



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: September 22, 2011

TIME: 9:00 a.m.

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 – June 23, 2011**
- IV. BUSINESS**
 - A. Administration
 - 1. Report of Budget Activity Information
 - B. Policy
 - 1. Joint County Approach for Organic Management Action
 - 2. Future Processing Considerations Discussion
 - a. Staff Overview and Status Report
 - b. Presentation: RRT and Xcel Energy
 - c. Review of Draft Joint County Master Plan Processing Chapter
- V. OTHER BUSINESS**

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD
JUNE 23, 2011
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 9:00 a.m., June 23, 2011 at the Saint Paul - Ramsey County Public Health, Environmental Health Section, in Maplewood, Minnesota.

MEMBERS PRESENT

Commissioners Toni Carter, Rafael Ortega, Jan Parker – Ramsey County
Commissioners Dennis Hegberg, Gary Kriesel, Lisa Weik – Washington County

MEMBERS ABSENT

Commissioners Victoria Reinhardt, Janice Rettman – Ramsey County
Commissioner Bill Pulkrabek – Washington County

ALSO ATTENDING

Peter Barthold, Mary Elizabeth Berglund, Gary Bruns, Larry Carlson, Marty Gagliardi, Kris Hageman, Zack Hansen, Judy Hunter, Curtis Johnson, Dan Krivit, Susan Kuss, Norm Schiferl, Katie Shaw, John Springman, Warren Shuros, Paul Steinbruckner, Jodi Taitt

APPROVAL OF AGENDA

Commissioner Weik moved, seconded by Commissioner Parker, to approve agenda.

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

APPROVAL OF THE APRIL 28, 2011 MINUTES

Commissioner Weik moved, seconded by Commissioner Parker, to approve the minutes with the addition of “of the waste stream” be added under Organic Waste Management, Policy Discussion, second paragraph, second sentence.

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

SECTION A: ADMINISTRATION

Monthly Report of Budget Activity

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

SECTION B: POLICY

2012 Resource Recovery Project Budget

Zack Hansen said that the previous three Project budgets have been two-year budgets, this one is presented as a one-year budget, since both the Joint Powers Agreement and RRT Processing Agreement expire at the end of 2012. There are two parts to the Project Budget: Administration and Processing. The overall budget is reduced in 2012 largely due to reduced processing costs associated with the Processing Agreement with RRT.

Commissioner Kriesel questioned the limit to the fund balance and possible one time uses. Zack Hansen replied that in the past, it was important for the Project to have the fund balance as a cash flow purpose. Our cash flow needs have diminished. The Budget Committee wanted to bring this to the attention to the Board to have a discussion in the future. He said there is no limit to what the number can be in there.

Commissioner Parker directed staff to come back with scenarios depending upon which direction we go in the future.

Zack Hansen stated that by law the fund balance can only be used for Waste Management purposes.

Commissioner Carter moved, seconded by Commissioner Weik, that the Ramsey/Washington County Resource Recovery Project Board hereby approves and recommends that the Ramsey and Washington County Boards approve the 2012 Resource Recovery Project Budget as recommended by the Resource Recovery Project Board Budget Committee as follows:

Appropriations	2012
Administration	\$ 796,787
Service Fee	3,500,000
Hauler Rebate	4,900,000
<u>Organic Waste</u>	<u>1,000,000</u>
	\$10,196,787

Financing	2010
Washington County Participation	\$ 2,749,082
Ramsey County Participation	7,432,705
<u>Interest Income</u>	<u>15,000</u>
	\$10,196,787

Roll Call: Ayes – 5 Nays – 0 Motion Carried

Joint County Approach for Organic Management

Judy Hunter said as a result of the April 2011 Project Board discussion, staff was directed to develop possible joint county strategies for commercial organic waste management, focusing on education, outreach and financial interventions, with a moderate level of county involvement. No additional focus on regulatory interventions was suggested at this time. She stated that staff came up with a number of milestones on where the Counties would like to be at in 2012 & 2013. She summarized those milestones.

Commissioner Rafael Ortega arrived.

Staff asked Dan Krivit of Foth to interview each of the panelists from the April meeting, as well as several other private sector entities. A report describing the results of the interview will be available on the Resource Recovery website.

Commissioner Ortega moved, seconded by Commissioner Parker that the Project Board directs staff to further develop and explore the financial intervention strategies, of Targeted Grants Program, Rebate Program and Securing Capacity taking into account information provided by those firms previously interviewed, information developed by SWMCB in its regional work on organic waste, information gathered by the Counties in their work on the master plan revision, the work on regional solid waste planning that is taking place at the SWMCB, and report back to the Project Board on progress at the next meeting of the Board.

Roll Call: Ayes – 6 Nays – 0 Motion Carried

Updates—RRT

Marty Gagliardi, RRT, gave an update on the Resource Recovery Facility.

Updates—Regional/Master Plan Update

Judy Hunter gave a brief summary on the regional/master plan.

Updates—September Project Board Meeting Date

The next Project Board meeting has been scheduled for September 22, 2011.

RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD MINUTES
JUNE 23, 2011

ADJOURNMENT

Chair Hegberg adjourned the meeting.

Approved:

Commissioner Dennis Hegberg, Chair

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>September 22, 2011</u> DATE SUBMITTED: <u>September 12, 2011</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	Report of Budget Activity 1) 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>	
<u>Ramsey County Attorney</u> _____	Date _____
<u>Washington County Attorney</u> _____	Date _____
<u>Susan M. Kull</u>	9.12.11
Budgeting & Accounting	Date

Report ID: GLS8020
 Bus. Unit: RC--Ramsey County
 Ledger Grp: ORG
 Currency : USD
 Chartfields Criteria
 Fund: 35101

R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

Page No. 1
 Run Date 09/12/2011
 Run Time 07:57:53

ORGANIZATION BUDGET LEDGER

Dept: All values

Program: All values

Bud Ref: 2011

Account: All values

<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
Ramsey/Was - State Auditor											
35101	140101	00000	2011	421102	5,520.00	0.00	0.00	0.00	5,132.50	92.98%	387.50
Ramsey/Was - Legal Services											
35101	140101	00000	2011	421201	40,000.00	0.00	0.00	36,025.00	3,975.00	9.94%	0.00
Ramsey/Was - County Attorney Services											
35101	140101	00000	2011	421208	13,946.00	0.00	0.00	0.00	1,454.00	10.43%	12,492.00
Ramsey/Was - Consulting Services											
35101	140101	00000	2011	421501	1,500.00	0.00	0.00	1,125.00	375.00	25.00%	0.00
Ramsey/Was - Engineering Service											
35101	140101	00000	2011	421502	95,000.00	0.00	0.00	28,083.61	66,916.39	70.44%	0.00
Ramsey/Was - Co Project Management Srvs											
35101	140101	00000	2011	421511	273,037.00	0.00	0.00	0.00	16,812.20	6.16%	256,224.80
Ramsey/Was - Other Professional Services											
35101	140101	00000	2011	421522	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Ramsey/Was - Advertising & Promotion											
35101	140101	00000	2011	421602	302,000.00	0.00	0.00	5,813.47	227,753.48	75.42%	68,433.05
Ramsey/Was - Equipment & Machinery Repairs											
35101	140101	00000	2011	422601	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Ramsey/Was - Records Storage/Retriev Fees											
35101	140101	00000	2011	423309	500.00	0.00	0.00	59.60	144.30	28.86%	296.10

