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January 19, 2017 Hauler Meeting FAQ

Questions and Answers

Several questions were raised at the January 19, 2017 hauler information meeting regarding implementation of waste designation. The questions have been recorded and will be considered in the development of waste agreements and county ordinances. The R&E Board appreciates the involvement from haulers in this process. The questions received are summarized below with answers provided.

Hauler Rebates & Tip Fees

Q: When will haulers know what hauler rebates will be throughout the 5-year agreement?

A: The R&E Board has proposed in waste delivery agreements that written notice of changes in tipping fees would be provided at least 90-days before the change becomes effective. In reality, notice of change would be sooner. That is because the R&E Board establishes its Facility Budget by August 1st of each year. Meeting notices and materials, as well as actions taken, are posted on the R&E Board website.

Q: Why is the rebate going away after 4 years?

A: The R&E Board is moving away from subsidies, so that the tipping fee covers the full cost of R&E Center (Facility) operations. Four years was selected as a reasonable time to phase out the subsidy.

Q: Why does the agreement allow for changes to hauler rebates [or tip fees] over the five (5) year agreement?

A: Changes to the hauler rebates may be needed during the transition in implementation of designation. The R&E Board expects tip fees to cover costs of operations, and supports the hauler rebate decrease and the tip fee increase over time to cover the cost of R&E Center operations.

Q: Do you have projections on the tip fees?

A: R&E Center revenues and expenses were estimated in the Joint Waste Designation Plan (Plan), which can be found at www.morevaluelesstrash.com. That analysis is found on pages 35-36 of the Plan. Two scenarios are projected in the Plan – one with Facility improvements and one with no improvements. These are very preliminary estimates, and are subject to change.

Q: What will be the frequency of any changes in tip fees or hauler rebates? Could changes be every 90 days for example?

A: The intent is to set tipping fees for each calendar year. Therefore, any changes will likely be only once per year and would take effect January 1st of each year. In an emergency situation tipping fees could be adjusted during a calendar year.

Q: Will there be an added cost to haulers to deliver waste to a transfer station under contract with the R&E Board under designation?

A: Haulers with waste delivery agreements will be charged the same tip fee whether directly delivering to the R&E Center or to a transfer station under contract with the R&E Board.

Waste Projections, Acceptable Waste

Q: If the R&E Center has excess waste that cannot be processed, will the unprocessed waste be directed to wherever there's a shortage in the system? Will the waste directed for processing always go to a processing facility?

A: Yes, the R&E Board has agreements with other metropolitan processing facilities to receive waste for processing that cannot be managed at the R&E Center. Should there not be capacity at those facilities, excess waste could be directed to a landfill under contract as a last resort.

Q: What happens if the R&E Center is not able to receive waste, because of something like a fire or flood?

A: Since it began operations in 1987, the Facility has had provisions to bypass waste. However, the R&E Center has never had to bypass processing and send waste to a landfill. If this situation were to occur, the R&E Board has a bypass provision in its agreements with other processing facilities and landfills. Although haulers would still pay the R&E Board for the bypassed waste, haulers would be able to deposit the waste at the processing facilities or, if so directed, landfills without being charged.

Q: Does the R&E Board have a contract with the City of Red Wing's municipal processing facility?

A: No. It is possible that the R&E Board could explore that, but is not planning to at this time.

Q: Will the definition of "Acceptable Waste" at the R&E Center change under designation?

A: Acceptable Waste will likely be the same as the current definition in the County Solid Waste Ordinances.

Q: Are the 445,000 tons of projected waste in 2018 just Ramsey/Washington County waste?

A: Once designation goes into effect, all Ramsey/Washington Acceptable Waste will be delivered either via waste delivery agreement or per the Designation Ordinances. A small amount of waste from the Mankato area, that has and continues to be backhauled to the R&E Center on empty RDF trailers, is expected to be delivered as well. Both of these are expected to make up the total tons managed. Should there be need and/or capacity for additional waste, the R&E Board would first look to waste from other counties.

Q: Has the R&E Board done projections for when the Facility may need more waste? For example, when looking at new technologies? Have you matched technology with need?

A: Yes, this was taken into account when the Plan was prepared. Please see the Plan for more details.

Q: If more waste other than Ramsey and Washington County waste is needed, will changes be made to allow waste from other counties or expand the definition of Acceptable Waste?

A: The first choice would be to accept some waste from other counties. It is possible the Counties could amend the Designation Ordinances to expand the definition of Acceptable Waste at some point in the future. Any such ordinance changes would occur after dialogue with haulers, public hearings, and Minnesota Pollution Control Agency (MPCA) approval.

- Q: Other counties currently have their waste delivered to the R&E Center as required to meet the Public Entities law. How will that be handled under designation?**
- A: Other than the previously mentioned Mankato area waste, the R&E Center is not expecting to take out-of-county waste after 2017. If there is a need and/or capacity for additional waste **other than Ramsey and Washington County waste**, the R&E Board would initially look to waste from other counties.
- Q: Will the tip fee always be higher for waste from these other counties?**
- A: This is likely. At present, for example, waste from outside of Ramsey and Washington Counties is not eligible for the rebate.

