale and Lake Elmo stated strong support for:

- The solid waste management goals and purposes
- The solid waste hierarchy of waste reduction and recycling first, waste processing second and landfills last
- Use of a Hauler Collected Service Charge to make costs more visible and to link generators with the actual costs associated with waste disposal

The City of Oakdale expressed the support for using the Ramsey/Washington County Resource Recovery Facility for its full life cycle (beyond the contract date). The City of Woodbury supports the County's continued exploration of the public collection issue.

Municipalities and Saint Paul Planning Districts: Ramsey County

Municipalities became engaged and sought further information, especially at the staff level. Several cities had been examining changes in collection, and had committees looking into the subject. More detail can be found in Appendix 9B, including quotes from municipalities.

- *Support for goals:* Generally, municipalities support the environmental, health and safety goals in the Solid Waste Master Plan.

- *Communities Currently Organized:* The municipalities that currently have organized collection for mixed municipal solid waste (Little Canada, North Saint Paul, Vadnais Heights, White Bear Lake, White Bear Township) are pleased with the arrangement and find benefits in it. They indicate a desire to remain in control of waste collection in their municipalities and to meet County goals. Communities that currently have organized recycling service for residents (which is almost all) are pleased with this arrangement.
- *Reasons for change:* Those municipalities that have been studying whether to make changes in collection were engaged in the public collection process and indicated various reasons for pursuing change, but mostly related to city infrastructure and nuisance issues (such as noise).
- Municipalities that have not recently studied changes in collection were not as engaged in the discussion. Several cited concerns for small businesses. Others cited vocal citizens that prefer choice.
- Municipalities acknowledge the difficulty in changing collection for businesses.
- Most Saint Paul Planning Districts became very engaged, tracked the issue carefully, and some surveyed residents.
- *Community Surveys:* Several communities have recently conducted surveys of residents, and relayed those results to the County. Residents are supportive of environmental goals, but are split on issues of government involvement. People are concerned about cost, choice, small business, and the effect of garbage trucks on city streets.

Businesses

The public engagement process used a variety of methods to gather input from businesses, including meetings, mailings, emails and responses through the Trash Today publication. There appeared to be fewer comments from businesses than residents, although in emails and mailings businesses did not always identify themselves. More detailed information can be found in Appendix 9D.

General observations include:

- Businesses expressed concern on whether public collection would restrict a business' choice of hauler.
- There were concerns about government becoming involved in collection, and concern that this could drive up costs.
- The knowledge of business liability for waste varied; some businesses are very aware of the liability they face for waste disposal; others were unaware.
- Many commented that commercial properties generate more wastes and some stated that costs should be based on volume with those who produce more wastes paying more of the costs.
- Several comments were received concerning the current lack of recycling in the businesses sector. Some noted that many small businesses do not

have any recycling programs. There was support for increasing recycling efforts in all businesses.

General Public

The public engagement process used a wide variety of methods to gather input. The following are the major findings that are summarized from the resident survey, the focus groups, and the input by voice mail, email, post cards, letters, and conversations. This is only a summary of the comment. More detail can be found in Appendix 9C, including a sampling of quotes from residents.

The “first phase” of public input, which was from the start of the study until the end of January 2002, resulted in 1,340 recorded comments. Of those, 215 were voice mail messages, 130 were emails, 932 were post cards, 44 were phone calls, and the remainder were from other means.

The “second phase” of input began when the Preliminary Framework was released, and lasted until the end of March 2002. During this period there were 6,240 recorded comments. Of these, 5,361 were feedback letters from the Trash Today mailing, 398 were voice mail messages, 291 arrived via email, and the rest were post cards, faxes, phone calls or letters.

- *The term “public collection” is confusing.* A number of people believe that “public collection” means government trucks and crews. Others believe it automatically-means one-truck per zone. There is some confusion about what the study is about.
- *People support the environmental goals.* As with previous surveys conducted in the Counties and in the region, along with outcomes from the SWMCB Citizens jury, this study reflected extremely strong support for the stated environmental goals and the order of preference established by the waste management hierarchy.
- *Government has a role, but primarily to protect health and the environment.* The support for the type and level of involvement is varied, but there appears to be a clear role in establishing environmental standards. Many people believe that the Counties should require haulers to adhere to environmental standards. Some stated they do not want government involved but at the same time they want to “just have the haulers regulated to bring their wastes to the appropriate sites”. Many suggested that the government should just mandate how the waste should be handled.
- *People do not see a connection between the problem and public collection as a solution.* While people strongly support the environmental goals, they do not generally see a problem with the current waste collection system. The public typically does not understand the legal connection that to control where and how waste is managed requires control to start at the point of collection. Some residents, particularly in Saint Paul, are

concerned with people that do not have collection service creating nuisances and illegal dumping.