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R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

Page No. 2
 Run Date 09/12/2011
 Run Time 07:57:53

ORGANIZATION BUDGET LEDGER

Dept: All values

Program: All values

Bud Ref: 2011

Account: All values

<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
Ramsey/Was - Liability & Property Damage											
35101	140101	00000	2011	424107	25,664.00	0.00	0.00	0.00	18,128.00	70.64%	7,536.00
Ramsey/Was - Membership & Dues											
35101	140101	00000	2011	424302	750.00	0.00	0.00	0.00	750.00	100.00%	0.00
Ramsey/Was - Other Travel											
35101	140101	00000	2011	424304	3,000.00	0.00	0.00	0.00	0.00	0.00%	3,000.00
Ramsey/Was - County Manager Meeting Expense											
35101	140101	00000	2011	424306	300.00	0.00	0.00	0.00	24.77	8.26%	275.23
Ramsey/Was - Other Services											
35101	140101	00000	2011	424601	100,000.00	0.00	0.00	18,205.90	41,794.10	41.79%	40,000.00
Ramsey/Was - Per Diem Fee											
35101	140101	00000	2011	424608	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Ramsey/Was - Books Periodicals & Subscriptn											
35101	140101	00000	2011	424620	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
Subtotal for Dept 140101 :					861,217.00	0.00	0.00	89,312.58	383,259.74	44.50%	388,644.68
Ramsey/Was - Resource Recovery Service Fee											
35101	140102	00000	2011	422306	5,250,000.00	0.00	0.00	0.00	2,561,051.25	48.78%	2,688,948.75
Ramsey/Was - Rebates-Res Rec Tipping Fees											
35101	140102	00000	2011	424623	4,900,000.00	0.00	0.00	0.00	2,395,422.60	48.89%	2,504,577.40
Ramsey/Was - Subsidies to Other Entities											
35101	140102	00000	2011	425102	650,000.00	0.00	0.00	0.00	24,640.80	3.79%	625,359.20

Report ID: GLS8020
 Bus. Unit: RC--Ramsey County
 Ledger Grp: ORG
 Currency : USD
 Chartfields Criteria
 Fund: 35101

R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

Page No. 3
 Run Date 09/12/2011
 Run Time 07:58:34

ORGANIZATION BUDGET LEDGER

Dept: All values

Program: All values

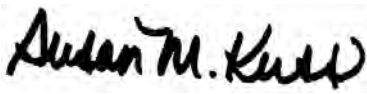
Bud Ref: 2011

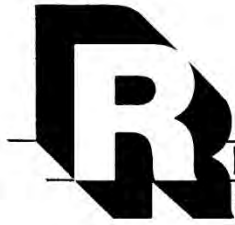
Account: All values

<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
		Subtotal for Dept 140102 :			10,800,000.00	0.00	0.00	0.00	4,981,114.65	46.12%	5,818,885.35
		Subtotal for Fund 35101 :			11,661,217.00	0.00	0.00	89,312.58	5,364,374.39	46.00%	6,207,530.03
		Grand Total :			11,661,217.00	0.00	0.00	89,312.58	5,364,374.39	46.00%	6,207,530.03

End of Report

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

BOARD MEETING DATE: <u>September 22, 2011</u>		DATE SUBMITTED: <u>September 12, 2011</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Joint County Approach for Organic Management	
		1) Memorandum	
		2) Resolution	
<u>BACKGROUND:</u>			
<p>At the January, April and June, 2001 meetings the Project Board has held policy discussions on how the counties should jointly approach increasing the level of organic waste recycling. During 2011 the Board has reviewed a range of programs and strategies the counties could use to increase the amount of commercial organic waste managed, discussed a vision and milestones for commercial organic waste management, and listened to a panel of industry representatives. The Board has also proposed strategies for education and technical assistance and for financial interventions and then provided direction to staff to take action on several strategies. At the September meeting the Board will discuss and is requested to take a number of actions to put the strategies to work.</p>			
<u>PROJECT BOARD ACTION REQUESTED:</u>			
<p>Adopt a resolution authorizing staff to proceed with developing consultant contracts for consideration by the Executive Committee, to further evaluate organic waste transfer capacity, and to design a targeted grants program.</p>			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>			
<p>Four consultant contracts for 2012 in the total amount of \$220,000. Funds are available in the approved 2012 budget for this expense.</p>			
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
_____ Ramsey County Attorney		_____ Date	
_____ Washington County Attorney		_____ Date	
		 Susan M. Kull	
		Budgeting & Accounting	
		9.15.11 Date	



September 16, 2011

To: Ramsey/Washington County Resource Recovery Project Board

From: Joint Staff Committee

Re: Joint Ramsey and Washington County Organic Waste Management

Background

At the January Project Board meeting staff framed policy issues around organic waste to facilitate the Board's policy discussion. At its April 2011 meeting the Project Board reviewed a range of programs and strategies the counties could use to increase the amount of commercial organic waste managed, discussed a vision and milestones for commercial organic waste management, and listened to a panel of industry representatives. At its June 2011 meeting the Project Board reviewed proposed strategies for education and technical assistance and for financial interventions and then provided direction to staff to take action on several strategies. Attachment 1 includes background from these Project Board discussions in 2011.

Please note: the terms "organics," "organic waste," "source separated organics," and "source separated organic materials/SSOM" are used interchangeably to refer to food waste and soiled/non-recyclable paper.

Strategies

Strategies are intended to be the tools used to achieve the vision for organic waste management, found in Attachment 1. The staff developed strategies in two areas that were discussed in June. The Board adopted resolution 2011-RR-2, which provided this direction:

1. Forward the vision and milestones for organic waste management developed to the Counties for consideration in preparing the regional and County solid waste master plans;
2. Move forward to further plan and implement a general awareness plan for 2011 and 2012, aimed at raising the awareness of commercial generators in the two counties about separate organic waste management;
3. Up to \$75,000 will be budgeted for Organic Waste Management in 2011 and be made available for outreach and communication;
4. Prepare a specific work plan and budget for consultation and technical assistance, for consideration at a Project Board meeting later in 2011;

5. Recognize that the County Environmental Charge is an important financial tool to support recycling and organic waste management, and encourages the Counties to continue to use that as a funding tool; and
6. Direct staff to further develop and explore the financial intervention strategies of Targeted Grants Program, Rebate Program and Securing Capacity, taking into account information provided by those firms previously interviewed, information developed by SWMCB in its regional work on organic waste, information gathered by the Counties in their work on master plan revision, the work on regional solid waste planning that is taking place at the SWMCB, and report back to the Project Board on progress at the next meeting of the Board.

