

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT**

2785 White Bear Avenue • Suite 350 • Maplewood, Minnesota 55109 • 651.266.1194 • 651.266.1177

MEETING NOTICE

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD MEETING**

DATE: January 27, 2011
TIME: 9:00 a.m. -- Noon
PLACE: Resource Recovery Project/Ramsey County Environmental Health Offices
2785 White Bear Avenue, Suite 350
Maplewood, MN 55109

AGENDA:

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES – May 27, 2010**
- IV. BUSINESS**
 - A. Governance
 - 1. Election of Officers Action
 - 2. Appointment of Executive Committee Action
 - 3. Appointment of 2012 Budget Committee Action by Chair
 - B. Administration
 - 1. 2010 Report of Budget Activity Information
 - 2. 2011 Work Plan & Meeting Schedule Action
 - C. Policy
 - 1. 2010 Resource Recovery Project Results Report Information
 - 2. Staff Updates
 - 3. Organic Waste Management
 - a. Updates on organic waste management Information
 - b. Policy Discussion: Organic Waste Management Discussion
 - c. Anaerobic Digestion Proposal: Sanimax and Saint Paul Port Authority Information
- V. OTHER BUSINESS**

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD
MAY 27, 2010
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 8:30 a.m., May 27, 2010 at the St. Paul - Ramsey County Department of Public Health, Environmental Health Section, Maplewood, Minnesota.

MEMBERS PRESENT:

Commissioners Toni Carter, Rafael Ortega, Jan Parker, Victoria Reinhardt, Janice Rettman – Ramsey County
Commissioners Gary Kriesel, Lisa Weik – Washington County
Basil Loveland, City of Newport Representative

MEMBERS ABSENT:

Commissioner Bill Pulkrabek – Washington County

ALSO ATTENDING:

Mary Elizabeth Berglund, Gary Bruns, Marty Gagliardi, Zack Hansen, Judy Hunter, Kevin Johnson, Lowell Johnson, Peter Klein, Dan Krivit, Susan Kuss, Anne Lukvik, Harry McPeak, Allan Muller, Trudy Richter, Norm Schiferl, Katie Shaw, Warren Shuros, Tim Steinbeck, Mike Sullivan, Jodi Taitt, Brian Ukena

APPROVAL OF AGENDA:

Commissioner Parker moved, seconded by Commissioner Kriesel, to approve the minutes.

Roll Call: Ayes – 5 Nays – 0 Motion Carried.

APPROVAL OF THE JULY 30, 2009 MINUTES:

Commissioner Kriesel moved, seconded by Commissioner Parker, to approve the minutes.

Roll Call: Ayes – 5 Nays – 0 Motion Carried.

Commissioners Toni Carter and Lisa Weik arrived.

SECTION A: ADMINISTRATION

2009 - 2010 Monthly Report of Budget Activity:

Susan Kuss said the 2009 – 2010 monthly disbursements are routine. There were no questions.

2010 Work Plan

Commissioner Carter moved, seconded by Commissioner Kriesel, to approve the 2010 Project Work Plan.

Roll Call: Ayes – 7 Nays – 0 Motion Carried.

SECTION B: POLICY

2009 RESOURCE RECOVERY PROJECT RESULTS REPORT

Zack Hansen summarized the 2009 Resource Recovery Project Results Report.

CURRENT EVENTS IN WASTE PROCESSING

RRT Update

Mike Sullivan, EBF & Marty Gagliardi, RRT provided an overview of the history of the Newport Resource Recovery Facility. The RRT Elk River Facility was sold to GRE in April 2010.

Commissioner Rafael Ortega arrived.

GRE Update

Tim Steinbeck gave an overview on the Great River Energy (GRE). He then announced that GRE is proud to take over the ownership and operation of the Elk River Resource Processing Plant and to integrate its operation with the power plant.

Minnesota Resource Recovery Association Update, Trudy Richter

Trudy Richter, MRRA, updated the Project Board on the Minnesota Resource Recovery Association's perspective on Resource Recovery, about the future and what is happening elsewhere.

CURRENT EVENTS IN WASTE MANAGEMENT POLICY DEVELOPMENT

Zack Hansen gave an overview of the current activities in waste management.

ORGANIC WASTE MANAGEMENT

Updates on Organic Waste Management

Judy Hunter stated that Ramsey & Washington Counties have very aggressive integrated plans. She said there would be two presentations. The first one is "Commercial Organic Waste Availability" presented by Foth Environmental and JL Taitt & Associates. The second one is "Anaerobic Digestion" presented by the Saint Paul Port Authority.

Commercial Organic Waste Availability – Foth Environmental and JL Taitt & Associates

Two new anaerobic digestion reports were presented by Dan Krivit, Foth Environmental and Jodi Taitt, JL Taitt & Associates.

Jodi Taitt provided an overview of "An Integrated Organic Waste Management System: From the Perspective Commercial Waste Generators Report". This report analyzes anaerobic digestion as a new organic waste management concept from the perspective of commercial waste generators located in Ramsey and Washington Counties by exploring logistics of daily operations, types of upfront costs, and changes in the configuration of waste management services.

Dan Krivit provided an overview of the "Organic Materials from Commercial Establishments: A Supply Assessment Report". The assessment contains preliminary estimates of quantities of commercial organic materials not currently recovered by other programs that may be available as feedstock for an anaerobic digestion facility. It also characterizes the types of commercial establishments that may be sources of targeted organic materials such as food scraps and nonrecyclable paper.

Both reports are located on the Resource Recovery Project website.

Anaerobic Digestion – Peter Klein, Saint Paul Port Authority

Peter Klein, Saint Paul Port Authority, updated the Project Board that the Port Authority is moving forward with two metro anaerobic digestion projects using municipal organic as a feedstock. The intent is to have these projects permitted and to have a financing plan in place by the end of the year.

ADJOURNMENT:

Chair Reinhardt adjourned the meeting.

Approved:

Commissioner Victoria Reinhardt

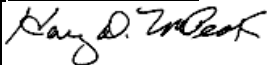
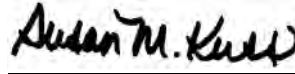
AGENDA ITEM A-1

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR PROJECT BOARD ACTION

BOARD MEETING DATE: <u>January 27, 2011</u> DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u> Election of Officers	
<u>BACKGROUND:</u> The Joint Powers Agreement specifies that there shall be a Project Board Chair and Vice Chair, and that they shall rotate on a biennial basis between Commissioners from each County. The Chair in 2011 & 2012 shall be held by Washington County, and the Vice Chair by Ramsey County.	
<u>PROJECT BOARD ACTION REQUESTED:</u> Nominate and elect the Resource Recovery Project Board Chair, from Washington County, and Vice Chair, from Ramsey County.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> None.	
<u>ADMINISTRATIVE COMMENTS:</u> With this change, the Chair of the Joint Staff Committee will change from Zack Hansen, Ramsey County to Judy Hunter, Washington County. As outlined in the Joint Powers Agreement.	
<u>REVIEWED BY:</u>	
<u>Kay D. Beck</u>	<u>1.11.10</u>
Ramsey County Attorney	Date
<u>Audan M. Kull</u>	<u>1.18.11</u>
Washington County Attorney	Date
Budgeting & Accounting	Date

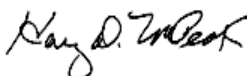

AGENDA ITEM A-2

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR PROJECT BOARD ACTION

BOARD MEETING DATE: <u>January 27, 2011</u> DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u> Appointment of Executive Committee	
<u>BACKGROUND:</u> The Joint Powers Agreement creates an Executive Committee each year to fulfill duties specified in the Agreement. Those include soliciting bids and requests for proposals, and executing contracts and amendments to contracts that are included in the approved annual budget and within Project Board authority. The Executive Committee is comprised of the Chair, Vice Chair, and a third member from the County that does not hold the Chair. In 2010, Commissioners Reinhardt, Kriesel, and Hegberg served on the Executive Committee.	
<u>PROJECT BOARD ACTION REQUESTED:</u> The Ramsey/Washington County Resource Recovery Project Board is requested to select a commissioner from Ramsey County to be the third member of the Executive Committee during 2011.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> None	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
<u></u>	<u>1.11.11</u>
Ramsey County Attorney	Date
<u></u>	<u>1.18.11</u>
Washington County Attorney	Date
Budgeting & Accounting	Date

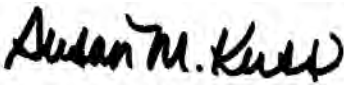
AGENDA ITEM A-3

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR PROJECT BOARD ACTION

BOARD MEETING DATE: <u>January 27, 2011</u> DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u> <u>Appointment of 2012 Budget Review Committee</u>	
<u>BACKGROUND:</u> <p>Historically, the Project Board Chair appoints a three (3) person Budget Review Committee to review staff recommendations on the Project's Budget. For the 2010-2011 budget the Budget Committee was comprised of Commissioners Carter, Hegberg and Rettman. The newly appointed Budget Review Committee will meet in May, 2011 to review the 2012 Project budget proposed by staff, and make a recommendation on the budget to the full Project Board.</p>	
<u>PROJECT BOARD ACTION REQUESTED:</u> <p>The Chair is requested to appoint the Budget Committee.</p>	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
<u></u>	<u>1.11.11</u>
Ramsey County Attorney	Date
<u></u>	<u>1.18.11</u>
Washington County Attorney	Date
Budgeting & Accounting	Date