- *Of those that responded to the Counties' study by phone, email, postcard or letter, and who expressed a position on public collection (about 75%), slightly more than half were opposed to or leaning against public collection, and slightly less than half supported or leaned in favor of public collection. About one quarter of those responding stated no preference.*
- *Of those that opposed public collection, the five most frequently stated reasons for opposing it were:*
 - *A desire to maintain choice of hauler,*
 - *Opposition to government involvement in collection,*
 - *Concern about quality of service,*
 - *Concern that costs could go up in a public collection system, and*
 - *Concern with the effect on competition, particularly on small haulers.*
- *Competition is a key issue for people, and is a deeply held value. This concern takes several forms:*
 - *Concern for locally owned, small businesses;*
 - *Having choice and ability to leverage good service;*
 - *Competition keeps companies sharp;*
 - *Competition keeps costs lower.*
- *Of those that supported public collection, the five most frequently stated reasons were:*
 - *It helps meet environmental goals,*
 - *Support for the resource recovery facility,*
 - *Public collection will reduce truck traffic and improve safety,*
 - *It would reduce costs, and*
 - *Concern with truck traffic and the effect on the environment.*
- *Many respondents stated that if more people knew about the issues, they would be more conscious of how their wastes are handled. Many identified the need to educate residents about where their garbage goes, the effects of a waste management system on the environment, how to recycle, etc.*
- *Many of those that stated that they lived in a community with organized collection supported Public Collection.*
- *Many supported the idea of Public Collection but wanted competition maintained and protection for the small, local haulers, particularly when it came to the bidding process and the largest hauling company winning the majority of the contracts.*
- *Some stated that they would pay more for their service to better manage the wastes in order to protect the environment and save it for future generations. A number of comments referenced the idea of a volume-based fee system for waste. Respondents did not want to pay the same as their neighbor when they themselves were generating less waste.*

Other Organizations


Staff met with several organizations that expressed an interest in the issue. The Recycling Association of Minnesota (RAM) policy committee met with staff twice to learn about and offer comments on public collection. RAM is an organization with private and public sector members, whose mission is to further recycling in the State. RAM expressed interest in public collection as long as it promoted increased recycling.

Ramsey County staff and consultants met with representatives of the Saint Paul Neighborhood Energy Consortium (which, during the course of the study reorganized, with the formation of a recycling firm called Eureka Recycling). There were several meetings and phone calls. Eureka has significant experience in operating recycling programs in Saint Paul, for residential and multi-family housing. Eureka has stated that public collection has the potential to address many solid waste issues, and strongly encourages that public collection be explored to solve solid waste problems.

Waste Industry

There was a lot of interaction with the waste industry during the study. Appendix 9E explains the methods used to gather input, and includes more detail about the industry's efforts to engage their customers in the discussion. The National Solid Waste Management Association (NSWMA), members of which are mostly larger firms, conducted a very active campaign against public collection, resulting in significant feedback. Smaller hauling firms sent letters and also engaged customers.

The following summarize industry concerns:

- **Maintain Ability to Compete** - Haulers prefer to preserve the current open and organized collection system, (i.e. Customer Choice). Smaller hauling firms believe they can compete in a number of ways that allow them to differentiate their service from the competition. Competitive measures include:
 - Providing quality customer service
 - Niche marketing (providing specific, limited services and not trying to be “all things to all people”)
 - Maintaining long-term customer relationships
 - Appealing to customer preferences for supporting locally-owned independent businesses 
- **Growth Opportunities** - Establishing Service Zones and limiting the number of haulers in a zone could reduce the potential for companies to grow their business in the manner they currently use, pursuing new customers in an open hauling market.
- **Value of the Company** - Some independent haulers expressed concerns regarding the value of their business in a Public Collection system. The value (i.e., what they can sell for) is based upon their annual revenues. If they lose any of their customer base as a result of Public Collection, their annual revenues will decline, and therefore the price they receive when

selling. Some haulers indicated that they plan to use the proceeds from the sale of their company as their retirement fund.

- **View of the Future Market** - The large companies expect that there will continue to be 2 or 3 large national companies and several (4 to 8) mid-sized independents, under the status quo. Some of the smaller independents stated that they either plan to pass the business on to their sons and daughters or plan to sell their business in approximately 5 years and retire.
- **Access to Disposal/Level Playing Field** - Some independent haulers are concerned about the continued availability of disposal or recycling facilities that are not controlled by competing hauling companies. Clearly most independent haulers strongly prefer to deliver MSW to the Resource Recovery Facility, but state that if it went away, they would be able to deliver waste to competitors' landfills or transfer stations. However, they are concerned about the tipping fee price and whether they would be able to remain competitive for collection accounts.
- **Establishment of Service Zones** - If service zones are too large, only large companies will be able to compete for that business. If a specific zone was required to be serviced only on one day, some small haulers would have more customers than they could serve on that day with the number of trucks they own while on other days, their trucks would be underutilized.
- **Procurement Process** - There is extensive concern regarding independent haulers not being able to compete effectively in a competitive bidding process. They believe they are at a competitive disadvantage when cities bid for service because the lowest bidder almost always gets the contract. They acknowledge that they can do all stops in a neighborhood cheaper than in open systems, but so can large companies who have more opportunity to cover lower margins from business elsewhere. Further, municipal bid requirements typically require bidders to post significant bid bonds and provide significant amounts of excess insurance coverage – both requirements are cost prohibitive for smaller haulers.
- **Evolution of Public Collection Procurement Processes** - Some independent haulers expressed concern that even though the Framework for Public Collection includes an option for negotiating contracts with current haulers to establish multiple contracts within any given Service Zone, the system will evolve over time into a competitive bidding process awarding contracts to a single hauler in a Zone. That has been their experience elsewhere in this market, as demonstrated recently in the City of North St. Paul.
- **Municipal Preference** - Haulers are concerned with the concept of “Municipal Preference” in the Public Collection Framework. Their experience to-date is that local officials lean more toward single hauler service areas and competitive bidding as the process to award the contract rather than utilizing hauler negotiations or request for proposals.