This memo provides a progress report on that work, and seeks further action by the Project Board. The approach proposed by staff is to commence a comprehensive effort to inform commercial generators of organic waste management options, develop business-friendly resources, facilitate business-to-business communication on this matter, provide resources and services to jump-start more organic waste recycling. In developing this approach, staff seek to leverage the resources of entities that have experience and success in demonstrating the positive benefits of recycling and organic waste management to businesses and institutions. Finally, experience in the field, plus the formal research being conducted for development of the Master Plans, indicates that technical assistance and consultation on organic waste is more effective when it is part of a larger package of services, including traditional recycling, waste hauling, waste reduction. When appropriate, the services and outreach described herein will take a more comprehensive approach.

A. Education, Consultation and Technical Assistance

Working within the framework of strategies that was discussed at the June meeting, staff have made progress in developing and implementing a new targeted awareness and education campaign for 2012 – 2013 to businesses that generate food and/or organic waste, with the goal to increase the awareness of all commercial generators in the two counties about the availability and benefits to reducing or recycling organic waste. Staff have investigated best practices in this field and case studies from around the U.S.

The following are next steps that staff recommend:

1. *Develop and fine-tune a list of potential commercial generators of organic waste for outreach efforts.* Creating an accurate database of businesses is key to targeted outreach. Most of this work can be done in-house, but it may be necessary to purchase some services to assist with the listing. The types of commercial generators targeted will be based on the classifications of generators presented to the Project Board earlier this year, which was based on extensive research conducted by Foth in 2010.

2. *Development of an East-Metro Commercial Organics and Recycling Website* – This is considered an essential element to move forward with a technical assistance program. A website targeted to local businesses in Ramsey and Washington Counties, with resources tailored to meet their needs, will be a portal for commercial generators to make decisions for recycling and organics management. The website will
 - a. Raise awareness,
 - b. Provide local relevant Tool Kits for businesses,
 - c. Provide access to Project and County resources that are available, and
 - d. Provide connections to other waste management resources.

This site will be developed using Ramsey County Information Services staff, with assistance from Ramsey and Washington County Environmental Health staff, and the use of an outside consultant. The website will be designed and built so that it can be maintained on an ongoing basis without significant investment. Staff estimate that a site can be developed and implemented within 6-9months, with consulting costs being up to \$40,000 (using funds already appropriated by the Project Board).

3. *Develop social media tools for businesses to inquire and share information.* Business-to-business communication has exploded with the availability of social media. Based on input from businesses, staff recommend that the Project develop and maintain a moderated electronic forum, and other appropriate social media tools, for businesses to exchange information about organic waste and recycling, anchored by the newly developed web page. Development of this approach will require the assistance of a social media consultant, and a mechanism to moderate the forum. Cost estimate for a social media consultant is estimated at \$20,000.
4. *Procure consulting and technical assistance services for 2012.* Staff recommend that the Project retain services of a team of consultants that would be aimed at providing consultation and technical assistance to high volume, and possibly medium volume, organic waste generators in the two counties. The consultants selected have a variety of experience, but all have been successful in promoting organic waste management, recycling, waste reduction and pollution prevention in a manner that saves businesses money and protects the environment. Each consultant has a niche, and the services they offer and expertise will combine to make an effective team for the east metro area.

For 2012 staff recommend the following:

- a. *JL Taitt and Associates* has provided a variety of technical assistance and consultation services for institutional generators, such as school districts, hospitals and nursing homes, alternative care facilities, and colleges and universities. JL Taitt and Associates has worked for the Project on organic waste management since 2003, working with businesses and institutions on organic waste recycling. JL Taitt has

performed this work in a high quality manner, and is in the approved 2012 budget for these activities.

- b. Minnesota Waste Wise* is a member-supported 501(c)(3) affiliated with the Minnesota Chamber of Commerce, that delivers strategic environmental consulting to help businesses save money through waste reduction, resource conservation and energy efficiency. Its mission is to help businesses and organizations implement environmentally sustainable business practices while saving money and protecting the environment. Ramsey County has retained Waste Wise for a portion of 2011 for outreach on commercial recycling. Waste Wise can assist with direct consultation for businesses on organic waste. Staff propose a contract of up to \$80,000 for 2012. Funds are included in the approved 2012 budget for this work.
- c. The Minnesota Technical Assistance Program (MnTAP)* is an outreach and assistance program affiliated with the University of Minnesota that helps Minnesota businesses develop and implement industry-tailored solutions that prevent pollution at the source, maximize efficient use of resources, and reduce energy use and costs to improve public health and the environment. Staff propose to contract with MnTAP, which would dedicate staff time and internships to working with businesses in Ramsey and Washington Counties to redesign their waste management systems to save money and recycle more. Staff propose a contract of up to \$80,000 for this service.
5. *Create an outreach plan to targeted businesses – Staff from the two counties have started to develop this plan for 2012- 2013, which will have two overall objectives. First, to raise awareness about organic waste management options among businesses and institutions that generate organic waste. Second, to market the services available from the Project and Counties to assist businesses in managing organic waste. The specific strategies to be implemented will be based on those presented to the Project Board in June 2011. Included in the plan development will be consideration of how staff and consultants will be organized and assigned to carry out this work, an evaluation component, and how results will be communicated.*

B. Financial Interventions and Securing Capacity

There was considerable discussion at previous Project Board meetings, and with the industry panel, about possible financial interventions. Staff have evaluated a variety of possible strategies, and recommend the following next steps.

1. Continue County Environmental Charge (CEC)

The resolution adopted by the Project Board in June included :

“Recognize that the County Environmental Charge is an important financial tool to support recycling and organic waste management, and encourages the Counties to continue to use that as a funding tool”

Using the CEC as a financial incentive reduced the need to use public funds to subsidize recycling and organics management programs. The CEC is an important financial tool to encourage residents and businesses to manage waste according to the solid waste management hierarchy. The CEC is related to the volume of waste disposed of by businesses. The CEC is not charged on waste which is recycled, reused, or composted. Waste sort composition studies have shown that much of what is now managed as MSW could be managed through reuse, recycling (including livestock feeding), and composting.

2. Securing Capacity

All of the members of the industry panel at the April 2011 Project Board meeting, and in follow-up interviews, recognized the need for transfer station capacity for organic waste. Most of them are supportive of the Counties becoming involved (within limits) to develop or arrange for the transfer station capacity for organic waste. Providing SSOM capacity means establishing a location with the specific purpose of being available for SSOM to be delivered from waste generators within the two counties.