AGENDA ITEM B-1

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>January 27, 2011</u> DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	Report of Budget Activity 1) 2010 Budget Condition Report
<u>BACKGROUND:</u> The Resource Recovery Project Board requires that all invoice payments and Budget Adjustments be submitted for review.	
<u>PROJECT BOARD ACTION REQUESTED:</u> For information only.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
Ramsey County Attorney _____	Date _____
Washington County Attorney _____	Date _____
	 _____
	Budgeting & Accounting _____ 1.19.11
	Date _____



Ramsey County ASPEN
ORGANIZATION BUDGET STATUS
By Fiscal Year & Accounting Period

Business Unit: RC Fund: 35101 Ramsey/Wash Co Res Recov Brd
Budget Period: BY2010 To Fiscal Year: 2011 To Accounting Period: 12 % of Fiscal Year Elapsed: 100.00

Organization	Program	Account	Tracking Budget	Adjusted Budget Amount	Pre-Encumbered Amount	Encumbered Amount	Expended Amount	% Expended	Remaining Spending Authority
140101	All Programs	State Auditor							
140101	00000	421102	Y	5,360.00	0.00	0.00	4,475.00	83.49	885.00
140101	All Programs	Legal Services							
140101	00000	421201	Y	40,000.00	0.00	33,300.00	6,700.00	16.75	0.00
140101	All Programs	County Attorney Services							
140101	00000	421208	Y	13,457.00	0.00	0.00	3,206.00	23.82	10,251.00
140101	All Programs	Consulting Services							
140101	00000	421501	Y	1,500.00	0.00	1,312.50	187.50	12.50	0.00
140101	All Programs	Engineering Service							
140101	00000	421502	Y	95,000.00	0.00	0.00	94,624.13	99.60	375.87
140101	All Programs	Co Project Management Svcs							
140101	00000	421511	Y	262,301.00	0.00	0.00	257,942.18	98.34	4,358.82
140101	All Programs	Advertising & Promotion							
140101	00000	421602	Y	298,000.00	0.00	0.00	170,397.74	57.18	127,602.26
140101	All Programs	Records Storage/Retriev Fees							
140101	00000	423309	Y	500.00	0.00	0.00	398.22	79.64	101.78
140101	All Programs	Liability & Property Damage							
140101	00000	424107	Y	25,664.00	0.00	0.00	23,218.00	90.47	2,446.00
140101	All Programs	Membership & Dues							
140101	00000	424302	Y	750.00	0.00	0.00	750.00	100.00	0.00



Ramsey County ASPEN
ORGANIZATION BUDGET STATUS
By Fiscal Year & Accounting Period

Business Unit: RC
Budget Period: BY2010

Fund: 35101
To Fiscal Year: 2011

Ramsey/Wash Co Res Recov Brd
To Accounting Period: 12

% of Fiscal Year Elapsed: 100.00

Organization	Program	Account	Tracking Budget	Adjusted Budget Amount	Pre-Encumbered Amount	Encumbered Amount	Expended Amount	% Expended	Remaining Spending Authority
140101	All Programs	Other Travel							
140101	00000	424304	Y	3,000.00	0.00	0.00	0.00	0.00	3,000.00
140101	All Programs	County Manager Meeting Expense							
140101	00000	424306	Y	300.00	0.00	0.00	135.86	45.29	164.14
140101	All Programs	Other Services							
140101	00000	424601	Y	100,000.00	0.00	0.00	60,000.00	60.00	40,000.00
Total for Organization: 140101				<u>845,832.00</u>	<u>0.00</u>	<u>34,612.50</u>	<u>622,034.63</u>	73.54	<u>189,184.87</u>
Ramsay/Wash Res Recov-Adm									
140102	All Programs	Resource Recovery Service Fee							
140102	00000	422306	Y	7,000,000.00	0.00	0.00	5,565,985.80	79.51	1,434,014.20
140102	All Programs	Rebates-Res Rec Tipping Fees							
140102	00000	424623	Y	4,200,000.00	0.00	0.00	3,112,008.48	74.10	1,087,991.52
140102	All Programs	Subsidies to Other Entities							
140102	00000	425102	Y	50,000.00	0.00	24,040.50	25,959.50	51.92	0.00
Total for Organization: 140102				<u>11,250,000.00</u>	<u>0.00</u>	<u>24,040.50</u>	<u>8,703,953.78</u>	77.37	<u>2,522,005.72</u>
Ramsay/Wash Res Recov-Srv Fee									
Total for Fund: 35101				<u><u>12,095,832.00</u></u>	<u><u>0.00</u></u>	<u><u>58,653.00</u></u>	<u><u>9,325,988.41</u></u>	77.10	<u><u>2,711,190.59</u></u>



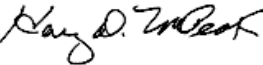
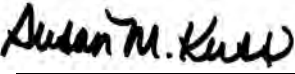
Ramsey County ASPEN
ORGANIZATION BUDGET STATUS
By Fiscal Year & Accounting Period

Business Unit: RC *Fund:* 35101 Ramsey/Wash Co Res Recov Brd
Budget Period: BY2010 *To Fiscal Year:* 2011 *To Accounting Period:* 12 *% of Fiscal Year Elapsed:* 100.00

<u>Organization</u>	<u>Program</u>	<u>Account</u>	<u>Tracking Budget</u>	<u>Adjusted Budget Amount</u>	<u>Pre-Encumbered Amount</u>	<u>Encumbered Amount</u>	<u>Expended Amount</u>	<u>% Expended</u>	<u>Remaining Spending Authority</u>
<i>Report Total:</i>				12,095,832.00	0.00	58,653.00	9,325,988.41	77.10	2,711,190.59

AGENDA ITEM B-2

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR PROJECT BOARD ACTION

BOARD MEETING DATE: <u>January 27, 2011</u> DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	2011 Project Work Plan & Meeting Schedule 1) Work Plan 2) Meeting Schedule
<u>BACKGROUND:</u> Staff have prepared a 2011 work plan and schedule for the Project. This describes the major work activities for the Resource Recovery Project in 2011.	
<u>PROJECT BOARD ACTION REQUESTED:</u> The Project Board is requested to approve the proposed work plan and schedule.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
<u></u>	<u>1.11.11</u>
Ramsey County Attorney	Date
<u></u>	<u>1.18.11</u>
Washington County Attorney	Date
Budgeting & Accounting	Date

Ramsey/Washington County Resource Recovery Project 2011 Work Plan (General Version)

Administration

- RRT Processing Agreement -- Process monthly invoices
- Facility Operations
 - Monitor waste delivery status at Facility
 - Monitor any changes to Alternative Facility Collection Points (St. Paul Transfer Station)
 - Monitoring performance standards
 - Verify public entity pricing
- CEC/Hauler Rebates/Olsen Thielen
 - Meet to confer, assure coordination and revise procedures and responsibilities as necessary
 - Receive and process rebate applications
- Consultant Contracts
 - 2012 Renewals in Fall 2011 (Executive Committee)
 - Engineering - Foth
 - Computer - Superior
 - Legal – Stoel Rives
 - Project Specific Food Waste –
 - JL Taitt
 - Second Harvest Heartland
 - Other as developed in 2011
- Budget
 - 2011 budget monitoring and billing to Counties
 - Assess Project Fund Balance level and use
 - 2012 Project Board Budget Development
 - Review insurance and risk management for Project
- Engineering
 - Operations monitoring, periodic visits to Facility and annual inspection
 - Combustion facility status
 - Update the analysis of alternative processing technologies

Planning and Policy Development

- Schedule and Prepare for Project Board and Executive Committee meetings
- Regional Policy Plan, Regional Master Plan and County Master Plan Revisions
- Prepare and lead a policy analysis and discussion for the Project to take steps to implement work on source separated organics
- Prepare plans and presentations on post-2010 processing
- Monitor Market based processing system and system costs
- Monitor Research on impacts to processing and greenhouse gas and carbon emissions

Schools, including ISD 622 Project and Mahtomedi 832

- Outreach to selected K-12 public schools, in collaboration with the County outreach efforts.
- Monitor changes to tours at the Resource Recovery Facility, continuing to fund school bus costs for field trips

Anaerobic Digestion Project and other Organic Waste Management

- Monitor the SPPA's work on AD, including SaniMax
- Prepare and lead a policy analysis and discussion for the Project to take steps to implement work on source separated organics
- Continue research on sources of organic waste
- Research and provide updates on other industry plans in organics management
- Evaluate food reuse efforts with Second Harvest Heartland

Outreach and Education

- Mailings and Social Media – See Attached
- Distribution of trash trunks

Tentative Project Board and Committee Meeting Schedule 2011

January	Resource Recovery Project Board <ul style="list-style-type: none">○ Organizational Meeting○ Appoint 2012 Budget Review Committee○ 2010 Results Report○ 2011 Work Plan and Schedule○ Organic Waste Management Update○ Other Updates
March	Resource Recovery Project Board <ul style="list-style-type: none">○ Policy Discussion on future of waste processing
May	2012 Budget Committee Meeting
June	Resource Recovery Project Board <ul style="list-style-type: none">○ 2012 Budget Recommendation○ Continued Policy Discussion as needed
September	Resource Recovery Project Board <ul style="list-style-type: none">○ Placeholder for policy meeting if needed
December	Executive committee <ul style="list-style-type: none">○ Action on 2012 contracts○ Review of 2012 Work Plan