- **Recycling Incentives** - In an open collection system, many independent haulers have difficulty charging adequately to support their recycling collection, processing, and materials marketing activities. There is also a strongly held expectation that markets should pay revenue in excess of collection costs for recyclables. Thus, when haulers discuss the Counties' goals to increase recycling, they are frustrated. There were suggestions to improve recycling via:
 - Providing incentives to haulers for recycling;
 - Providing access to independent (i.e. other than Waste Management or BFI) recycling processing facilities;
 - Providing more education for the public;
 - Setting specific standards and requiring mandatory recycling for commercial businesses.
- **Billing** - Haulers clearly prefer to retain the billing process with their customers. Concerns with the third-party billing concept included losing direct customer contact, added paperwork, cost, complaint handling, handling bad debt, etc.
 - Several haulers expressed a preference for a Hauler-Collected Service Charge (HCSC) over third-party billing, even to the extent that the HCSC was promoted as a way to accomplish several of the Counties' goals without implementing Public Collection.
 - Several haulers stated that an HCSC could create an economic incentive for increased recycling and allow tipping fees at processing facilities to be set at competitive rates with the cost of doing so being collected via the HCSC.
 - Some haulers stated the HCSC could even be used to develop a funding mechanism to create incentives for haulers to increase customer participation in recycling by their customers with the haulers receiving a payment from the fund for their recycling performance.
 - In discussions regarding volume-based approaches to the HCSC (such as Western Lake Superior Sanitary District – Duluth) versus percentage of gross receipts (such as Hennepin County and the current State solid waste tax), there was a preference for the percentage-based approach.
 - There were some concerns expressed about a HCSC such as potential increased illegal dumping and bad debt as direct costs to customers go up.
- **Summary** - The majority of haulers are opposed to Public Collection with the opposition based in perhaps 3 general categories:
 - The first is a basic fear of the unknown and the potential for change to adversely affect existing business;
 - The second is a general mistrust of government;
 - The third is their view of the market. The large national companies view Public Collection as a threat to their significant share of this market and their preference to internalize waste to their landfills. The mid-sized and larger independents view Public



Collection as a barrier to their continued growth. Several mid-to-small size independents view Public Collection as a threat to the value of their company and their planned retirement.

Analysis

Introduction of options

While the principal purpose of this study was to evaluate public collection, there were several other options that arose during the study that were analyzed. The four options considered are:

- **Implement Public Collection**
Using the preliminary framework as a guide, the Counties would proceed to design and implement a public collection system for residential, commercial and multi-family housing waste.
- **The proposal by the NSWMA**
The National Solid Waste Management Association has proposed that the larger haulers could assure that the Counties meet their financial obligations to NRG, by agreeing to deliver waste necessary to meet the 280,800 ton per year guarantee.
- **Discontinue Counties' Obligation to the Service Agreement and Processing in July 2007**
The Service Agreement between the Counties and NRG terminates on July 13, 2007. This option explores the system effects if the Counties discontinue any obligation and subsidy to process waste at NRG or an alternate facility after 2007.
- **Restructure Financing and Regulation**
The Counties would implement a hauler-collected service charge (HCSC) to replace all or a portion of the property tax-collected service charge, and would develop several contractual and regulatory approaches to implement the goals.

These options are described and analyzed in detail, below.

1. **Implement Public Collection**

Using the preliminary framework as a guide, the Counties would proceed to design and implement a public collection system for residential, commercial and multi-family housing waste.

Description

The Framework for Public Collection is found in Appendix 16. This framework describes how public collection could be implemented to address environmental, health and safety goals, as well as community concerns about solid waste and collection. To proceed with public collection there are a number of steps that would be taken over a period of time. These steps involve key decisions as follows:

- ***Legal Process***: There are two options available to the counties to implement public collection. The first includes the authority found in Minn. Stat. 115A.94 [Organized Collection Statute], summarized in Appendix 12. The second relies on authority granted in Minn. Statutes Chapters 145A, 400 and 473 [hereinafter referred to as the “direct county approach”].

