

Legislation Text

File #: 24-0105, **Version:** 1

Item Description:

Amd 1 to Agmt PR00004488 with City of Minneapolis for organics processing, ext to 03/31/25 and incr rate by up to 3% annually, est annual expenditure \$181,500

Resolution:

BE IT RESOLVED, that Amendment 1 to Agreement PR00004488 with the City of Minneapolis for organics processing, extending the term to March 31, 2025, and increasing the rate by up to 3% annually, with an estimated annual expenditure amount of \$181,500, be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the county; and that the controller be authorized to disburse funds as directed.

Background:

Hennepin County's Solid Waste Management Plan, the Zero Waste Plan, and the Plan to Reinvent the Solid Waste System prioritizes organics recycling as a strategy to help achieve its 75% recycling rate goal by 2030. Recycling organics is the biggest opportunity to make progress toward zero waste because almost one-third of our trash is organic material. Organics include food scraps, food-soiled paper, and certified compostable plastic bags and foodware.

Diverting organic material from the trash is one of the foundational strategies in the county's Climate Action Plan. Keeping organics out of the trash helps reduce methane emissions from landfills. In the first 20 years after its release, methane is 84 times more potent of a greenhouse gas than carbon dioxide. Due to rapid emissions reductions associated with reducing methane, climate experts have identified reducing methane from landfills as a priority in combating climate change. In addition, the Climate Action Plan calls for the use of compost as a soil amendment to increase carbon sequestration.

As an incentive to recycle organics, Hennepin County collects organics at the Brooklyn Park Transfer Station and charges a tipping fee of \$35 per ton. Almost 40% of all the organics collected in Hennepin County flow through the transfer station. However, the City of Minneapolis cannot deliver the 6,000 tons of organics collected in its residential recycling program to the county's transfer station due to space constraints. The space at the transfer station for organics is near capacity and has a layout that causes operational challenges.

Instead, the City of Minneapolis uses a different facility for organics processing services and currently pays a rate of \$79.68 per ton, which is \$44.68 per ton higher than the county's \$35 per ton fee. Beginning April 1, 2024, the organics processing rate paid by the City of Minneapolis will increase to \$82.07 per ton, which is \$47.07 per ton higher than the county's \$35 per ton fee. Agreement PR00004488 provides a mechanism for the county to pay the City of Minneapolis a per-ton payment for organics delivered to other facilities to ensure that the City of Minneapolis pays a competitive rate that is consistent with what other cities pay.

Minneapolis has been a leader in adopting the best practices needed to increase access to organics recycling, grow participation rates, and maximize the recovery of organics. Minneapolis has signed up more than 50% of households for organics recycling (over 56,000 households) and diverts more than every other city program combined.

Current Request:

This request seeks approval of Amendment 1 to Agreement PR00004488 with the City of Minneapolis for

organics processing, extending the term to March 31, 2025 and allowing payments to increase annually up to 3%, with an estimated annual expenditure amount of \$181,500.

Impact/Outcomes:

This agreement will provide a per-ton organics rate for Minneapolis that is consistent with the rate other cities pay for organics disposal. The agreement will allow the city to keep the cost of residential organics reasonable and redirect resources toward efforts to increase participation and divert even more organics from the trash. Organics recycling is a crucial strategy for making progress toward the county's zero waste goals and reducing greenhouse gas emissions and their impact on climate change.

This action supports the county's disparity reduction efforts by reducing disparities associated with the solid waste system and the impacts of climate change.

Recommendation from County Administrator: Recommend Approval