2011 Resource Recovery Project Outreach and Education Work Plan "Trash Today"

Month	Item	Audience	Topic
January - February	Green Guide	Ramsey County Residents	How to manage waste and where
January	On-line ads*	On-line readers in Ramsey/Washington Counties	E-Waste recycling
March	On-line ads	On-line readers in Ramsey/Washington Counties	HHW management
April (Earth Day)	Post Card	Ramsey/Washington Residents	Recycling theme
April (Earth Day)	On-line ads	On-line readers in Ramsey/Washington Counties	Recycle cans and bottles to save energy and reduce GHG
June	Post Card	Ramsey/Washington Residents	Recycle away from home
July - August	On-line ads	On-line readers	Recycle away from home
September	Post Card	Ramsey County Residents	Yard waste reminder
September	On-line ads	On-line readers in Ramsey/Washington Counties	Yard Waste reminder
September	Green Guide	Washington County Residents	How to manage waste and where
October	Post Card	Ramsey/Washington Businesses	Promote RWMG (depending on revision status with SWMCB)
November	On-line ads	On-line readers in Ramsey/Washington Counties	CFL recycling
December	On-line ads	On-line readers in Ramsey/Washington Counties	Holiday themed recycling

* Online ads placed in several venues each time

Ramsey/Washington County Resource Recovery Project 2010 Results Report

2010 marked the fourth year of the revised Joint Powers Agreement (JPA) between Ramsey and Washington counties for solid waste issues, including the prominent focus to manage resource recovery services and the fourth year of the Solid Waste Processing Agreement with Resource Recovery Technologies (RRT). This report provides highlights of Resource Recovery Project activities for 2010. Please note that this is not a report on all waste management activities in Ramsey and Washington counties, only those associated with the Joint Powers Agreement.

RRT Processing Agreement

On January 1, 2007, the Processing Agreement between Ramsey and Washington counties and Resource Recovery Technologies went into effect. The agreement realigned the counties' role in waste processing, reduced government involvement in many of the operational issues, and continued to assure that processing services are available. The term of the agreement is through 2012.

Deliveries*

Under the Processing Agreement, RRT is responsible for contracting with waste haulers for a supply of waste, assuring that at least 280,800 tons per year of waste are under contract, and meeting certain performance guarantees. RRT has entered into contracts with 79 haulers through 2012 and has met the minimum tonnage requirement.

In 2010, a total of 303,703 tons of waste from Ramsey and Washington counties was delivered for processing by haulers and citizens. This tonnage is a slight decrease from the 2009 amount of 317,589 tons. The facility is considered a "merchant facility," and can freely market its services. RRT is able to secure waste from other counties. The total deliveries received at the facility, including waste from other counties, were 392,633 tons, a slight increase from 2009 amount of 391,329.

The Processing Agreement requires RRT to manage and make available to residents of the two counties a location for depositing waste. Citizen waste has been accepted at the Newport facility since the inception of the plant. (Prior to 2009 RRT also provided for a drop-off site for citizen waste at the St. Paul Transfer Station; RRT's arrangement with the transfer station terminated during 2009.) A total of 1,081 tons of citizen waste was received in 2010, compared to 1,051 tons in 2009.

*Actual expenditures and tons delivered do not represent final numbers for 2010.

Performance Guarantees

There are two performance guarantees in the Processing Agreement. Both guarantees were met. The first guarantee is to process 85% of the Ramsey/Washington waste that RRT accepts. This was met by processing 91.5%. The second guarantee is to recover 85% of the waste processed as RDF or secondary materials (ferrous and aluminum). This guarantee was met by recovering 95.5%.

There is one other performance related goal, to receive at least 280,800 tons per year from Ramsey and Washington counties. RRT received 303,703 tons from haulers and citizens.

Financial Information

The Counties pay for processing of waste in two ways, summarized in the table, below:

- **Processing Payment:** For each ton of Ramsey and Washington county waste delivered, the Project pays an agreed upon per ton fee to RRT. The fee is fixed, but it changes over the six-year term of the agreement.
- **Hauler Rebate:** The counties created a hauler rebate program, in which haulers submit proof of delivery to the processing facility, and, in turn, are paid by the counties a per ton fee for each ton delivered.

Processing Fee Information 2010 - 2012			
	2010	2011	2012
Processing Payment	\$20/ton	\$15/ton	\$10/ton
Hauler Rebate	\$12/ton	\$14/ton	\$14/ton
County cost for Processing	\$32/ton	\$29/ton	\$24/ton
RRT's Tipping Fee (per ton)	\$64	\$68	\$72

Hauler Rebate Program*

The rebate of \$12 per ton of MSW delivered in 2010 increases \$14 per ton for 2011 and 2012. The rebate is only available to licensed haulers that comply with State and County regulations and ordinances, to include but not be limited to the collection and remittance of the County Environmental Charge (CEC). Haulers apply for a rebate by submitting a form to the Project. The Project verifies the hauler's MSW delivery tonnage and issues a rebate payment, unless the hauler has been designated by one or both Counties as ineligible to receive a rebate.

While there are 79 haulers under contract to RRT, and a few more that deliver without a contract, not all haulers submit rebate requests. In 2010, 45 hauling companies claimed rebates and 34 did not. Five haulers are not eligible for rebates at this time as a result of failure to comply with CEC collection and remittance. The eligible haulers that did not request rebates are self-haulers or small firms whose primary hauling is construction/demolition waste. These haulers bring an occasional MSW load to the Newport facility.

A total of 45 different haulers applied for and received rebates for delivery of waste for processing. The counties paid \$3,112,008.48 in rebates to these haulers.

*Actual expenditures and tons delivered do not represent final numbers for 2010.

2010 Budget Status*

2010 was the first year of a two year budget for the 2010-2011 biennium. The Resource Recovery Project budget consists of two components: the operating costs associated with oversight of the Project (staff time, advertising, lease space, consultant services, supplies, etc.), the service fee to Resource Recovery Technologies (RRT) and rebates to haulers. All costs are shared between the two counties based on a formula that assigns 73% of costs to Ramsey County and 27% to Washington County.

In 2010, the budget for operating costs was \$845,832. Operating expenditures were \$622,035, resulting in savings of \$189,185. The 2010 budget for RRT's payment and hauler rebates was a total of \$11,250,000. Of this amount, \$7,000,000 is based on a payment to RRT of \$20 per ton for 350,000 tons of waste delivered. Rebates to the waste haulers of \$12 per ton are also based on 350,000 tons of waste delivered, for a total budget of \$4,200,000. If 303,703 tons are rebated, the expenditure will total \$3,644,436. Tonnage reported through November 2010 as delivered from haulers is 259,334, resulting in current savings of \$1,434,014 in processing payments and \$1,087,992 in hauler rebates. The savings associated with both operations and processing costs accrue to the counties.

*Actual expenditures and tons delivered do not represent final numbers for 2010.

Education and Outreach

Publications

The *Trash Today* newsletter was used as the principal means of communicating about resource recovery with residents and businesses in the two counties for many years. In 2009, the *Trash Today* publications were revised to include the Green Guide, postcards and web advertising.

A total of 302,844 Green Guides were mailed to residents of both counties. A survey followed the first distribution of the Green Guide and an astonishing 955 respondents

answered questions about the usefulness of the guide and their information needs. Postcards were mailed directly to businesses twice in 2010. Residents received one postcard mailing. In addition to print outreach, online advertising was tested. The online advertisements resulted in high levels of click through to online information regarding the Free Market, proper management of CFLs, recycling away from home, and encouragement to recycle bottles and cans. Over 1.5 million impressions were made between print and online promotions.

Trash Trunks

The Trash Trunks provided by the Project remain a popular educational tool. The Trash Trunks were signed out 46 times, reaching over 2,500 people.

Tours

RRT encourages tours of its facility in Newport and has established schedules to accommodate the demand. In 2010, as in previous years, the Project funded the cost of busing school groups for field trips to the facility and 10 schools took advantage of the opportunity. The cost to the Project for busing was \$929.05. Over 800 people attended 41 tours.

Today, the tour guide takes the visitor on a video tour from the tipping floor, up the conveyor, into the shredders, hammer mills, magnets and aluminum separators and into the trucks. Cameras show the plant operation in real-time. This part of the tour allows the visitor a more intimate understanding of the mechanical inner working of the plant.

Website

The Resource Recovery Project website was updated to provide the user with more immediate access to organics management resources. The website was viewed approximately 3,000 times in 2010. Web users accessed information on food waste, reports and educational information.

Organic Waste Management

For many years the Project has coordinated work on organic waste management, including food waste, on behalf of the two Counties. Much of this work has been coordinated through the Project's consultant, JL Taitt & Associates.

Food Rescue through Second Harvest Heartland

The Project and SHH entered into a contract through 2011 to significantly increase the quantity of perishable foods collected from deli, dairy, meat, produce, and bakery departments in major grocery store chains. As a result, the quantity of food waste recovered by SHH within the two counties has steadily increased. 720 tons was collected during the first three quarters of 2010. Tonnage is expected to exceed the total collected in 2009 after fourth quarter figures are added for 2010.