The organized collection statute would fit better in a scenario in which timing is not a significant issue and in which the Counties would like cities and townships to be heavily involved in the process. In this option, the Counties would adopt ordinances that require cities and townships to organize collection under specified terms. Should the cities and townships decide not to organize, then the County would do so.

The direct county approach can be accomplished in a shorter time frame, and allows for, but does not require, significant city and township involvement. In this option, the Counties would adopt ordinances assuming responsibility for waste collection service using solid waste collection and public health authority, and then would contract with private haulers for provision of such services. The Counties could choose the level to which cities and townships are involved in the development of the system.

- ***System Design***

While the framework creates a fairly detailed description of how public collection could be implemented, there are a number of decisions that are necessary in the final design. These include:

- **Scope of Public Collection**: *Should collection be arranged for residential, commercial, and/or multi-family housing generators?*

- Services to be provided: Which waste types should be included in the public collection from the array of possibilities: mixed municipal solid waste, recyclables, yard waste, tree and shrub waste, source separated organics materials, bulky wastes (e.g. furniture), household hazardous wastes?
 - Service Zones: How should service zones be established for each of these categories:
 - ♦ Residential – The framework suggests by municipal boundary except in Saint Paul, in which it could be for the entire City, wards, planning districts or other configurations. Other boundaries could also be used, such as entire counties for residential service.
 - ♦ Commercial – The framework suggests that the zones be Countywide, except for Afton, which currently has public collection for commercial waste.
 - ♦ Multi-Family – The framework suggests the zones be Countywide, except in those communities with organized collection that arrange for multi-family service.
 - Service Delivery: To what extent should the County specify service delivery standards? Issues such as mandatory collection, service quality, handling complaints, etc. would need to be outlined.
 - Service Standards final design: The framework contains, for discussion, draft service standards that would be included in service contracts or presented to municipalities to meet. The specifics of the standards would need to be finalized in a process to assure that the standards are appropriate.
 - Number of haulers per zone for residential zones: This is an item that is related to community preference (see below).
- **Implementation Decisions**
 - Working with municipalities: How will the Counties determine “community preference?” Should City Councils and Town Boards be asked to formally declare the community preference for design of collection? Should the Counties use the Organized Collection Statute 115A.94 to require cities and townships to act on collection?
 - Administration: This includes initial and ongoing work, such as:
 - ♦ Developing and monitoring ordinances,
 - ♦ Developing and monitoring contracts,
 - ♦ Managing financial issues.
 - Procurement: The specific procurement methods would need to be selected, and then implemented.
 - Financing: There are many characteristics that require flexibility in how public collection may be implemented and

how collection and management services are funded. Variables to take into consideration include:

- ◆ *Different zones with different contractors*
- ◆ *Type of generator: residential, commercial, multi-family housing*
- ◆ *Waste types*
- ◆ *Level of service*
- ◆ *Service standards*

Design issues include

- ◆ *Billing methods: Hauler billed, municipal billed, third party billed*

- ***Facility Availability***

Under public collection, the counties would have potential increased exposure to liability associated with the solid wastes for which they arrange collection service. The Counties would need to take appropriate measures to manage the increased exposure. Delivery of various wastes, including mixed municipal solid waste (MSW) recyclables, yard waste, source-separated organics, brush, etc. would need to be taken to facilities that meet certain performance standards.

It may be necessary for the Counties to contract with facilities to assure that capacity is available to haulers collecting various wastes under contract to the Counties. The Counties could contract with a variety of facilities to assure access, but would seek to do so without “put-or-pay” provisions (provisions that require a certain amount of waste to be delivered, or, if not delivered, payment made). If, and only if, the market does not respond to specifically provide the necessary facilities in a cost-competitive manner, the Counties could facilitate the development of the necessary management capacity. Any further management facility development should be coordinated at the regional level.

- ***Timeline***

The following page contains a timeline that *could* be used to implement public collection. This timeline is an example of the most streamlined process possible. The actual timeline would depend on actions taken in 2002, on whether and how to proceed with a public collection system, and what the system design would be. This timeline assumes an approach in which the County would directly contract. It is possible that the Counties would use the organized collection statute, which may extend the timelines.

April 2002	Joint County Board workshop to consider the framework, results of research, options and recommendations. After the workshop, County Boards could decide to proceed to implement public collection. If the County Boards want to proceed, the next steps could occur:
June 2002	<ul style="list-style-type: none"> • County Resolutions of Intent to implement public collection. • Direction to staff to prepare specific plans for implementing public collection. • County Boards allocate funds necessary to develop plans and ordinances • Submit Preliminary Notification of Intent to withdraw from SWMCB Regional Hauler Licensing; commence process to amend ordinances to reinstate County-based hauler licensing
November 2002	<ul style="list-style-type: none"> • Draft plans which show specifics of collection systems. • Identify the specific manner in which public collection would be implemented, including determining zones, levels of service, method of service delivery, and funding in each County. • Draft ordinances that, once adopted, could implement public collection
January 2003	<ul style="list-style-type: none"> • Commence ordinance adoption process in each County for purpose of public meetings/discussion. • Counties issue six-month licenses to haulers for July 1, 2003 to December 31, 2003.
February – March 2003	Hearings on final draft Ordinance(s) in each County.
April 2003	Adopt ordinance(s). It is at this point that public collection would proceed to be implemented. Prior to this time, the County Boards could decide not to move forward. Once the ordinance is adopted, it becomes law, and would be implemented.
May – November 2003	Seek proposals and/or negotiate and finalize contracts with haulers.
December 2003	Counties issue annual licenses for 2004 to haulers that will be under contract in specific zones
January 1, 2004	Implementation.

