



# RECYCLING & ENERGY CENTER

CONNECTING VALUE TO WASTE

## Decision to Purchase

Ramsey and Washington Counties have jointly worked on solid waste and recycling issues since the 1980s. After an experience with a landfill that polluted groundwater, the counties embarked on ways to recover energy and recyclables from waste. One action was to develop a facility that recovers metal and processes trash to create fuel for producing energy. From 1987 to 2015, the Resource Recovery Facility in Newport was privately owned and operated, pursuant to a series of agreements between the facility owners and the counties. The counties administered those agreements through the Ramsey/Washington County Resource Recovery Project Board.

From 1987 to 1993, the counties used waste designation, or flow control, to direct waste from the two counties to the facility for processing. Across the nation, many other local governments were also doing this. A U.S. Supreme Court decision in 1993 struck down the ability of governments to control the flow of waste. This meant that the facility in Newport had to compete in the marketplace with landfills to obtain waste deliveries from haulers while meeting environmental goals. During this time, Ramsey and Washington counties needed to subsidize the cost of waste processing because it was more expensive to operate a waste processing facility than a landfill. This too was common among facilities across the nation.



Two factors initially led to consideration of purchasing the Newport facility in 2015. First, in 2006, as the original agreement was set to expire, the facility was purchased by Resource Recovery Technologies (RRT). Ramsey and Washington counties entered into a six-year processing agreement with RRT. The business model of RRT was to become a merchant facility, which could operate competitively without public subsidy. That model failed, and pursuant to the counties' Solid Waste Master Plans, the counties considered purchasing the facility. Second, in 2007, the U.S. Supreme Court ruled again on flow control of solid waste, and determined that a government could use flow control if the facility collecting waste was publicly owned and operated.

For these two reasons, the counties entered into a short-term processing agreement with RRT from 2013 to 2015, which included an option to purchase the facility. During that time, the counties conducted an extensive evaluation of the solid waste system in the East Metro area to determine if the facility would meet future plans for waste and recycling. That evaluation, and the scores of documents involved in the analysis, can be found at [www.morevaluelesstrash.com](http://www.morevaluelesstrash.com).

As a result, county commissioners adopted a vision for the future of waste management and determined the facility could play a key part in reaching that vision. The key element is to no longer view waste as a liability, but as a resource to the East Metro area.

County commissioners weighed a wide range of factors in deciding to purchase the facility. This included:

- Preserving jobs in the community. RRT indicated that if it didn't sell the facility it would close (that decision was driven by the financial backer of RRT, an investment fund that wanted to divest the asset). Jobs at the Newport facility and other plants would have been affected.
- Continued environmental protection and the clear benefits the facility provides for recycling, renewable energy, and landfill abatement.
- Providing opportunities to explore and implement new technologies for waste management.
- Determining that public ownership will provide more cost control and allow for greater predictability in cost.

The counties made the decision to purchase and revised the joint powers agreement to allow the Joint Powers Board, now renamed the Ramsey/Washington Recycling and Energy Board (R&E Board) to own and operate the facility. The R&E Board completed purchase on December 31, 2015, and now owns and operates the facility. The facility was renamed the Recycling and Energy Center, or R&E Center.

### Future Goals of R&E Center



Owning the R&E Center opens the door for continued and new environmentally friendly waste management opportunities, including managing trash as a resource. To help reach Minnesota's goal of 75% recycling by 2030, the R&E Board plans on investing in a sophisticated, new sorting mechanism at the R&E Center, called mixed-waste processing. This system allows for food waste and high-value recyclables to be sorted out of the trash received at the R&E Center. The organic waste would then be available for anaerobic digestion or composting, creating biofuels and compost. If implemented, mixed-waste processing will create new jobs at the facility.