K-12 Schools

The Project continued to work with K-12 schools in both Ramsey and Washington counties, providing technical assistance and liaison services for the implementation of food waste recovery and recycling systems. Data on tonnages and participation is not yet available for 2010 but will be reported by the end of March.

Food waste recycling can result in cost savings when coupled with “right-sizing” of garbage collection to reducing pickup frequency and/or container size.

Highlights include:

North St. Paul – Maplewood - Oakdale Schools

- Comprehensive recycling of traditional materials was implemented at John Glenn and Skyview schools.

Roseville Area Schools

- Comprehensive recycling continued in 2010 and a “How to” recycling DVD was prepared for distribution.

Saint Paul Public Schools

- Central High School Begins began food waste recycling while Harding High School explored the concept of food waste recycling. Murray Junior High participated in a waste study.
- 1,691 tons of food waste was collected in SPPS.

White Bear Lake Schools

- Both middle schools began food waste recycling and both high school campuses continue to recycle the kitchen food waste.

Forest Lake Area Schools

- Established food waste recycling at Century Junior High Schools in November 2010.

Stillwater Area Public Schools

- Established food waste recycling at Andersen Elementary School in Bayport..
- Within Washington County the 14 public and private schools that initiated or continued food waste recycling program diverted about 226 tons of food waste during 2010, for a average of 45 pounds per student.

Charter Schools

- College Prep Academy began food waste recycling during the fall and continued to develop their total recycling program

Ramsey County Facilities

- Food waste recycling was expanded to Ramsey County facilities.
- Expanded food waste recycling program at the Ramsey County Correctional Facility to include the officer's dining hall.
- Recovered 228 tons of food waste through the end of November.

Festivals and Events

Technical support for general greening of events, including the collection of recyclables and food waste continued at the following:

Tour De White Bear Lake
La Familia
Hmong Resource Fair
Boo Run Run
Cinco de Mayo

Engineering Review of RRT and Xcel Facilities

The Processing Agreement with RRT provides that the Counties can "inspect" the RRT facilities. In late 2010, Foth Infrastructure & Environment, conducted site visits at RRT's facility in Newport and Xcel Energy's facility in Red Wing.

- During the site visits, interviews, and a walk-through with RRT and Xcel representatives, no major current problems were identified. Both facilities had continuity of plant leadership through 2010. No issues were reported pertaining to quality of RDF, only quantity. Xcel continues to maintain the combustion facilities at a status quo level.
- Xcel and RRT are discussing renewal of the fuel agreement.
- Xcel is taking appropriate measures to increase their renewable requirements while being careful to consider cost and reliability of those resources. They plan to continue operating the RDF combustion plants in Red Wing and Wilmarth. However, Xcel does not appear to be dependent on these plants to meet their renewable fuels requirements.
- Haulers requested a letter from RRT that stated the price increase effective January 1, 2011. This letter is part of hauler contracts with RRT. Haulers included the letter with November invoices to customers. RRT noted they have not received any complaints from the haulers regarding the rate increases and do not foresee any issues for 2011.
- Waste deliveries from Ramsey and Washington counties declined slightly in 2010. RRT attributed this to a down economy and reclassification of waste materials from MSW to other waste classifications.

- The RDF produced was once again over 324,000 tons for the year. Despite reduced MSW deliveries the last three years; RRT has consistently produced similar total tons of RDF, running higher yields in order to meet their contractual obligations with Xcel for fuel.
- RRT continues routine maintenance to keep the processing lines running such as changing flail mill hammers, repairing conveyors, and replacing motors.
- RRT's Waste Delivery Contract tipping fee increased to \$64 per ton in 2010 (up from \$59 per ton in 2009).
- RRT sold the Elk River RDF Facility to GRE in March, 2010. RRT continues to coordinate operations between the two plants and have retained a good working relationship.

Research Reports

- **An Integrated Organic Waste Management System: From the Perspective of Commercial Waste Generators, 2010**
This report analyzes anaerobic digestion as a new organic waste management concept from the perspective of commercial waste generators located in Ramsey and Washington counties by exploring logistics of daily operations, types of upfront costs, and changes in the configuration of waste management services. Prepared by JL Taitt & Associates.
- **Organic Materials from Commercial Establishments: A Supply Assessment, 2010**
This assessment contains preliminary estimates of quantities of commercial organic materials not currently recovered by other programs that may be available as feedstock for an anaerobic digestion (AD) facility. It also characterizes the types of commercial establishments that may be sources of targeted organic materials such as food scraps and non-recyclable paper. Prepared by Foth Infrastructure and Environment.



January 19, 2011

To: Ramsey/Washington County Resource Recovery Project Board
From: Staff
Re: Staff Updates

There are a number of issues in waste management currently under discussion that will affect Ramsey and Washington Counties' work in waste management. Some of these are outlined below.

1. Solid Waste Policy Changes
 - a. MPCA's 2010 Solid Waste Policy Report to the Legislature, There is a new focus on greenhouse gas emissions and energy related to the waste management system, which will drive some change, as well as a call for a new governance approach to waste management in the State.
 - b. MPCA's Regional Policy Plan has undergone public review, and is awaiting action by the newly appointed MPCA Commissioner. At this time it is unclear whether the draft plan will include changes as a result of comments received during the public review. The Policy Plan as drafted has a call for more significant changes in the waste management system in this round of planning, including:
 - i. Improved governance, with clearer roles and responsibilities, appropriate authority, and good accountability;
 - ii. Significantly higher goals for recycling over time, reaching a 60% rate by 2030 (current rate is about 41% without "credits");
 - iii. New goals for separate management of organic waste, as high as 10% (current rate is about 2.5%);
 - iv. Maintenance of processing at about the current level; and
 - v. Significantly reduced landfilling over the next 20 years,
 - c. Once the Policy Plan is approved, metropolitan counties must revise their Solid Waste Management Master Plans to implement the regional policy. That revision is expected to begin in 2011, and will likely continue into 2012. Yet to be determined is the level of regional collaboration on creating regional elements to the Master Plans.
 - d. The MPCA is quite firm in its desire to study regional governance of solid waste management in the region, and has made it clear that it would like to proceed with moving in that direction.

- e. The SWMCB has submitted a grant application as a “sole-source” to conduct some system evaluation and planning. That work would include recycling organic waste management and waste processing elements. Discussions continue between the MPCA and counties on the terms of that grant.
2. Regional Waste Processing Changes
 - a. Elk River Resource Recovery Facility –GRE now operates the facility, and had been working with Hennepin County to secure waste.
 - b. HERC – Hennepin County continues to seek changes in its permit to allow more processing of waste at its facility in Minneapolis, and has recently completed an EAW on that work.
 3. Changes in the Waste Management Market – Waste and the economy
 - a. Resource recovery research shows that waste deliveries to RRT are declining.
 - b. Research with waste haulers and the market shows that the market is not performing as expected, with continued low landfill rates.

**RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION**

BOARD MEETING DATE: <u>January 27, 2011</u>		DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Overview of Organic Waste Management	
		1) Staff memo	
<u>BACKGROUND:</u>			
<p>The Resource Recovery Project has served as a forum for Ramsey and Washington Counties' research and management of source separated organic waste for 6 years. During that time the Project has funded research into alternative technologies, market analysis, and availability of organic waste, as well as consultation and technical assistance to commercial and institutional generators of organic waste. The Project has invested in assisting school districts in the two counties with food waste recycling.</p> <p>Separate management of organic waste is a growing expectation for the solid waste system. Since Ramsey and Washington Counties have worked together on organic waste in the past, staff are proposing a joint policy discussion on challenges and opportunities related to work on organic waste management. This discussion will begin with an overview of organic waste management. The attached memo provides general background on the issue.</p>			
<u>PROJECT BOARD ACTION REQUESTED:</u>			
For information only.			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>		None	
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
_____ Ramsey County Attorney		_____ Date	
_____ Washington County Attorney		_____ Date	
		_____ Budgeting & Accounting	
		_____ Date	

Summary of Current Management and Availability of Source Separated Organic Materials (SSOM) in Ramsey and Washington County