Analysis According to Criteria

Option: Implement Public Collection	
Criterion	Rating*
To what extent does the option support the goals?	1
Ease of administration and cost of administration;	4 initially 3 ongoing
Ease of assuring compliance;	3
Ease of explaining to the public; and	3
Public acceptance.	3
* See the numerical rating definitions earlier in the report, in the section titled: “Criteria for Evaluation of Public Collection and Alternatives”	

- Public collection can support the goals quite strongly, in that the service contracts can be quite specific as to what happens to materials after it is collected and can realign funding so that generators pay more directly for waste management.
- Public collection would be difficult to administer at the outset, given the number of service zones and number of procurement processes that would have to take place. The timeframe over which it would be implemented would affect the complexity: over a longer time frame some services could be phased in. Experience in other jurisdictions shows that ongoing costs to administer public collection are not great.
- One task in public collection is to assure compliance with contracts. The level of effort would depend on several factors, such as the level of the tipping fee at end facilities. High tipping fees would create an incentive to deliver waste elsewhere and violate the contract. Low tipping fees would create an incentive to deliver waste from outside of Ramsey and Washington Counties.
- The reaction to public collection is mixed, but a vocal portion the public does not understand how a change in collection is related to long-term environmental goals. Because of that they don’t understand why a change would be needed. Public collection is complicated to explain.

Advantages/Disadvantages

Advantages

1. Public collection can be designed to meet the environmental, health and safety goals of the State and Counties.
2. Public collection can be designed to meet a variety of community concerns, such as competition, choice, service quality, etc.
3. There is precedent for public collection: in the Counties, in Minnesota, and in other parts of the United States; there are models to consider in implementation.
4. Depending on how it is designed, public collection is able to reduce local impacts on traffic and illegal dumping.
5. Public collection can serve to stabilize the solid waste market in the two counties, offering more predictability to the generators by creating service standards for all haulers.
6. Public collection offers the opportunity for more consistency in services, which can help to meet environmental, health and safety goals.
7. The experience of public collection in several areas that have moved to single-hauler systems has shown reduced costs due to efficiencies in collection.
8. The funding mechanisms allow the counties to remove solid waste costs from property tax statements so that waste generators are more directly billed based on volume.

Disadvantages

1. Public collection is a significant shift in the way service is provided in several areas, and that degree of change is discomfoting to many people.
2. Depending on how it is designed, public collection could limit customer choice, should a community prefer fewer haulers than in current open systems.
3. There are administrative costs associated with a change in collection that may not be offset by savings to generators, depending on the design of a public collection system. [See Appendix 13.]
4. Waste haulers indicate strong concerns with government involvement, believing that even a system designed to protect the independent hauler (such as with multiple haulers offering choice) would eventually lead to accelerated industry consolidation.
5. The waste industry is vigorously opposed to public collection, and is willing spend significant funds and take strong steps to prevent it. This would increase the cost and difficulty in moving forward with public collection.

2. The proposal by the NSWMA

The National Solid Waste Management Association has proposed that the larger haulers could assure that the Counties meet their financial obligations to NRG, by agreeing to deliver waste necessary to meet the 280,800 ton per year guarantee.*

** The NSWMA is a national industry association with a Minnesota affiliate. The membership in Minnesota is comprised mostly of large companies, including Waste Management, BFI, Vasko and Walters. Superior Services, while not a member, has teamed with the NSWMA on the issue of public collection.*

Early in the study on public collection the NSWMA sent a letter to Commissioners, stating that it had proposed a solution with these points:

- “Assure the counties that the Newport facility will receive at least 280,800 tons of waste each year through 2008.”
- “Continue to work with Washington and Ramsey Counties and local governments to seek to assure the tonnage needed to support the counties financial commitments to NRG.”
- “Continue to provide our customers with the freedom to choose who provides waste hauling services to their homes or businesses.”
- “Continue to provide our customers with the ability to negotiate their own rates and services.”
- “Continue encouraging recycling and environmental protection.”
- “Continue providing customers with reliable service.”