Staff engaged Foth to conduct a review of current and potential transfer station capacity as a first step in determining if the Project should be involved. Foth was asked to look at operational issues, tipping area of a transfer station that would be needed, types of materials, and costs. The findings from this preliminary work are:

- Odor management and good public relations are paramount, and should be considered a top priority.
- Transfer operations should be enclosed, with a tipping floor, storage bunker and transfer trailer loading area. Outdoor tipping can make odor control a challenge, as well as difficulty with winter operations.
- Liquids management is critically important; significant volumes of liquid come out of certain commercial loads. Drainage to sanitary sewer is required.
- Costs are difficult to determine until specific details of operations are known. A simple analysis of tip-store-load-transfer is in the range of \$10 - \$20 per ton.
- There are two existing transfer stations proximate to the Counties that could meet these requirements. There are at least two other transfer stations that could transfer organics with the addition of a building.
- All of the transfer stations interviewed are interested in further discussing transfer capacity with the Project, after further details are available.

It appears that some transfer capacity may develop without County involvement, but it is uncertain whether that capacity would be made available to haulers other than those that own the transfer capacity.

Staff will continue to examine whether the changes in the market for organics will provide sufficient capacity, or whether a Project role is need to stimulate transfer station

capacity. Staff request permission from the Project Board to further discuss transfer capacity with transfer station operators, and, if appropriate, develop, issue, and evaluate either a request for proposals (RFP) or request for expressions of interest (RFI), with a report back to the Project Board in early 2012.

3. Targeted Grants Program

Using financial grants targeted for specific purposes has been successful in other parts of the U.S. and Canada to increase recycling and organics management. The industry panel had general agreement on using grants for public education, but there was no consensus on using other types of grants. Research conducted on behalf of the SWMCB, as well as Project research into grants in other regions of the U.S. indicates that targeted grants could have an effect, if the grants are aimed primarily at waste generators.

Staff recommend that the Project develop a targeted “Starter Grants” program. This program would provide grants up to \$8,000 to non-residential waste generators (businesses and institutions) interested in establishing an organics recycling program. Grants could be used expenses for items like purchasing bins, barrels, containers or other equipment, employee education or awareness of a recycling and organics management program, start-up costs for designing a program or conducting waste assessments/audits, software or evaluation tools, or other initial costs. At this time a specific total amount for the program has not been identified. Staff recommend that there be conditions associated with receiving public funds, including requirements such as:

- Grantees would assure that MSW that is generated be delivered by their waste hauler for waste processing.
- Grantees would implement comprehensive recycling and organics programs in a comprehensive manner.
- The grantee must make use of the free consultation services provided by the Project in designing their system and prior to project starting grantee will provide base line information on current recycling amounts, MSW disposal information, etc. that will help in monitoring progress.
- Implementation of grant must result in reduced MSW, be designed to be continued by the grantee.
- Funded projects must be initiated within two months of execution of the contract or grants funds will revert back to the Project.
- Grantee must monitor and report results, provide a short summary of project progress and diversion achievements, and agree that the results can be shared as a case study.

Staff request permission from the Project Board to design a grants program, including how the program would be administered, terms and conditions of the grants, as well as grant guidelines, with the grant design being presented to the Project Board for consideration in 2012.

Recommendations

The Project Board is requested to:

- a. Authorize staff to procure the services of a web developer to assist in the creation and implementation of an East-Metro commercial organic waste and recycling web page, and to prepare a contract for those services for consideration by the Executive Committee, with a term from the date of execution to December 31, 2012, in an amount not to exceed \$40,000; funds are available for this work in the 2011 and 2012 approved Project Budget.
- b. Authorize staff to develop a contract with a social media expert to design a moderated forum for businesses on recycling and organic waste management, for January 1, 2012 – December 31, 2012, in an amount not to exceed \$20,000; funds are available for this work in the 2012 approved Project Budget.
- c. Authorize staff to develop a contract with Waste Wise for commercial organic waste and recycling consultation and technical assistance services, for January 1, 2012 - December 31, 2012, in an amount not to exceed \$80,000; funds are available for this work in the 2012 approved Project Budget.
- d. Authorize staff to develop a contract with MnTAP for commercial organic waste and recycling consultation services, for January 1, 2012 - December 31, 2012, in an amount not to exceed \$80,000; funds are available for this work in the 2012 approved Project Budget.
- e. Authorize staff to proceed with outreach in 2011 and 2012 related to organic waste, in order to raise awareness and promote organic waste services, using the funds already approved in Resolution 2011-RR-2 on June 23, 2011.
- f. Authorize staff to further discuss organic waste transfer capacity with transfer station operators, and, if appropriate, develop, issue, and evaluate either a request for proposals (RFP) or request for expressions of interest (RFI), with a report back to the Project Board in early 2012.
- g. Authorize staff to design a targeted “Starter Grants” program for commercial businesses, with the grant design and proposed costs for a grants program being presented to the Project Board for consideration in 2012.

Attachment 1: Background on Project Board Discussions about Commercial Organic Waste Management in 2011.

January

At the January Project Board meeting staff framed policy issues around organic waste to facilitate the Board's policy discussion. A flow chart and matrix presented at that time suggested a progression of decisions for the Project Board to consider. As a result of that discussion, the Project Board indicated its interest in having the two counties work jointly on commercial organic waste management. Staff was asked to design alternatives for organic waste policy options for the Board to discuss at its meeting in April, and to help in framing that work. The Board arrived at some consensus on criteria to consider as it proceeds with its policy discussions. A summary of the criteria that emerged from the Board discussion is provided below.

Summary of Criteria

- Decisions should be consistent with the newly adopted Regional Policy Plan, and the Master Plans under development.
- Make decisions to assure protection of health and safety.
- Consider the current organic waste recovery system, so that system changes increase recovery of organic waste.
- Environmental protection: Use EPA's food waste management hierarchy as an indicator of environmental protection.
- Expect private sector participation in meeting environmental goals, with public engagement only when necessary.

April

At its April 2011 meeting the Project Board reviewed a range of programs and strategies the counties could use to increase the amount of commercial organic waste managed. The programs and strategies were divided into these intervention categories:

- Education/Outreach,
- Financial, and
- Regulatory.

Staff prepared four scenarios using these strategies, based on the level of county effort: Current level of effort, low, moderate and significant. A panel of industry representatives provided additional information on current commercial organic waste management issues, and answered questions.

As a result of the Project Board discussion, staff was directed to develop possible joint county strategies for commercial organic waste management, focusing on education/outreach and financial interventions, with a moderate level of county involvement. No additional focus on regulatory interventions was suggested at this time.

Vision and Milestones

The Project Board provided substantial policy direction for staff to work with. Building on the work of the Project Board, staff and consultants "began with the end in mind," developing a vision of what the organic waste management systems could look like by 2020, along with milestones that would likely need to be in place to reach the vision.

The vision is as follows:

Vision for Organic Waste Management

By 2020, the Waste Management system will value and manage organic waste as a resource, and incentives will be in place to manage organic waste higher on the hierarchy. Comprehensive organic waste management services will be readily available and be offered by the private sector. Architects and developers will design and build for multiple stream collection. Generators and haulers will work together to tailor organics collection services, and pricing will be an incentive for separate management of organic waste. There will be multiple opportunities for organic waste, and end markets for products derived from organic waste will be thriving.