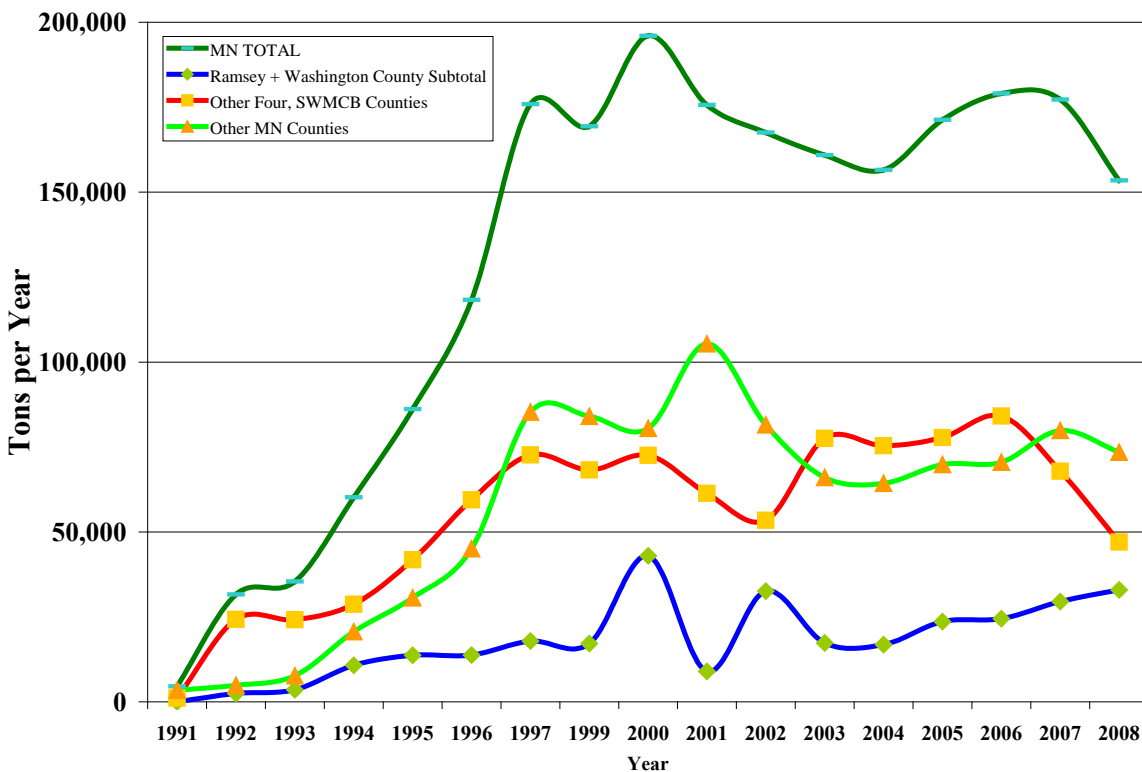
Source Separated Organic Materials (SSOM) is a term used to describe a group of organic materials and includes:

- **Food Waste:** Comprises food scraps, trimmings, and other discards from food processing, preparation, and cleanup.
- **Soiled and Non-Recyclable Paper:** Comprises paper and biodegradable fiber that is not recyclable, or which has been rendered not recyclable because of contamination, primarily from food residue.
- **Other Organic Materials:** Comprises other biodegradable materials that can be diverted from the trash and from garbage disposals. (SWMCB 2007 Organics Management Report)

SSOM must be separated at the source by waste generators and must be collected separately from mixed municipal solid waste. (MN State Statutes 115a.03, Subd. 32a)

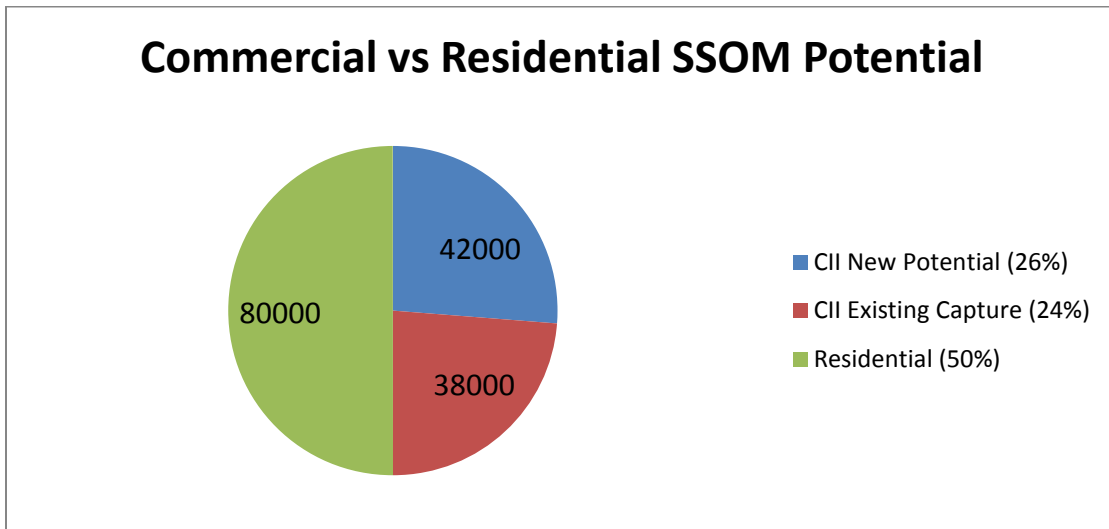
SSOM is not a new concept in Ramsey and Washington Counties:

History of Organic Materials Rescue and Recovery Data

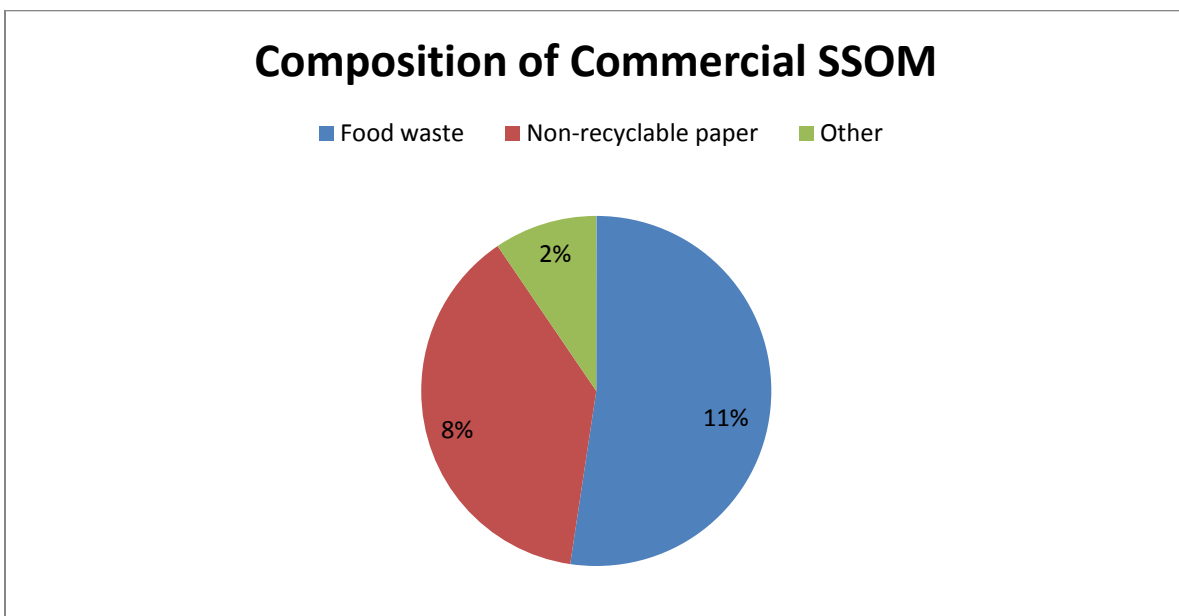


How much potential SSOM is generated in Ramsey and Washington Counties?

- There is more than 160,000 tons of potential SSOM is generated in Ramsey and Washington Counties. (Many factors and assumptions are used to estimate the amount of SSOM and need to be reviewed on a frequent basis.)
- Commercial waste generators are responsible for approximately 50% of the total SSOM potential and residential generators 50%
- For this area, commercial waste generators include public schools, government buildings and other institutions.
- Current SSOM Programs in the Counties all target commercial waste generators and are capturing about 24% of the available SSOM

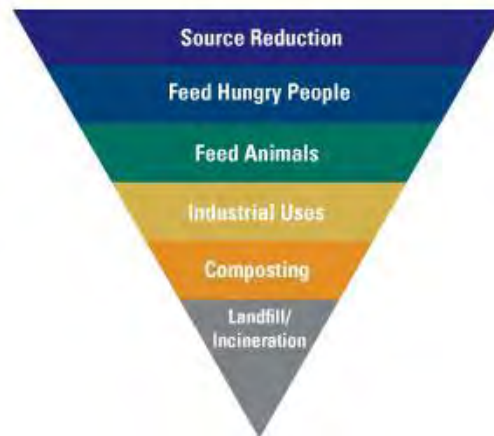


- Food waste comprises the largest percentage of potential SSOM for commercial waste generators. (SWMCB 2007 Organics Management Report)



Food waste management options

A food waste Hierarchy, below, was developed by the US-EPA to provide program developers a reference and decision making. The most preferred SSOM management methods are at the top of the pyramid with preference decreasing as you move lower on the pyramid.



The Resource Recovery Project Board is actively engaged in the top tiers of the pyramid:

- **Source Reduction**- not creating waste in the first place is best addressed through education. The Counties through media, printed materials, and electronic means have education efforts to reduce food waste.
- **Feed Hungry people**-The Counties have a long partnership of encouraging recovering food for donation. 800 tons of food waste was collected by Second Harvest Heartland the counties in 2009.
- **Feeding animals**-The largest amount of SSOM collected from Ramsey and Washington is being managed by hog farmers for feeding animals. Last year 22,400 tons of food waste was collected from commercial waste generators, including schools and county facilities.
- **Industrial Uses**-Industrial SSOM users include rendering, anaerobic digestion and animal feed ingredient manufacturing
 - Rendering of animal by-products has a history of private service providers with established routes serving restaurants and the food services industry, butchers, and meat and animal processors.
 - There currently are no anaerobic digestion facilities serving the Region.
 - Animal feed ingredient manufacturers reported processing 15,400 tons of organic material in 2009 from the counties.
- **Composting**-Composting of SSOM from the two Counties is happening to a very limited extent. In 2009, 41 tons of commercial SSOM was reported to have been composted at a permitted SSOM compost site Dakota County.