In correspondence with customers, but not the County, the NSWMA clarifies a “4-point plan” as follows:

- **Preserve Customer Choice.** Allow customers to continue to choose who provides waste service to their homes or businesses. Consumers would also be able to continue to negotiate the rates they pay and the services they want to receive.
- **Environmental Protection.** Haulers certify that we will utilize waste disposal facilities that meet or exceed strict state and federal environmental standards, regardless of the type of waste disposal method.
- **Protect County Contracts.** Haulers have assured the counties that we will supply enough waste volume to the Newport waste processing facility to pay off the remaining contract obligations.
- **Increase Recycling.** Haulers are willing to work together in a public/private partnership to reduce the challenges associated with waste disposal. We want to strengthen the partnership between state and local government, waste haulers and consumers to achieve our common objective to reduce, reuse and recycle.

Description: This option would have the Counties decide to accept the NSWMA offer, and have a role in waste management through the term of the Service Agreement, but they would not seek to optimize the Facility’s capacity and would only assure delivery of waste volumes at the guaranteed tonnage.

The Counties would need to work with NRG and its parent firm, Xcel Energy, as this decision would have an impact on its operations.

Analysis/Potential Consequences

Option: NSWMA Proposal	
Criterion	Rating*
To what extent does the option support the goals?	4
Ease of administration and cost of administration;	1
Ease of assuring compliance;	1
Ease of explaining to the public; and	4
Public acceptance.	3
*See the numerical rating definitions earlier in the report, in the section entitled: “Criteria for Evaluation of Public Collection and Alternatives”	

- This option does little if anything to support the Counties’ goals for integrated solid waste management. The NSWMA option focuses only on the Resource Recovery Facility and at the minimum level. The broader solid waste management goals for reduction, recycling, toxicity reduction, managing risk, equitable funding and responsibility for waste management would not be addressed.
- The study showed that public opinion continues to strongly support the hierarchy and broader solid waste management goals. It would be difficult to explain and gain public acceptance of an option that falls significantly short of meeting the public’s vision for solid waste management.

Advantages/Disadvantages

Advantages:

1. 280,800 tons is theoretically easier to acquire than 420,000 tons.
2. Is easy to administer: presumably contracts would be in place to assure waste to the Resource Recovery Facility that would require little monitoring.
3. Preserves customer choice.

Disadvantages:

1. This option is counter to the stated outcomes in the respective Master Plans, State Policy and the SWMCB joint powers agreement, that call for optimizing the Facility processing capacity.
2. The NSWMA is not specific as to the level of the tipping fee or the terms of the agreement, so the cost of the proposal cannot be determined.
3. Xcel and NRG may make irreversible decisions to close part or all of certain facilities, reducing waste processing and electrical generation capacity, because 280,800 tons is less than the minimum tonnage needed to efficiently operate the facility and supply fuel to the combustion facilities. [See Appendix 15.]
4. More waste would be landfilled than in previous years.
5. Because more waste would be landfilled, there would be increased generator liability, reduced environmental protection, and reduced resource conservation.
6. The NSWMA proposal is not specific as to how source reduction, recycling and toxicity reduction goals would be met, and how trends away from the goals would be reversed.

3. Discontinue Counties' Obligation to the Service Agreement and Processing in July 2007

The Service Agreement between the Counties and NRG terminates on July 13, 2007. This option explores the system effects if the Counties discontinue any obligation and subsidy to process waste at NRG or an alternate facility after 2007. Staff was requested by the Project Board to analyze this option.

Description:

- Notify NRG of intent to not continue the Service Agreement after it expires in 2007.
- Continue to contract either on annual basis or for remaining four and a half years (2003 – July 2007) with waste haulers for waste deliveries.
- Must meet or exceed guaranteed tonnage delivery of 280,800 tons per year for each of the next four and a half years.
- Continue to collect Waste Management Service Charges on the property tax statement to pay for resource recovery costs for the next four and half years.
- Continue and fund current respective County programs for source reduction, toxicity reduction (such as household hazardous waste collection), recycling, yard waste as decided by each County.

Analysis/Potential Consequences

Option: Discontinue Processing After 2007	
Criterion	Rating*
To what extent does the option support the goals?	4
Ease of administration and cost of administration;	2
Ease of assuring compliance;	2
Ease of explaining to the public; and	4
Public acceptance.	3
*See the numerical rating definitions earlier in the report, in the section entitled: "Criteria for Evaluation of Public Collection and Alternatives"	

- Development of contracts would be dependent on hauling companies agreeing to them. NSWMA has offered to assure 280,800 tons per year. The ability to assure up to 410,000 tons would be uncertain, and carries planning and administrative problems.
- Depending on waste deliveries and tipping fee levels, each County will likely need to increase the amount of waste management service charge.
- After July 2007, the ability of Counties to meet mandated goals and negotiated outcomes in the Master Plans (reduction, recycling, resource recovery) will significantly decrease.
- This option could have a significant impact on the Facility prior to 2007, depending on waste deliveries and future County support. See Appendix 15.
- If the Facility is still in operation after July 2007 it is assumed that the tipping fee charge would need to cover all costs and be at least \$60/ton. It is assumed that the cost to operate the Facility would be significantly higher than landfilling.
- The majority of the independent haulers would need to determine their disposal options. Most independent haulers would seek landfill or transfer station disposal contracts with current competitors. One of the critical concerns of independent haulers is access to cost competitive disposal options not controlled by competitors. They are very concerned they would no longer be able to compete for collection service. Hence, collection costs could rise significantly.
- There would be a substantial increase in the amount of waste landfilled.
- The study showed that public opinion continues to strongly support the hierarchy and broader solid waste management goals. It would be difficult to explain and gain public acceptance of an option that falls short of meeting the public's vision for solid waste management.