A number of milestones were developed, based again on the Project Board's direction to focus on education/outreach (including consultation and technical assistance), as well as financial incentives. The approach taken was to begin with a greater level of County involvement in the system, with that effort declining over time. The milestones are as follows:

2012-2013

- Ramsey and Washington Counties develop and implement programs for outreach, education, technical assistance and incentives to stimulate separate management of organic waste.
- High volume generators of organic waste have knowledge of organics management programs, contract for organic collection services, and separately manage organic waste.
- Small and medium volume generators of organic waste have awareness of organics management options, and some participate in separate organic waste management.

2014-2018

- Ramsey and Washington Counties continue to provide programs to stimulate separate management of organic waste, but during this time period begin to phase out the financial role of government in the organic waste management market.
- High volume and medium volume generators have knowledge of organics management programs, contract for organic collection services, and separately manage organic waste.
- Small volume generators of organic waste have awareness of organics management options, and some participate in separate organic management.
- The economics of the waste disposal market favors separate management of organic waste.

2019-2020

- Ramsey and Washington Counties continues to provide education to promote awareness of separate organic waste management.
- Recyclers, end markets and waste haulers lead efforts to provide technical assistance and support, and offer separate collection service for organic waste to all customers.
- Small, medium and high volume generators separately manage organic waste.
- The economics of the waste disposal market favors separate management of organic waste.

June:

Interviews with Private Sector Panelists: At the April meeting the Project Board asked staff to follow up with the panelists for further information and opinions about the counties' work on commercial organic waste. Staff asked Dan Krivit of Foth to interview each of the panelists from the April meeting, as well as several other private sector entities. A summary of the findings of the interviews with the five panelists is as follows:

With regard to some of the specific ideas from the April meeting:

- Most agree that the Counties have a strong role in education.
- Most agree that there need to be high performance standards for the organics recovery system.
- Two would like to see the Counties more involved in end market development, from use of the end product to payment of market as last resort.
- All of them recognized the need for transfer station capacity and most of them are supportive of the Counties being involved (within limits) to develop or arrange for the transfer station capacity for organic waste.
- There was no real consensus on the use of grants, although there was some general concept level consensus on use of grants for public education. There was a variety of opinions on additional areas grant funds could be used for.
- With regard to use of public funding, once we move away from the general concept of grants for education into other types of specific funding, the consensus evaporates. There were differing opinions on "old" versus "new" tons, providing items such as bins, barrels or other containers, or posters, stickers, or standardized symbols.

Some newer ideas or concepts emerged during the interviews, including:

- Rebate , if used, should get to the commercial generators
- Organic waste technical assistance/consulting should be part of a larger package of integrated services (traditional recycling, waste hauling, purchasing, waste reduction)
- A willingness to work on a pilot demonstration of organic waste transfer
- Integrate yard waste contracts with new organic waste contracts to help assure supply of bulking agents

Draft Resolution

Whereas, The Joint Powers Agreement creating the Ramsey/Washington County Resource Recovery Project provides that the Project Board shall administer joint solid waste management activities proposed by the Joint Staff Committee, which includes “food waste and organic waste reduction and recycling”; and

Whereas, The Resource Recovery Project Board has administered food waste and organic waste outreach, communication and technical assistance for six years; and

Whereas, The Project Board has engaged in information gathering and policy discussion during 2011 to help the Counties define their work on organic waste management as they prepared revisions to their solid waste master plans, and has identified strategies that the Counties should jointly administer. Now, Therefore, Be It

Resolved, The Ramsey/Washington County Resource Recovery Project Board hereby authorizes staff to procure the services of a web developer to assist in the creation and implementation of an East-Metro commercial organic waste and recycling web page, and to prepare a contract for those services for consideration by the Executive Committee, with a term from the date of execution to December 31, 2012, in an amount not to exceed \$40,000. Be It Further

Resolved, The Project Board authorizes staff to develop a contract with a social media expert to design a moderated forum for businesses on recycling and organic waste management, for consideration by the Executive Committee, for January 1, 2012 – December 31, 2012, in an amount not to exceed \$20,000. Be It Further

Resolved, The Project Board authorizes staff to develop a contract with Minnesota Waste Wise for commercial organic waste and recycling consultation and technical assistance services, for consideration by the Executive Committee, for January 1, 2012 - December 31, 2012, in an amount not to exceed \$80,000. Be It Further

Resolved, The Project Board authorizes staff to develop a contract with MnTAP for commercial organic waste and recycling consultation and technical assistance services, for consideration by the Executive Committee, for January 1, 2012 - December 31, 2012, in an amount not to exceed \$80,000. Be It Further

Resolved, The Project Board authorizes staff to proceed with outreach in 2011 and 2012 related to organic waste, in order to raise awareness and promote organic waste services, for consideration by the Executive Committee, using the funds already approved in Resolution 2011-RR-2 on June 23, 2011. Be It Further

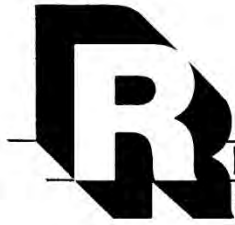
Resolved, The Project Board authorizes staff to further discuss organic waste transfer capacity with transfer station operators, and, if appropriate, develop, issue, and evaluate either a request for proposals (RFP) or request for expressions of interest (RFI), with a report back to the Project Board in early 2012. Be It Further

Resolved, The Project Board authorizes staff to design a targeted “Starter Grants” program for non-residential organic waste generators, with the grant design and proposed costs being presented to the Project Board for consideration in 2012.

"

Commissioner Dennis Hegberg, Chair

September 22, 2011



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

September 16, 2011

To: Ramsey/Washington County Resource Recovery Project Board
From: Joint Staff Committee
Re: Future Processing Considerations

Background

On January 1, 2007, the Processing Agreement between Ramsey and Washington counties and Resource Recovery Technologies (RRT) 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.

During 2011 the metropolitan counties are revising their solid waste master plans. As with the previous three master plan revisions, some portions of the county master plans will be developed jointly through the SWMCB, pursuant to the Joint Powers Agreement that created the SWMCB. Ramsey and Washington Counties are also developing their individual master plans, and staff have been jointly working on selected portions, including the chapter on waste processing. As the plans are being prepared, staff wanted to discuss the Processing chapter with the Project Board.

Prior to the policy discussion, staff have invited representatives of RRT to give an update on the Resource Recovery Facility to discuss their plans going forward.

Status of Waste Processing

In 2010 there was 815,000 tons of mixed municipal solid waste (MSW) managed in the two counties. The pie chart on the following page shows the fate of that waste. Of the total amount, 52% or 423,000 tons was collected as MSW and either landfilled or delivered for processing.