Summary of Findings on the management of SSOM

- In 2010 staff from the Counties and Foth further studied potential SSOM available in the counties and concluded that commercial waste generators offer the best prospect for additional organics recycling.
- In the two counties there are more than 272,000 households, while studies have identified around 2000 commercial entities that generate large amounts of food waste.
- Food waste is the largest category of potential SSOM from commercial generators.
- Types of large volume commercial food waste generators include food processors and distributors, restaurants, grocers, and cafeterias.
- Not all SSOM programs require the same level of separation by the generator. In general the greater the level of separation the cheaper the disposal cost and greater the value of the separated material.
- Some types of SSOM programs and separation are more suited to a specific generator type (e.g. schools are well suited to hog farmers food waste separation because it is easy to identify and describe “if you eat it...pigs can eat it”)
- Generators with highly mixed SSOM waste streams may be better suited to anaerobic digestion or composting due to paper or other non-edible materials in the SSOM.
- SSOM programs are dependent on collection efficiency.

Conclusions and General “Take-aways”

- While there are many projects and programs that manage SSOM the current approach is piecemeal and provides limited capacity
- If the Counties are to achieve waste recycling goals, organic waste will need to be included in the target materials for future programs
- Commercial waste generators offer the best potential for diversion of SSOM waste from MSW
- Established and new SSOM service providers have expressed interest in working with the Counties to achieve greater diversion rates of SSOM
- Businesses are beginning to see the need to divert SSOM from the MSW. Large generators such as Walmart have implemented programs to divert SSOM from their MSW.

**RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION**

BOARD MEETING DATE: <u>January 27, 2011</u>		DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Policy Discussion: Commerical Organic Waste Management 1) Staff memo and attachments	
<u>BACKGROUND:</u> The Resource Recovery Project has served as a forum for Ramsey and Washington Counties' research and management of source separated organic waste for 6 years. Separate management of organic waste is a growing expectation for the solid waste system. Staff have prepared for a joint policy discussion by the Project Board about organic waste management. This item frames the discussion, and outlines possible options for the Counties to consider in moving forward on organic waste.			
<u>PROJECT BOARD ACTION REQUESTED:</u> No formal action is requested; for policy discussion and direction to staff.			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>		None	
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
_____ Ramsey County Attorney		_____ Date	
_____ Washington County Attorney		_____ Date	
		_____ Budgeting & Accounting	
		_____ Date	



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

2785 White Bear Avenue • Suite 350 • Maplewood, Minnesota 55109 • 651.266.1194 • 651.266.1177

January 19, 2011

To: Ramsey/Washington County Resource Recovery Project Board
From: Staff
Re: Review of Organic Waste Management

The Resource Recovery Project has been a forum for the counties to work together on organic waste management for over 6 years. This document sets the context for the upcoming policy discussion on organic waste management. ***This information is being provided for the January discussion in order for Board members to gain more understanding about organic waste, and provide some direction to staff for further work, leading to additional discussion and guidance at a Project Board meeting in March.***

Policy Discussion Approach

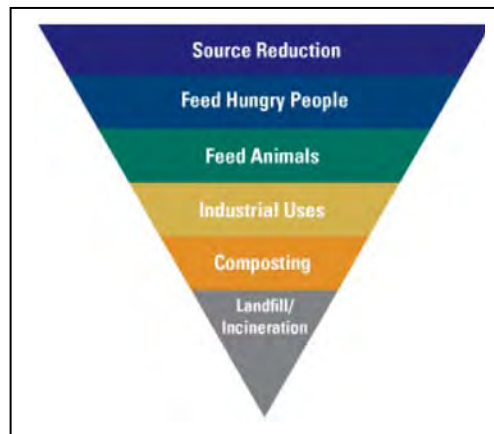
Staff have framed the policy issues around organic waste to facilitate the Board's discussion on the issue. The attached flow chart (Attachment 1) suggests the progression of decisions for the Project Board to consider.

Policy Development Criteria

Staff have outlined some criteria for the Board to consider as it proceeds with its discussion.

1. **Master Plan, Policy Plan:** Pursuant to State law, metropolitan counties are responsible to plan for solid waste management, and assure that the Regional Policy Plan is implemented, and have been given a number of authorities to assure that happens. Actions taken by the Counties regarding organic waste management should be consistent with existing solid waste Master Plans, and also be considered in light of the MPCA's Regional Solid Waste Policy Plan draft, which is being considered for adoption by the newly appointed MPCA Commissioner.
 - a. Both Counties include a County Supporting Initiative that states:
 - i. Ramsey and Washington Counties will promote food waste and organic waste diversion, with preference for waste reduction and recycling
 - b. Both Counties include a strategy that reads:
 - i. The SWMCB and Member Counties [includes both Ramsey and Washington Counties] will encourage public institutions and food service/production industries to reduce, reuse, recycle or compost food waste and/or organic materials by providing technical information and assistance.
 - c. Both Counties include a strategy that says they will work together through the "Resource Recovery Project to devote resources to identify and manage other waste streams from processing that can be more appropriately reduced, recycled or composted."

- d. The draft Metropolitan Solid Waste Policy Plan includes Waste System Objectives, and for the first time the region will have objectives to meet for separate management of organic waste. Those objectives are set as a percentage of the total mixed municipal solid waste (MSW) stream. Current organics recovery is about 2%, the objective for 2015 is 3-6%, and for 2020 is 4-7%.
2. **Health and Safety:** Because the markets for organic waste result in products consumed by humans or animals, systems that handle organics waste should be planned designed and implemented to protect public health and safety. A number of entities regulate some of these activities, such as the Minnesota Board of Animal health, USDA, Metropolitan Council Environmental Services, Minnesota Department of Health, Minnesota Department of Agriculture.
3. **Consider the Current System:** A substantial amount of organic waste is currently diverted from MSW, into a variety of technologies. New efforts to manage organic waste should take into account these efforts, and care should be taken that new proposals do not simply supplant existing efforts.
4. **Environmental Protection: Consider a food waste management hierarchy:** To date the Counties have essentially treated all organic waste management methods as equal. The EPA has provided a food waste hierarchy, based, in part, on energy conservation and greenhouse gas emission balance. Absent any direction from the State of Minnesota, the Counties could use the EPA hierarchy as guidance in decisions making. The hierarchy is as shown below:



Source: U.S. EPA web page “[Generators of Food Waste](http://www.epa.gov/wastes/conserve/materials/organics/food/fd-gener.htm#food-hier)”

<http://www.epa.gov/wastes/conserve/materials/organics/food/fd-gener.htm#food-hier>

5. **Public and Private Role:** Ramsey and Washington Counties have adopted an approach to waste processing, in their current Master Plans, and following the 2001-2002 study on Public Collection, which supports a merchant approach. Both Counties note in their plans that they will intervene in the market and use public funds to encourage processing only when necessary, and

in a cost-efficient manner. The Counties policy is one that expects private sector participation in meeting environmental goals, with public engagement only when necessary to steer that participation. With that policy in mind, the following should be considered as decisions are made about organic waste management:

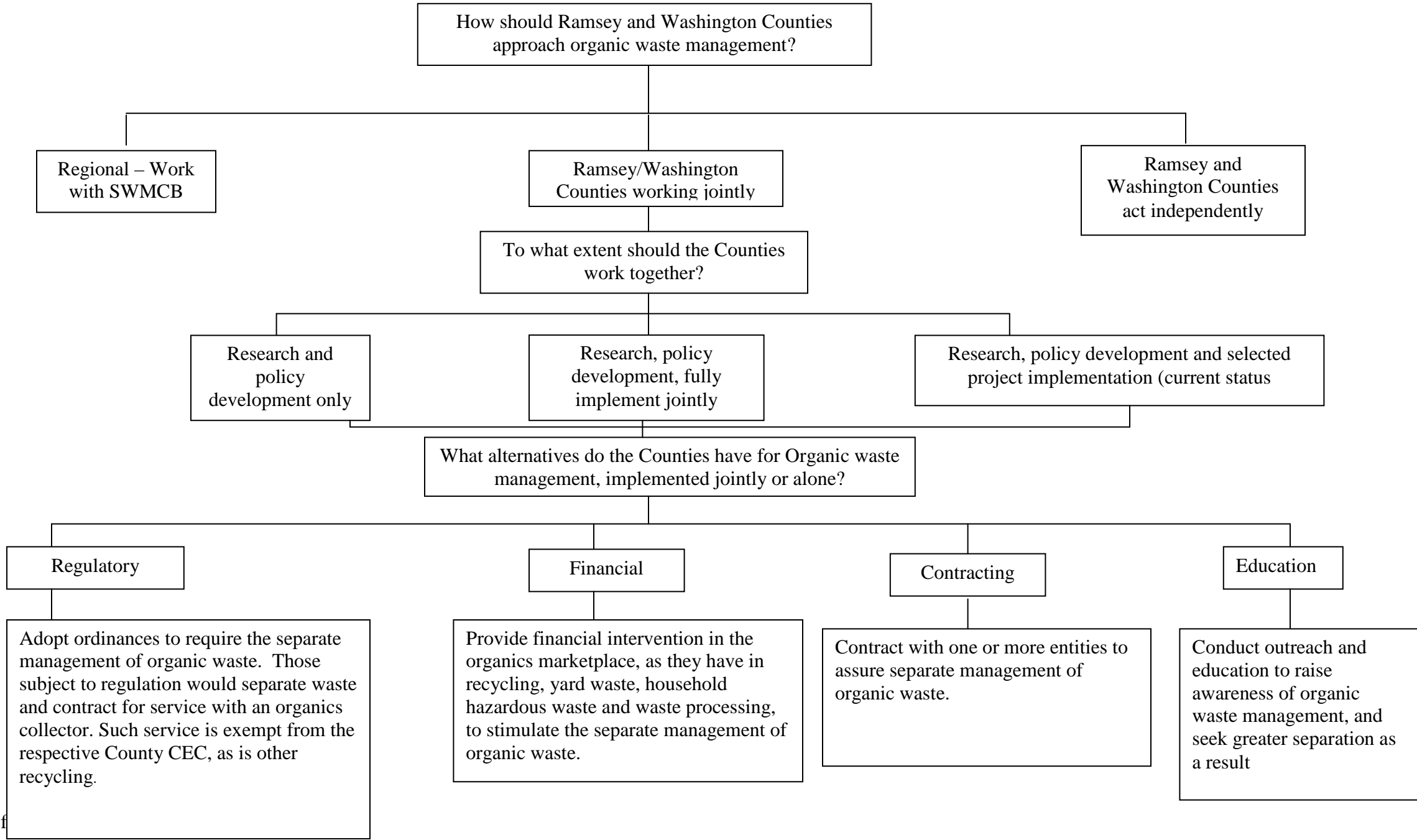
- a. Plans should respect past investments leading to the current collection and recovery infrastructure;
- b. Plans and actions should help optimize private investments in capital and operating costs;
- c. Plans and actions should seek to maintain a “level playing field” to the extent possible (i.e., does not unintentionally favor one recovery method over another); and
- d. Plans and actions should respect the regional nature of private service providers.