Hauler and Transfer Station Agreements

- Q: How will transfer stations be selected to contract with the R&E Board?**
- A: The R&E Board is offering a five (5) year transload agreement to any transfer station willing to participate. To be eligible, transfer stations that sign an agreement with the R&E Board will allow access to any licensed hauler (including licensed self-haulers) that enters into a waste delivery agreement with the R&E Board. Transfer stations that sign an agreement must accept delivery by haulers independent of those associated with the transfer station if those haulers deliver at least 20 tons of Ramsey and Washington County Acceptable Waste per week.
- Q: If a hauler or transfer station signs a contract with the R&E Board, are either still subject to the designation ordinance?**
- A: There are two ways for Acceptable Waste to be delivered: by waste delivery agreements or per the Designation Ordinances. Under designation, it is the waste that is designated to the Facility. Because haulers collect designated waste, the requirement applies to them, as well as people or businesses that self-haul their own waste. If a hauler or self-hauler signs a waste delivery agreement, the Acceptable Waste governed by the agreement is exempt from the Designation Ordinance as long as the agreement is in effect. The Counties are not designating to privately-owned transfer stations, just to the R&E Center. However, as discussed above the R&E Board is offering transload agreements to eligible transfer stations. Ramsey/Washington Acceptable Waste handled by contracted transfer stations must be delivered to the R&E Center per the contract terms. Also, the hauling operations of companies that also own transfer stations and collect Ramsey/Washington waste can either enter into a waste delivery agreement or be subject to the Designation Ordinances.
- Q: Does any hauler who gets licensed in Ramsey or Washington counties have to enter into a contract or be subject to designation?**
- A: Licensed haulers are not required to enter into a contract. However, Acceptable Waste collected by those that do not will be subject to the County Designation Ordinances. A hauler that signs a waste delivery agreement would be allowed to deliver Ramsey/Washington County waste to either the R&E Center or to a transfer station that has a transload agreement with the R&E Board, and could receive a hauler rebate. The Acceptable Waste governed by the delivery agreement is exempt from the Designation Ordinance and is instead delivered per the terms of the agreement. A hauler that does not sign an agreement must deliver directly, or cause to be delivered (at hauler's cost), to the R&E Center per the Ordinances and will not receive a rebate.
- Q: What is the length of the hauler waste delivery agreements?**
- A: Five (5) years, beginning on January 1, 2018.

Q: Are any haulers not agreeing to sign an agreement with the R&E Board?

A: At this time, R&E Board does not know how many haulers will sign waste delivery agreements.

Q: After 5 years, will there be new agreements? What will the terms be?

A: The R&E Board prefers to contract with all haulers rather than relying on the Counties regulating/enforcing under the Designation Ordinances. It is difficult to predict what will happen in five years, but continued use of delivery agreements is a likely option.

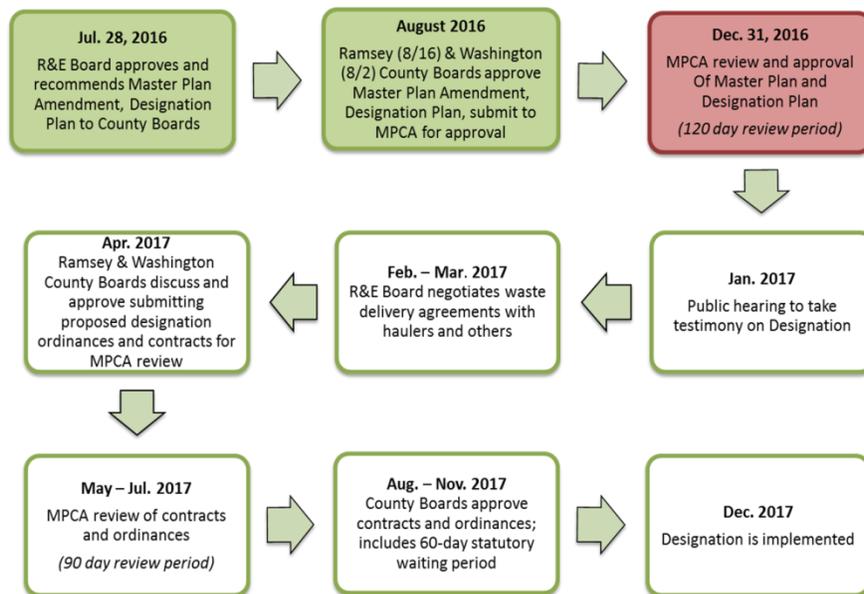
Q: What about self-haulers without a contract bringing waste to a transfer station?

A: Under terms of the current transload agreements, transfer stations must accept Ramsey/Washington County Acceptable Waste from self-haulers, and must charge them the R&E Center tip fee for that waste. That waste must then be delivered to the R&E Center.

Designation Process & Timeline

Q: When does each county vote on the designation ordinances and agreements with haulers and transfer stations?

A: In April and May 2017, the R&E Board and each County Board will approve and recommend submittal of hauler delivery agreements and the proposed Designation Ordinance amendments to the MPCA. MPCA review is scheduled to be complete by July 2017, and then each County Board will approve the hauler agreements and Designation Ordinance amendments in August 2017.



Q: Has either County received objection so far as to the implementation of designation?

A: No.

Q: For communities with organized collection, will designation impact rates to customers or incentives to municipalities to organize?

A: No, designation controls what happens to waste after it is collected – it does not affect who collects trash, or when it is collected.

Q: Are incentives offered to municipalities with organized collection?

A: No.

Q: How will enforcement be done under designation?

A: If a hauler signs a waste delivery agreement, the R&E Board will first pursue any necessary enforcement through remedies in the agreement. With regard to enforcement of the Designation Ordinances, during 2017 the Counties will develop policies to enforce waste designation. Both Counties have the ability to enforce the Designation Ordinances using various administrative, civil or criminal actions, as outlined in Minn. Stat. §115A.86, subd. 6, and the existing County Solid Waste Ordinances.

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