The volume of MSW managed by processing or landfilling has declined since 2002. There are a number of reasons for this that have been identified, which include both positive and negative actions in response to the CEC as well as the Great Recession. The second chart on the next page shows the number of tons of MSW delivered for processing and directly to landfills, and the total of those two, for 1998 – 2010. Since 2002, the year that the counties conducted a study of public collection, the total waste reported as MSW has declined, with the most significant decline coming in the later part of the 2000 – 2010 decade. In 2009 and 2010 about the same amount of MSW, around 120,000 tons, was delivered directly to landfills.

Figure 1 Fate of 815,000 Tons of MSW From Ramsey and Washington Counties in 2010

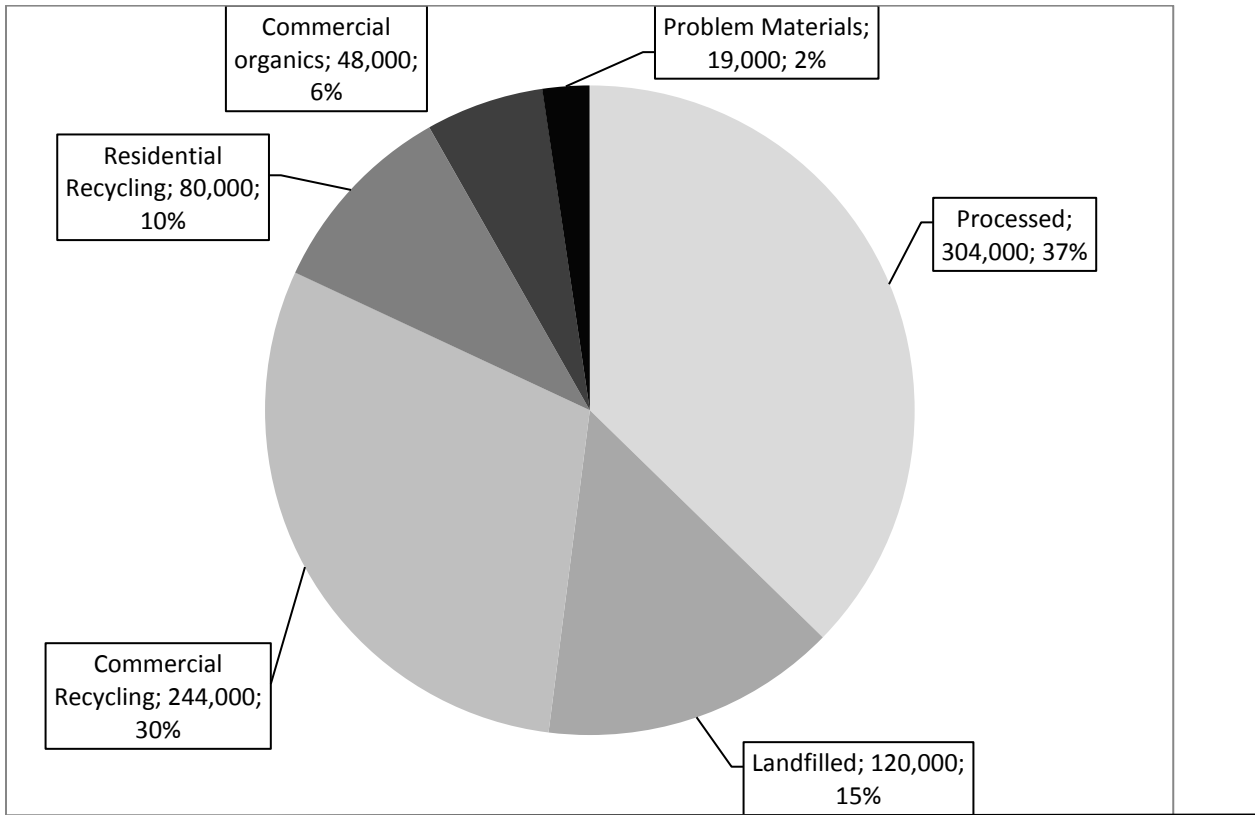
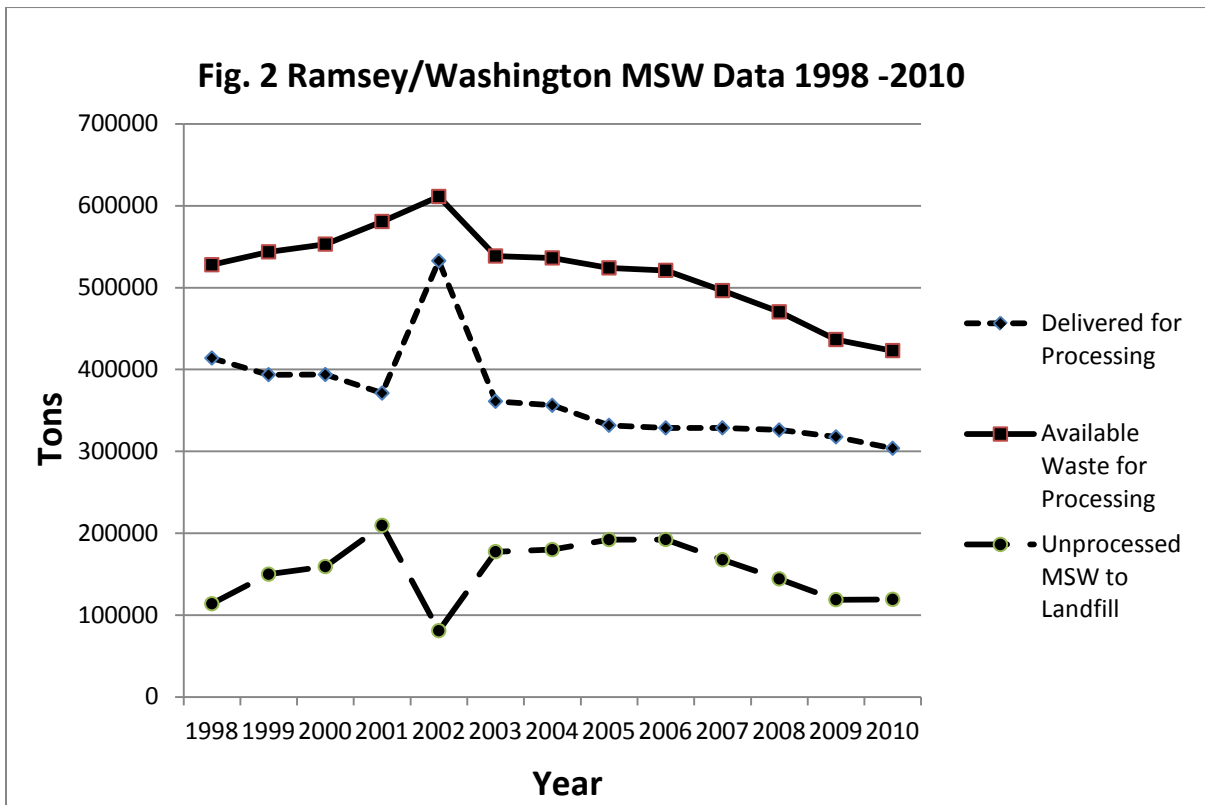


Fig. 2 Ramsey/Washington MSW Data 1998 -2010



Newport Facility Performance

Each year the Project's engineering consultant, Foth Infrastructure and Environment, conduct an inspection of the Resource Recovery Facility and reviews facility performance. Information in this part of the memo is taken from the 2011 inspection, conducted earlier in the year.