Overall Policy Issues

The proposed discussion has been framed around a number of questions that get progressively more detailed. The key questions are:

1. How should Ramsey and Washington Counties approach organic waste management?
2. To what extent should the Counties work together?
3. What range of alternatives do the Counties have for Organic waste management, implemented jointly or alone?

Attachments 2 and 3 provide more information about the specific options available to the Counties to implement organics waste management programs.



Attachment 2: Ramsey and Washington Counties: Options for Organic Waste Management

Option Type	General Description	Alternatives within the Option
Regulation	<p>Counties would adopt ordinances to require the separate management of organic waste. Those subject to regulation would separate waste and contract for service with an organics collector. Such service is exempt from the respective County CEC, as is other recycling.</p> <p>It should be noted that some jurisdictions have “phased in” regulations, by adopting ordinances with effective dates in the future, to give industry an opportunity to prepare.</p>	<p>Ordinances requiring generators of organic waste to manage it separately</p> <ul style="list-style-type: none"> A. All generators, or B. All commercial generators only), or C. Selected commercial generators only (e.g. large generators such as grocery stores, food processors institutional food service), or D. Residential generators
Financial	<p>The Counties would provide financial intervention in the organics marketplace, as they have in recycling, yard waste, household hazardous waste and waste processing, to stimulate the separate management of organic waste.</p>	<ul style="list-style-type: none"> 1. Continue to allow separate organic waste management to be exempt from the County Environmental Charge, as an incentive for generators to separately manage organic waste. 2. Extend the hauler rebate, currently at \$14 per ton, from just MSW to include source separated organic materials. 3. Provide a direct payment to organic waste processors for organic waste processed from the two Counties
Contractual	<p>Contract with one or more entities to assure separate management of organic waste.</p>	<ul style="list-style-type: none"> 1. Contract with one or more end facilities, pay the operator(s) a fee for the service of processing the waste; facilities would be responsible for acquiring organic waste. 2. Contract with one or more organic waste haulers, and pay the haulers for the collection of organics. 3. Contract with a transfer station to accept organic waste and transfer to one or more organic waste processing facility, and pay the transfer station for the service.
Education	<p>Conduct outreach and education to raise awareness of organic waste management, and seek greater separation as a result</p>	<ul style="list-style-type: none"> 1. General education to targeted audiences to raise awareness 2. Direct technical assistance to businesses

Option: Regulation -- Requiring Generators to Separately Manage Source Separated Organic Materials

Option Term: Long Term

Authority: Minnesota Statutes Section 473.811, Subd. 5 (a) authorizes metropolitan counties to require separate management of wastes:

Subd. 5. Ordinances; solid waste collection and transportation. (a) Each metropolitan county may adopt ordinances governing the collection of solid waste. A county may adopt, but may not be required to adopt, an ordinance that requires the separation from mixed municipal waste, by generators before collection, of materials that can readily be separated for use or reuse as substitutes for raw materials or for transformation into a usable soil amendment.

Background: The point of regulation for mandatory separation ordinances is typically the generator, in contrast to material bans which target the waste hauler or disposal facility. Mandatory separation ordinances are in place in many parts of the United States; for example, over 350 municipalities in Massachusetts have voluntarily adopted mandatory recycling ordinances. Locally, a few municipalities have ordinances, but the cities that have adopted them, including Saint Paul, have not actively enforced them. Ramsey County's Food Protection Ordinance requires licensed food establishments to separate recyclables and recycle newspaper, glass, corrugated cardboard and metal cans.

Ordinances are typically used in conjunction with other strategies, such as education and outreach or technical assistance. Because of the combination of strategies, determining the effectiveness of a mandatory separation ordinance is difficult.

Concept: This option would have the Counties developing and adopting ordinances to regulate generators of source separated organic waste. Ordinances could be targeted to specific generators, such as residential or commercial, or within commercial to specific business types. Ordinances could be adopted with effective dates in the future, to allow businesses to prepare for the regulation.

It should be noted that some jurisdictions have "phased in" regulations, by adopting ordinances with effective dates in the future, to give industry an opportunity to prepare.

Variations:

1. Residential source separation ordinance
2. Commercial source separation ordinance
 - a. Targeted commercial source separation ordinance, either by material, or by business type or size

Pros/cons

Pros:

1. Regulation can be an effective tool used by counties to accomplish policy goals.
2. Regulation does not rely on public subsidy of generators, haulers or processing facilities.

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Attachment 3: Detailed Option Descriptions

Page 1 of 7

3. The regulation requires generators to do something which can potentially save them money, since separate organics management is CEC exempt.
4. Regulation does not favor any particular organic processor or technology. The market is allowed to decide that.

Cons:

1. New regulations are unpopular.
2. As a stand-alone strategy, it is difficult to determine if mandatory separation ordinances would be sufficient to achieve the policy goal.
3. Would require staff time, depending on the level of enforcement desired.

Option: Financial Intervention

Option Term: Short, medium or long Term

Background: The separate collection and management of organic waste is more expensive than the collection and landfilling of that material. In order to increase the level of separate organic waste management, one option is to reduce the cost borne by the generator, to make it financially attractive to separate organic waste.

This strategy has been employed by counties since the 1980's to further the State's waste management goals. In a number of cases the State, cities and counties have participated in the market to make statutorily preferred practices competitive with landfilling. In some cases the public participation was short term, in other cases it continues long term. For example

- To reduce the impact on waste generators and haulers, Ramsey and Washington Counties reduced the tipping fees when the Resource Recovery Facility first opened, and gradually increased those fees over several years. The difference in cost was made up by County payments directly to NSP. When flow control authority was lost, the Counties resumed subsidizing the tipping fee, which continues at the present time in the form of a processing payment to RRT.
- To stimulate the development and maintenance of curbside recycling, SCORE funds received by the Counties from the State are passed on to municipalities, most of which use the funds to reduce the cost of recycling borne by homeowners. For a number of years Ramsey County also owned a recycling facility, and paid a private vendor to process and market residential recyclables collected in the County, but terminated the facility when the private sector develop processing capacity.
- Both Counties developed yard waste composting sites in the 1980's, and provided the service to residents at no charge as an incentive to participate. While Washington County has turned over those sites to Cities to operate, Ramsey County maintains this free service to residents, and has added tree and shrub waste.
- Both Counties provide household hazardous waste services to residents at no cost, with each County having contracts with private vendors which are paid to manage these wastes.
- Washington County provides for the collection of electronic waste at no cost to residents, paying a private vendor to manage the waste.

Concept: The Counties would provide financial participation in the organics marketplace, as they have in recycling, yard waste, household hazardous waste and waste processing, to stimulate the separate management of organic waste. The point of financial participation can vary.

Variations:

1. **County Environmental Charge:** Continue to allow separate organic waste management to be exempt from the County Environmental Charge, as an incentive for generators to separately manage organic waste. In Ramsey County, commercial generators would benefit from a 70% reduction in service charges; 53% from the CEC, and 17% from the State Solid Waste

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Attachment 3: Detailed Option Descriptions

Page 3 of 7

Management Tax. In Washington County the benefit is 55%; 35% from the County's CEC, and 17% from the State tax.

