



**City of Newport  
City Council Workshop Meeting Minutes  
May 21, 2015**

**1. ROLL CALL -**

**Council Present** – Tim Geraghty, Bill Sumner, Tracy Rahm, Dan Lund

**Council Absent** – Tom Ingemann,

**Staff Present** – Deb Hill, City Administrator; Renee Eisenbeisz, Executive Analyst;

**Staff Absent** - Bruce Hanson, Superintendent of Public Works; Curt Montgomery, Police Chief; Steve Wiley, Fire Chief; Fritz Knaak, City Attorney; Jon Herdegen, City Engineer

**2. DISCUSSION REGARDING WASHINGTON COUNTY'S WASTE PROCESSING EVALUATION**

County Commissioner Karla Bigham and Judy Hunter, Senior Environmental Program Manager with Washington County, presented on this item as outlined in the May 21, 2015 City Council Workshop packet.

**Councilman Rahm** - What's our current recycling percentage?

**Ms. Hunter** - 51% for the two counties, to get to 75% requires a lot of changes.

**Councilman Lund** - What percentage of waste is taken to the landfill?

**Ms. Hunter** - In 2014, the two counties generated around 800,000 tons of waste, half of which was recycled, 320,000 was delivered to Resource Recovery.

**Councilman Lund** - What's the capacity of the facility?

**Ms. Hunter** - About 420,000 based on how much can be combusted at the Xcel facilities. If you used it in a different manner, you might have a different capacity.

**Councilman Lund** - Do you expect an increase of waste as the population increases?

**Ms. Hunter** - Yes.

**Councilman Lund** - Is it cost effective to increase the capacity of the plant to account for the future population growth?

**County Commission Bigham** - Our contract guarantees Resource Recovery 300,000 tons and they're permitted for 520,000 but the practical capacity is 420,000. If we had other emerging technologies that could help us get that other 20% is an option to prepare for that growth.

**Councilman Lund** - It just seems that we'll get to that soon and the current facilities are sufficient.

**Ms. Hunter** - That's part of expanding the use of the plant.

**County Commissioner Bigham** - The other factor is the 75% recycling rate, as we get closer to that, the amount that we would process would come down because we'd be using it in another way.

**Councilman Lund** - What percent of the waste is recycled rather than combusted?

**Ms. Hunter** - I'd have to look.

**Councilman Lund** - What is the per ton cost now?

**Ms. Hunter** - \$86.22.

**Councilman Lund** - But there's a rebate?

**Ms. Hunter** - A \$28 rebate. We don't know how much it costs RRT to operate per ton, we're trying to figure out how much it would cost the County.

**Councilman Lund** - So the price will go up for the hauler?

**Ms. Hunter** - No, we'd have a hauler rebate of \$7 -\$9.

**Mayor Geraghty** - What's the bottom line for the consumer?

**Ms. Hunter** - Eventually, the environmental charge on their bill will be reduced. About 44% of that is used currently for the \$8.4 million payment for processing.

**Mayor Geraghty** - That's under the public ownership? What about private?

**Ms. Hunter** - Yes, a larger portion of that will be needed for waste processing.

**Mayor Geraghty** - So the bill could go up?

**County Commission Bigham** - Yes. I've heard that the negotiations between RRT and the project board are not close at all. Right now, we pay \$8.4 million and they want more. This is why we're in this discussion too. There is a chance if we don't buy it that it wouldn't be a processing plant.

**Mayor Geraghty** - Deb or Renee, I'd like to see the conditional use permit for this facility.

**Councilman Lund** - There's no one else willing to pay \$26 million. It's worth less than \$10 million.

**Mayor Geraghty** - I'd also like to look at our original terms for the having a representative on the board.

**Ms. Hunter** - That's what I had heard going forward. The plan going forward is there would be a payment in lieu of taxes.

**County Commissioner Bigham** - I can guarantee you, there is no way that I will let anything happen to you in terms of property taxes.

**Councilman Lund** - Under public ownership, the volume would go up and there would probably be expansion.

**Councilman Sumner** - Is the facility large enough to expand?

**Ms. Hunter** - Under gasification, you wouldn't need to expand the building.

**County Commissioner Bigham** - Remember, right now, their only customer is Xcel. If we were to change the technologies in the future, there would be a different customer.

**Councilman Lund** - I would suggest to you that if you're frustrated with the negotiations on the subsidy it could be

because they really like the purchase price. They don't want to cut a deal on the subsidy because they want \$26 million.

**Councilman Rahm** - When does the current agreement expire?

**County Commissioner Bigham** - The end of this year. The haulers will start negotiations with RRT soon on the prices so that's why we're doing this now.

**Mayor Geraghty** - If the price has been determined, what are you arguing over?

**Councilman Rahm** - The price.

**Councilman Lund** - They don't have to take the option, if they decline, there's an opportunity to come up with a different price.

**County Commission Bigham** - The arbitrator has established a price because our appraiser and RRT's appraiser didn't agree.

**Ms. Hunter** - There's a number a things we have to put in place if the Board chooses to purchase.

**Mayor Geraghty** - We do have a say if the use changes in any way.

**Executive Analyst Eisenbeisz** - If there is a CUP or it's a legal, non-conforming, they can continue the use. If they discontinue it for a year or more, they have to conform to the code.

**Mayor Geraghty** - I'm trying to figure out if you don't come to an agreement, what happens?

**County Commissioner Bigham** - If we're not subsidizing the haulers, it is cheaper for them to go to Eau Claire and RRT will shut down because they won't have the product capability to sell to Xcel and they might shut down. This is business and we have a decision to make. I share your concerns about the price.

**Councilman Lund** - That's as a County citizen, from the City perspective, I think you're representing us very well. I just think the County's not getting a good deal.

**County Commissioner Bigham** - Instability in your town is the expense.

**Mayor Geraghty** - Three years at \$8 million, you've almost paid for the facility.

**County Commissioner Bigham** - Yes.

**Mayor Geraghty** - Would you bond for it?

**County Commissioner Bigham** - That hasn't been decided yet. We do have some cash in the CDC. We have decisions to make.

**Mayor Geraghty** - I'm trying to figure out what the impact is to residents, I think it'll be pretty small.

**Ms. Hunter** - Yes and right now the plan is to pay for the bond in that \$65 tip fee.

**County Commissioner Bigham** - Things I can take away from here is that you want to look at the CUP.

**Mayor Geraghty** - Yes and I think we're in favor of public ownership assuming you can come to the right price and terms. I want to make sure we have control over what's going on there.

**County Commissioner Bigham** - Could I get a call from you or Ms. Hill before next Thursday because that's when the

Board votes.

**Mayor Geraghty** - Yes, I'm sure Fritz has a huge file on it.

**County Commissioner Bigham** - Anything else?

**Mayor Geraghty** - No, I think we're in favor of moving forward, I just want to make sure the City has control over the end use.

**Councilman Rahm** - We're also concerned about the taxes.

**County Commissioner Bigham** - Mine too. Thanks for having us.

### 3. ADJOURNMENT

Signed: \_\_\_\_\_  
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz  
Executive Analyst