In summary, the facility has been receiving declining amounts of Ramsey and Washington County waste, but has been able to mitigate the reductions to some degree with deliveries from other sources. The Facility has been able to maintain high performance, with a slight downward trend in deliveries of RDF to the two Xcel combustion facilities.

Table 1 (next page) provides a comparison of the Newport plant performance for the last ten years, 2001 to 2010 (covering all waste delivered, not just from R/W Counties). The MSW received in 2003 through 2007 was consistently between 431,000 and 438,000 tons per year. In 2008, only 406,986 tons were received, down 24,216 tons from 2007 (5.6% decrease). In 2009, only 391,329 tons were received, down 15,657 tons from 2008 (3.8% decrease). In 2010, MSW deliveries actually increased 1,304 tons as deliveries stabilized for the year.

The RDF produced in 2010 was once again over 324,000 tons for the year, similar to 2009 production. 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.

The Process Residue (what remains after RDF and metals are recovered) has gone down dramatically from 2006 at 56,472 tons to only 15,655 tons in 2010. Bulky waste residue (non-processible and excess waste) has also decreased over time from 63,947 in 2006 to only 32,521 in 2010. RDF yield has increased over time from 81.2% in 2006 to 91.6% in 2010. The Percentage Not Landfilled for 2010 (94.4%) easily met the processing contract and state required level of 85%.

Table 1
Plant Performance Comparison

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL MSW Received (tons)	409,762	565,548	435,012	437,603	432,667	435,987	431,202	406,986	391,329	392,633
MSW Processed (tons)	356,121	425,620	375,504	383,958	389,200	373,097	382,624	369,476	359,744	353,860
RDF Produced (tons)	319,582	348,447	319,573	328,220	331,848	303,048	324,856	310,175	324,684	324,042
RDF to Red Wing (tons)	183,723	198,303	180,540	187,146	193,688	168,220	180,363	177,385	182,572	181,809
RDF to Wilmarth (tons)	135,862	150,142	138,706	141,112	138,161	134,827	144,289	132,789	142,114	134,857
Non-ferrous	618	1,042	986	758	823	874	832	484	429	1,109
Process Residue (tons)	23,425	60,830	41,995	41,285	43,854	56,472	41,382	36,353	20,728	15,655
Ferrous Delivered (tons)	15,380	17,980	16,555	16,532	15,718	15,703	NA	14,458	13,858	12,880
Fluff Returned (tons)	3,107	3,487	3,280	2,847	2,677	3,014	NA	3,440	3,721	3,863
Ferrous Sold (tons)	12,274	14,492	13,276	13,687	13,443	12,691	14,197	11,014	10,136	9,017
Bulky Waste Residue (tons)	55,065	143,645	56,243	45,754	41,036	63,947	52,907	51,580	37,203	32,521
RDF Yield (%)	89.7	81.9	85.1	85.5	85.3	81.2	84.9	83.9	90.3	91.6
BWR/Process Residue (%)	19.2	36.2	22.6	19.9	19.6	27.6	21.9	21.6	14.8	12.3
NOT Landfilled (%)	93.4	85.5	88.9	89.2	88.9	84.9	88.8	87.1	93.2	94.4

Note: NA – Data not available for complete year.

As shown in Table 2, deliveries of Ramsey/Washington (R/W) Counties waste are down from over 325,000 tons per year in 2007 and 2008 to just over 305,000 tons per year in 2010. However, with RRT operating as a merchant facility it was able to secure MSW tons from other

sources such as haulers bringing in Dakota County waste, or southern Minnesota waste, to partially offset lower deliveries from R/W.

Table 2
MSW Deliveries from Ramsey and Washington Counties (Total Inbound Tonnage)

Source	Actual 2007	Actual 2008	Projected 2009	Actual 2010
Ramsey Washington – Direct Delivery	266,351	255,666	252,314	245,444
Ramsey Washington – Transfer Station	59,517	70,233	65,285	60,257
Total Ramsey Washington Tons	325,868	325,899	317,599	305,701

Following are two Figures covering the thirteen-year period from 1998 through 2010.

Figure 1 – Comparison of Receipts to RDF shows a somewhat downward trend in MSW received over the 13-year period, and a slight downward trend of MSW processed and RDF produced.