2. **Hauler Rebate:** In this option, the Counties enter the market and pay haulers a fee to collect and deliver organic waste to an organic waste processor of the hauler's choosing. This would be done by extending the hauler rebate, currently at \$14 per ton, to include source separated organic materials (SSOM). The hauler rebate was created as part of the contractual commitment to RRT in the development of the current Processing Agreement for the facility in Newport. The rebate is provided directly to haulers that certify tons of MSW delivered for processing. Extending the rebate to SSOM would provide a similar financial benefit to haulers that collect and deliver SSOM to an organic waste processor for separate management.
3. **Processing Payment:** In this option the Counties enter the market by contracting with one or more organic waste processors and paying the processor. This would be done by providing a direct payment to organic waste processors for organic waste processed from the two Counties. This alternative is also found in the Contracting option, described later.

Pros/cons of financial intervention in general

Pros:

1. Landfilling of waste remains cheaper than all methods of organic waste management, and financial participation in the market by counties is a direct method to assure that organics management occurs.
2. There is precedence for this type of market participation, and previous efforts have been successful for a number of waste management efforts.
3. A funding source, the County Environmental Charge, currently exists in each County.

Cons:

1. There is a cost to the Counties.
2. The cost of managing organic waste varies by technology, and assuring equity when the Counties participate in the market could be a challenge.

Option: Contracting for Service

Option Term: Short, medium or long Term

Background: The separate collection and management of organic waste is more expensive than the collection and landfilling of that material. One option is to contract with one or more facilities to assure a location for organic waste processing, or for service delivery. This option is similar to how the Counties have assured MSW processing, through contracts over time with NSP, NRT and RRT, and also with waste haulers. The purpose of this option is to assure that a market or place to deposit organic waste, exists for material that is collected.

Contracts with facilities are typically purchase of service agreements, with the vendor providing a facility and for the processing of waste, and the county paying a fee for service. Other provisions, such as who secures a supply of waste, are typically negotiated.

Contracts with haulers are for the delivery of a certain type of waste to either a specified facility (as was the case in the 1990's and early 2000's for the Resource Recovery Facility), or to any qualified processing facility (as has been the case for recycling vendors).

Concept: The Counties would contract with one or more facilities, and/or with organic waste collectors, for specified services.

Variations:

1. Contract with one or more organic waste processing facilities, pay the operator(s) a fee for the service of processing the organic waste; facilities would be responsible for acquiring organic waste.
2. Contract with one or more organic waste haulers, and pay the haulers for the collection of organics. The haulers would guarantee that the organic waste would be delivered to a processing facility that meets certain standards.
3. Contract with a transfer station to accept organic waste and transfer to one or more organic waste processing facility, and pay the transfer station for the service.

Pros/cons of contracting for service

Pros:

1. There is precedence for contracts as a means to achieve environmental goals (Resource Recovery facility, Ramsey County Recycling Center, Ramsey County's HHW contract with Bay West) and assure service.
2. Contracts allow the Counties to specify the exact nature of the service, and have more direct control over how organics management occurs.
3. State law provides some flexibility for county procurement of solid waste services, allowing for some innovation in contracting.

Cons:

1. There is a cost to the Counties.

DRAFT

Attachment 3: Detailed Option Descriptions

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2. Contracting with specific facilities can be a barrier to new market entrants.
- 3.

Option: Education

Option Term: Short, medium or long Term

Background: While there is widespread awareness of recycling, County surveys have shown that for businesses and residents alike, there is an ongoing need to provide outreach and information simply to sustain current recycling levels. Organic waste is a new concept, and needs to be introduced to the public. Besides general information, there is also a need for direct technical assistance in some cases. The Project's efforts on organic waste management with commercial establishments and schools has demonstrated this need.

Concept: Conduct outreach and education to raise awareness of organic waste management, and seek greater separation of organic waste as a result.

Variations:

1. General education to targeted audiences to raise awareness
2. Direct technical assistance to businesses

Pros/cons of contracting for service

Pros:

1. The Counties have significant experience in outreach and education, and have an excellent understanding of the audiences and tools needed to raise awareness.
2. Outreach and education is relatively inexpensive, and work on organic waste management can be coupled with other waste management related efforts.
- 3.

Cons:

1. There is a cost to the Counties.
- 2.

**RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION**

BOARD MEETING DATE: <u>January 27, 2011</u>		DATE SUBMITTED: <u>January 14, 2011</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Anaerobic Digestion Project	
		1) Letter from Saint Paul Port Authority	
<u>BACKGROUND:</u>			
<p>The Saint Paul Port Authority (SPPA) has been analyzing the technical and financial feasibility of anaerobic digestion as a means to process organic waste and generate energy, in the form of natural gas. The SPPA's work on this is a result of its work on finding and energy supply for the Rock Tenn paper recycling facility in Saint Paul. The SPPA has sent a letter to each of the counties (December 15, 2010, attached) seeking support from for an anaerobic digestion project at Sanimax in South Saint Paul. The SPPA also sent letters to Dakota and Hennepin Counties.</p> <p>The SPPA is seeking support from the Counties in two ways: 1) allowing Sanimax to use a portion of each County's Qualified Energy Conservation Bond allocation, and 2) an indication of willingness to enter into a contract with Sanimax related to organic waste delivery.</p> <p>Upon receipt of the letter, staff discussed this issue with the Executive Committee, which said that the staff should work jointly on analyzing the issue. Staff have requested further information from the SPPA, and will provide an update at the January meeting.</p>			
<u>PROJECT BOARD ACTION REQUESTED:</u>			
For information only.			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>			
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
_____ Ramsey County Attorney		_____ Date	
_____ Washington County Attorney		_____ Date	
		_____ Budgeting & Accounting	
		_____ Date	

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December 15, 2010

Mr. Zack Hansen
Environmental Health Director
Ramsey County Environmental Services
2785 White Bear Avenue
Suite 350
Maplewood, Minnesota 55109-1320

Re: Organics for Anaerobic Digester

Dear Mr. Hansen:

As you know, the Saint Paul Port Authority (SPPA) has been analyzing the technical and financial feasibility of an anaerobic digestion facility to process source separated organics. SPPA is interested in Ramsey County's support for a project at Sanimax in South Saint Paul. This project is a public-private joint venture that SPPA is convinced can be realized with support from various metropolitan counties. Sanimax is prepared to permit, site, construct and operate the digester as well as deliver 50% of the feedstock needed by the digester. Xcel is involved and supportive of this project offering development funds as well as a generator to produce green electricity from the gas produced by the digester. SPPA is looking to Ramsey County, as well as other metropolitan counties, to support the delivery of an additional 50% or approximately 40,000 tons/year of organics to the digester.

SPPA is seeking support from the County in two ways: 1) allowing Sanimax to utilize the private portion (30%) of the County's QECB energy bond allocation for renewable projects which is zero interest financing; and 2) indicating the County's willingness to negotiate a contract to support the delivery of organics to Sanimax.

The County may still be considering its Qualified Energy Conservation Bond (QECB) allocation. QECB program bonds can be issued for projects with one or more qualified conservation purposes. Qualified conservation purposes include capital expenditures related to the construction of a qualified facility such as an anaerobic digester. Up to 30% of the County's bonding allocation can be used

for private businesses. Zero interest bonds will help to reduce the capitol costs of the digester. SPPA would like the opportunity to present this project for consideration by the County.

SPPA needs the County to enter into a contract during the first quarter of 2011 so that permitting can commence. To reach the economies of scale needed to offer a competitive tipping fee, the size of the facility must be twice the amount of feedstock to be provided by Sanimax. Thus, support from metropolitan counties is needed. The following terms and conditions to support the delivery of organics to Sanimax will be sought from all participating counties:

1. **First Organic Deliveries and Payments:** Upon commencement of the digester's operations which is estimated to be in two years or approximately first quarter 2013. SPPA and Sanimax have committed to funding the two years before any support is needed from the County.
2. **Term:** 10 years, following commencement of operations
3. **Tonnage:** 10,000 tons of commercial organics/year
4. **Tip Fee:** \$45/ton for each ton originating from Ramsey County businesses.
5. **SPPA's Obligations:** SPPA will support private sector haulers in marketing and obtaining the 10,000 tons directly from commercial businesses in Ramsey County. SPPA will be seeking additional organics from other metropolitan counties under the same terms and conditions.
6. **Ramsey County's Commitment:** Ramsey would pay \$45 per ton delivered based upon a monthly invoice and gate receipts.
7. **Benefits:** There are many benefits of a public-private joint venture with Sanimax. An anaerobic digester will benefit the environment and have a favorable impact on the region's organics management goals as well as its recycling goals. (Data from household organic collection programs indicate that recycling increases. There is every reason to believe recycling will also increase from commercial generators of organics thus helping the State to meet its increased recycling goals.) Household organic and yard waste programming will not be disturbed. All parties will learn more about the commercial sector and the counties' support will help businesses in its County "go green". The County's support will result in a

Mr. Zack Hansen
December 15, 2010
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new technology being developed in partnership with a Minnesota business. For many reasons, this is a very "business friendly" approach for the County and an opportunity to jointly approach with the private sector organics management.

I look forward to Ramsey's reaction to the request for its QECB energy bond allocation and for a 10-year contract for organics. Peter Klein, SPPA's Vice President of Finance is our lead on this project and he can be reached at 651-204-6211. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis F. Jambois", with a long horizontal flourish extending to the right.

Louis F. Jambois
President

LFJ:ca