Advantages/Disadvantages

Advantages

1. Reduces County subsidy for Resource Recovery after July 2007, and potentially in the interim, if only about 280,800 tons are delivered.

Disadvantages

2. Xcel and NRG may make irreversible decisions to close part or all of processing and combustion facilities, reducing or eliminating the availability of a publicly supported facility to process waste.
3. After 2007 the majority of independent haulers will be greatly impacted, by having only disposal/transfer locations available that belong to competitors. This would likely further accelerate consolidation in the market.
4. The Counties will be unable to meet State mandated goals and negotiated outcomes in the State-approved Regional/County Master Plan.
5. There would be a substantial increase in the amount of waste landfilled, prior to 2007 if waste deliveries decline, and after 2007 if the facility closes.
6. The Counties and generators whose waste is landfilled face an increased risk of Superfund liability.

4. Restructure Financing and Regulation

The Counties would implement a hauler-collected service charge to replace all or a portion of the property tax-collected service charge, and would develop and implement several contractual and regulatory approaches related to the goals.

This option grew out of the public engagement process. Several citizens and waste haulers suggested that by moving service charges for waste management to the hauler bill and off the property tax statement, and making some regulatory and policy changes, that progress could be made in meeting the goals.

Description

This option has these four components:

- Develop and implement a hauler-collected service charge and shift the collection of the service charge in whole or in part from the property tax statement;
- Seek voluntary commitments, in the form of contracts, from haulers to meet the environmental goals at the resource recovery facility and other resource recovery options;
- Focus on the long-term in making policy decisions; and
- Change programs and policies as necessary to make progress toward goals, especially in source reduction, toxicity reduction, recycling and composting of organic waste.

The hauler-collected service charge component is discussed in Appendix 11. It addresses some parts of the problem in that it better aligns waste management costs with generation of waste. In so doing it helps address generator responsibility. Designed appropriately, it also helps to create economic incentives for waste reduction and recycling, especially among commercial generators.

The hauler-collected service charge alone does not resolve problems, but merely changes the means by which public dollars for solid waste are collected. In order to address problems with resource recovery, contractual commitments from haulers to meet the Facility capacity in the long-term would be needed. To meet goals for source reduction, recycling and source-separated organics composting there would need to be increased efforts on education and service delivery, particularly among commercial generators. It may be necessary to add regulations in this regard. To address issues related to illegal dumping, it may be necessary to increase the opportunity for disposal, for example through more municipal clean-up events.

Analysis According to Criteria

Option: Restructure Financing and Regulation	
Criterion	Rating*
To what extent does the option support the goals?	2
Ease of administration and cost of administration;	2
Ease of assuring compliance;	2
Ease of explaining to the public; and	2
Public acceptance.	1
* See the numerical rating definitions earlier in the report, in the section entitled: "Criteria for Evaluation of Public Collection and Alternatives."	

Advantages/Disadvantages

Advantages

1. This option can be designed to move toward the environmental, health and safety goals of the State and Counties.
2. This option does not change collection service, thereby addressing the concerns expressed by many about competition, choice, service quality, etc.
3. This approach is not a significant shift in the way service is provided in several areas, and would likely be easier for the public to accept.
4. There is precedent for the hauler-collected-service-charge, which is in use in Hennepin and Olmsted Counties and the Western Lake Superior Sanitary District.
5. This approach removes some or all of hidden costs from the property tax statement, and better aligns the waste generator with cost of waste management by having costs on the hauler bill.
6. By moving the cost of waste management more directly onto the hauler bill, there are incentives for reduction and recycling, especially for commercial generators.
7. This approach can stabilize deliveries to the Resource Recovery Facility, providing there is compliance with voluntary commitments in

the form of contracts. This should result in the facility being available for independent haulers, and create some predictability.

8. This approach can be used to promote resource recovery beyond the contract end-date in 2007, and optimize the use of resource recovery capacity.
9. This approach appears to be supported more by the haulers than public collection, which would make implementation less onerous.

Disadvantages

1. This approach depends on voluntary commitments on the part of the waste industry to support the integrated waste management system as planned by the Counties.
2. In moving some or all costs of waste management from the property tax statement to the hauler bill, there could be a perception that costs are increasing.
3. In moving some or all of the costs of waste management from the property tax statement to the hauler bill, there could be an increase in the number of people that drop collection service, and an increase in illegal dumping or burning.
4. This does not create the opportunity for the County to address local issues, such as truck traffic and noise, that are of concern to many residents.
5. There are administrative costs associated with a hauler-collected service charge.
6. Depending on the design and level of commitment by the industry, there may be more landfilling than would occur under public collection, and less incentive to explore new technologies, such as source-separated organics composting.