Figure 3

Comparison of Receipts to RDF

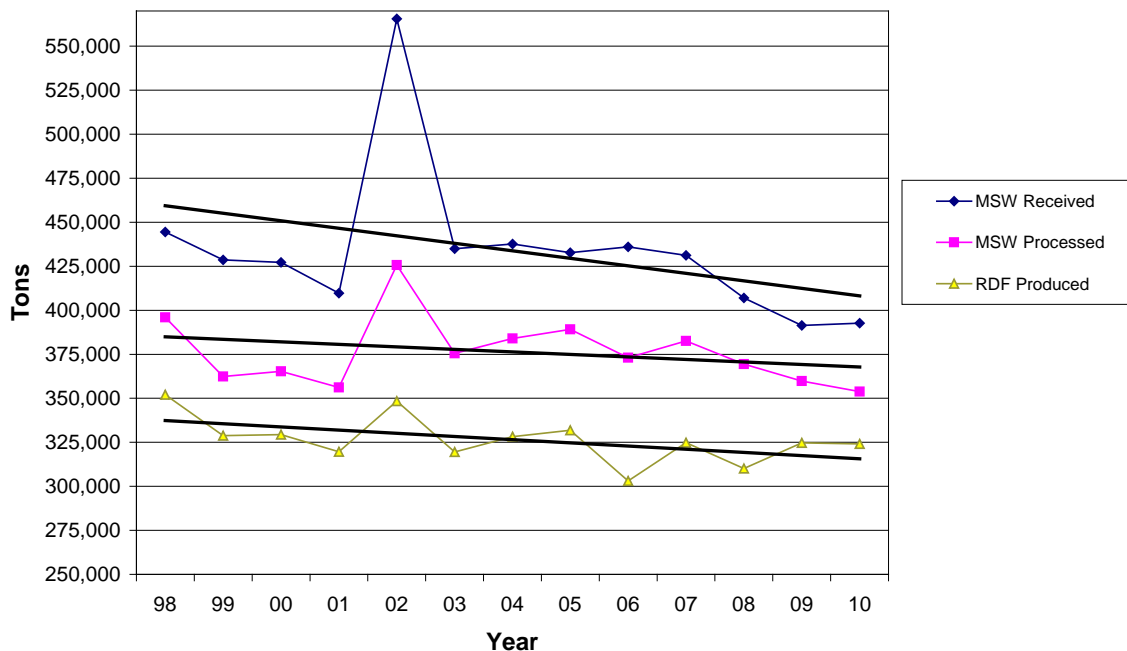
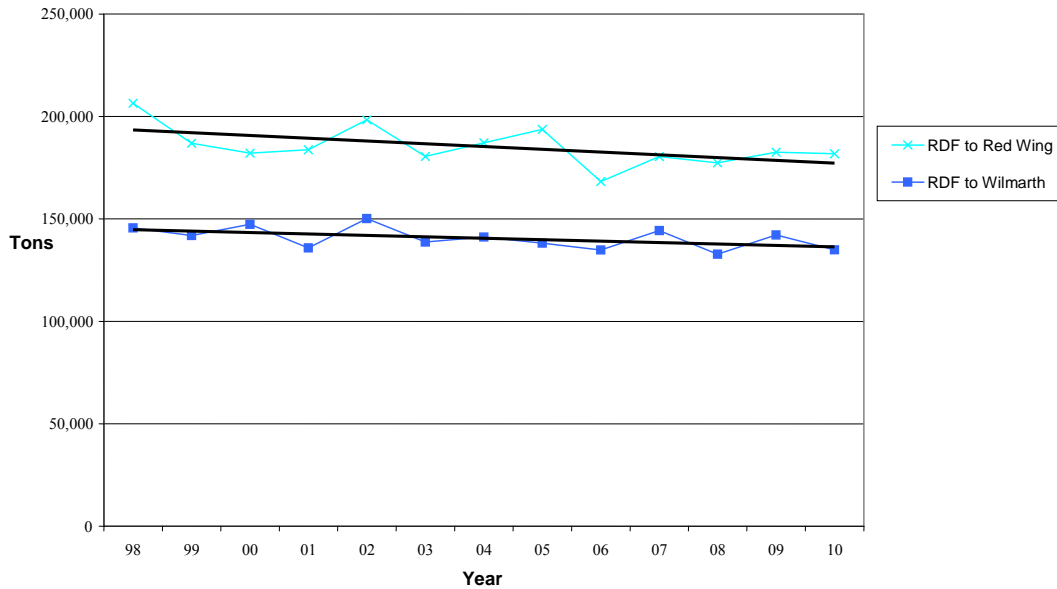


Figure 2 – RDF to Burn Plants shows the slightly downward trend over time to both the Wilmarth and Red Wing Xcel burn plants.

**Figure 4
RDF to Burn Plants**



Regional Waste Processing Developments

In 2010, Great River Energy (GRE) made a presentation to the Project Board about its acquisition of the Elk River Facility and new contractual arrangements. Since that time the contract with Anoka County has been modified, and extended through 2015, and Hennepin County is delivering some waste to GRE through 2012. Deliveries at Elk River Facility remain substantially below capacity, and GRE continues to seek MSW deliveries.

Hennepin County is continuing to seek permit modifications to allow it to fully use the capacity of its Hennepin Energy Recovery Center in Minneapolis.

Waste Processing Policy

Attached to this memo are draft County Master Plan processing chapter policies and strategies from Ramsey and Washington Counties for discussion purposes.

Preliminary Ramsey/Washington Processing Policies and Strategies
For Master Plan Revision

Policies

Processing Policy #1 Consistent with the State hierarchy, Ramsey/Washington County affirms processing of waste, for the purpose of recovering energy and recyclable and other beneficially useful materials, as the preferred MSW and non-MSW management method over landfilling for waste that is not reduced, reused, or separately recycled or composted. This policy applies both to waste generated throughout the county and specifically to MSW generated by public entities including contracts for organized collection of solid waste. Pursuant to State law, public entities in Ramsey/Washington County will assure that MSW that they generate or contract for is processed rather than land disposed.

Processing Policy #2 Ramsey/Washington County supports the processing of waste in a manner that encourages waste reduction, reuse or recycling, including the separate management of organic waste.

Processing Policy #3 Ramsey/Washington County supports a merchant approach for waste processing, in which the financial risk and benefit of owning and operating a waste processing facility rests with the private sector.

Processing Policy #4 As part of the merchant approach, Ramsey/Washington County expects the following objectives to be met by waste processing facilities operated by the private sector that serve the County:

- a. Waste haulers that serve Ramsey/Washington County will have access to processing facilities.
- b. Public entity waste will be accepted at the lowest price offered at processing facilities.
- c. Processing facilities will receive sufficient waste and tipping fee revenue to be sustained as a viable competitive solid waste management business.
- d. Processing facilities will meet performance requirements established in law.

Processing Policy #5 Ramsey/Washington County will eliminate any public subsidy, in the form of Processing Payments or Hauler Rebates for waste processing after the expiration of the Processing Agreement with RRT at the end of 2012.

Processing Policy #6 In the event of a failure of the solid waste market to support a merchant approach and other County environmental goals, Ramsey/Washington County will consider the following actions:

- a. Seek to acquire the Resource Recovery Facility in Newport, to maintain its operation as a resource recovery facility; this includes consideration of public operation and the use of flow-control; and/or
- b. Pursuant to action taken following the Public Collection study in 2001-2002, move forward with design of a public collection system for residential and commercial solid waste to achieve environmental goals and protect public health and safety.
- c. Intervene in the market and use public funds to encourage processing.

Ramsey/Washington County-specific Strategies

Processing Strategy #1 Until termination of the Processing Agreement for the Resource Recovery Facility in Newport at the end of 2012, Ramsey/Washington County will coordinate resource recovery activities through the Ramsey/Washington County Resource Recovery Project.

Processing Strategy #2 The Counties will continue to work cooperatively on specific waste management issues through a joint powers agreement after 2012 to enhance the efficiency of waste management services and assist in achieving regional goals in processing.

Processing Strategy #3 Until termination of the Processing Agreement for the Resource Recovery Facility in Newport and during merchant operations, Ramsey/Washington County will inform and work with municipalities and refuse haulers regarding methods to reduce delivery of unacceptable or non-processible materials to the Facility

Processing Strategy #4 Ramsey/Washington County will work cooperatively with the Minnesota Pollution Control Agency as the State enforces provisions found in Minn. Stat. Section 473.848, which requires waste to be processed before land disposal

Processing Strategy #5 Ramsey/Washington County will continue to identify and evaluate waste processing issues, such as monitoring merchant operations and exploring new processing opportunities.

Processing Strategy #6 Ramsey/Washington County will work with public entities and MPCA to ensure MSW is delivered to a processing facility, including evaluating the amount of MSW generated by public entities, and the volume delivered for processing.

Processing Strategy #7 Ramsey/Washington County will conduct outreach, technical assistance and consultation to enhance waste generator understanding of the role and benefits of waste processing and taking action to direct waste to a processing facility.