Conclusions

- The public strongly supports managing waste in a manner that protects health and the environment. Throughout the engagement process the public confirmed the direction that Minnesota and the Counties have taken in waste management.
- Public collection can be designed and implemented to address environmental, health and safety goals in Ramsey and Washington Counties.
- Public collection exists in several forms in Ramsey and Washington Counties:
 - 12 municipalities have organized collection for residential mixed municipal solid waste;
 - One municipality in Washington County has organized collection for residential and commercial mixed municipal solid waste;
 - Most municipalities in Ramsey County, and several in Washington County, have organized collection for residential recyclables;
 - All of Ramsey County, and several municipalities in Washington County, have public collection of yard waste; and
 - All of Ramsey and Washington Counties have public collection for household hazardous waste.
- Public collection has precedent in Minnesota and other parts of the United States, and operates to provide high quality service in a safe and effective manner.
- Public collection can be designed to address public concerns about hauler choice, survival of independent haulers, competition, quality of service, cost, service reliability and environmental, health and safety goals.
- Independent haulers strongly support having the Resource Recovery Facility available as a place to deliver waste that is not owned by their competition, and having that facility available in the long-term would be a factor in their continued existence. The independent haulers, however, oppose public collection even if it means the Facility could close.
- The waste industry is vigorously opposed to public collection, and is willing spend significant funds and take strong steps to prevent it.
- The Counties have been successful in engaging the public on this issue.
- The public is split on the issue of public collection:
 - Those that support public collection do so mainly for one of various reasons: because it would address garbage truck traffic; it would be more efficient; because of experience elsewhere; because it could cost less or because it supports environmental, health and safety goals.
 - Those that oppose public collection are quite vocal, and do so for several reasons: concern with increasing government involvement; desire to retain choice in selecting a garbage hauler; concern for small businesses; a perception that costs will increase; belief that there is no problem; not agreeing with the environmental goals.
- The waste industry appears to be amenable to implementing a hauler collected service charge (HCSC) along with contracts and regulatory changes directed toward generators to accomplish the goals, in lieu of public collection.

Staff Recommendations

The options: “The proposal by the NSWMA” and “Discontinue Counties’ Obligation to the Service Agreement and Processing in July 2007,” do nothing more to move the Counties toward the Solid Waste Master Plan goals, and, therefore, should not be further considered.

While the option to “Implement Public Collection” provides the best solution to meet the goals, it also causes major collection system changes and hence has much opposition. This will cause implementation problems. The option to “Restructure Financing and Regulation,” while not addressing the goals as well as Public Collection, has fewer implementation problems and rates better overall, as noted in the evaluation criteria.

General Recommendations:

Ramsey and Washington Counties should:

- Make decisions that improve the current system in the long-term, with that being defined as beyond July 2007.
- Make system changes to create market incentives for source reduction, recycling, organics composting, especially among commercial generators.
- Create a forum for Counties and the waste industry to communicate and work together in public/private partnership to implement changes and realign the system toward the environmental, health and safety goals.

Specific Recommendations:

Ramsey and Washington Counties should:

- Develop and implement a hauler-collected waste management service charge, and move some or all of the service charge from the property tax statement to that new financing tool.
- Enter into long-term contracts with the waste industry to assure delivery of the optimum amount of waste to the Resource Recovery Facility at a tipping fee appropriate to the market, and to create opportunities for the composting of source separated organic wastes.
- Work with municipalities, as appropriate, to incorporate service standards that support the Counties goals into municipal policies and contracts.
- Take advantage of increased public awareness that resulted from this study, and mailing lists of interested citizens that the Counties and haulers have developed, by using joint education efforts between private and public sector on the implementation of the new system, including promotion of waste and toxicity reduction and recycling.

- Create and fund partnerships with municipalities and haulers to provide increased opportunities for disposal of difficult materials, such as bulky items and brush, in order to reduce illegal dumping and burning. Specific examples of opportunities to develop or test in pilot projects include:
 - Expanded frequency of municipal clean-up events;
 - Curbside collection of bulky items; and/or
 - Vouchers for residents to use local transfer stations at a reduced cost.
- Work with haulers and municipalities to identify violators of local mandatory collection ordinances, in order to assure that waste is being properly managed (and not illegally dumped or burned).
- Create and fund increased opportunities for households and small businesses to legally dispose of special wastes and hazardous wastes.

If these recommendations are implemented and good faith efforts in a public/private partnership result in progress toward the environmental goals, the Counties should not implement public collection at this time.

However, if the Counties cannot substantially achieve these recommendations, and a public/private partnership does not materialize and move the system toward the goals using these methods, public collection should then be implemented.