

**Red Wing City Council Workshop
City Hall Council Chambers
November 9, 2015**

Council Members Present: Council President Dean Hove; Council Members Lisa Bayley, Dan Munson, Ralph Rauterkus, Dustin Schulenberg, Peggy Rehder, and Jason Sebion

Council Members Absent: All members were present.

City Representatives Present: Dan Bender; Mayor; Kay Kuhlmann, Council Administrator; Brian Peterson, Planning Director; Ron Rosenthal, Engineering Director; Rick Moskwa, Public Works Director; Jeff Schneider, Deputy Director Public Works – Solid Waste; Shari Chorney, Interim Port Authority Director

Xcel Energy Representatives Present: Roger Clarke, Environmental Manager; Chuck Kinney, Plant Manager; Pam Gorman Prochaska, Manager of Community Relations and Economic Development

Lab USA Representatives Present: Brent DuBois, President and CEO; Kane Flett, Director of Business Development

1. Call to Order

Council President Dean Hove called the workshop to order at 6:00 p.m.

2. Staff Overview of Proposed Public/Private Partnership between the City of Red Wing, Xcel Energy, and Lab USA to Reclaim & Recycle Ferrous and Non-Ferrous Metal from City Ash Landfills

Public Works Deputy Director Jeff Schneider introduced a proposal and non-binding letter of intent to explore the feasibility of constructing an ash metals recovery facility in Red Wing. The project proposes to remove ash from the City's ash landfills for the purposes of processing ash through various mechanical means to extract the ferrous and non-ferrous metals from the ash for further refinement and ultimately for sale as metal commodities. The project would involve a joint partnership between the City, Xcel Energy, and Lab USA. Deputy Director Schneider provided background information related to the proposal. The City of Red Wing would be an add-on to this project, as it does not have enough ash to support this project as a stand-alone project.

Deputy Director Schneider reviewed benefits of the project:

- Potential revenue stream from the ferrous and non-ferrous metals recovered from the City's ash landfills.
- Opportunity for increased capacity at the City's ash landfills through the elimination of voids that the metal creates within the ash and through improved ash compaction.
- Improved best management practices that could be implemented in terms of better compaction.

- Economic development, as the project involves significant investment from Lab USA and would bring new jobs to Red Wing.
- Potential revenue from the lease of City land or services to locate the ash metals recovery facility or for the storage of recovered metals.

Deputy Director Schneider stated that discussions are in the preliminary stages, but City staff felt that it was time to open up the discussion and seek feedback from the City Council prior to moving forward.

Council Member Peggy Rehder inquired with regard to involvement by Goodhue County. Deputy Director Schneider indicated that there is no plan for County involvement at this point. Public Works Director Rick Moskwa added that discussions have taken place with the Solid Waste Committee.

3. Lab USA Presentation

Mr. DuBois provided a brief overview of the company and reviewed how discussions related to the project evolved to include the City. Council Member Lisa Bayley inquired why Xcel Energy does not wish to have the facility located on their property. Roger Clarke, Manager of Waste & Remediation at Xcel Energy, indicated that Xcel recently expanded their landfill permit to accept additional materials. He commented regarding concerns related to pursuing activities on their property that are outside the scope of their primary business, which is the generation of electricity.

Discussions with the Minnesota Pollution Control Agency were reviewed, which has expressed support of the project. Mr. DuBois provided additional details regarding the proposed project. Council Member Peggy Rehder inquired regarding disposal of the ash once the metals have been recovered. Mr. DuBois indicated that at this point repurposing of the ash is not routinely done in the United States, as naturally occurring aggregate is inexpensive and readily available. He added that, although ash would be suitable for a beneficial repurpose, the current plan is to put the ash directly back into the landfill.

Mr. DuBois commented that Lab USA uses its technology and processes to recover high quantities of ferrous and non-ferrous metals from existing and fresh incinerator ash sources to create a financially profitable model that is environmentally green to extract value from what is an otherwise lost resource. Additional details with regard to the proposal were provided.

Council Member Ralph Rauterkus inquired with regard to by-products of the extraction process. Mr. DuBois commented regarding the mitigation of dust concerns and reviewed water usage. Council Member Lisa Bayley inquired regarding the facility structure, and additional information was provided. The plan would be for Lab USA to construct a facility that would eventually be given back to the City, thus improving the property. Council Member Peggy Rehder inquired regarding the project time frame. Mr. DuBois indicated that a time frame of 10 to 15 years is anticipated. Council Members inquired regarding the location of the processing plant. Director Moskwa

provided additional information related to sites under discussion, including Solid Waste Campus and Bench Street locations. Mr. DuBois discussed the benefits of utilizing the Solid Waste Campus but stated that other sites could be considered. A potential sub-lease arrangement with Xcel Energy was discussed. Next steps in the process and the project timeline were reviewed. Mitigation of noise concerns and anticipated hours of operation were discussed. The use of local trucking services was discussed. Council Member Peggy Rehder inquired regarding the number of employees at the facility, and Mr. DuBois indicated a plan to hire six full-time employees. Mr. DuBois reviewed roles and responsibilities of each project partner. The anticipated life cycle of the facility was discussed, and the processing facility was described in further detail. Potential revenue and other benefits to the City were reviewed. Environmental considerations and noise concerns were discussed. Potential objections to the project by residents were discussed. Council Member Lisa Bayley expressed concerns related to the Bench Street location and spoke in support of the Solid Waste Campus site. Council Members requested more information prior to making a site determination.

A public hearing regarding the proposal has been recommended. Council Member Dustin Schulenberg inquired as to the availability of video footage of an existing facility in operation to share with the public. Mr. DuBois stated that this could be accommodated. Solicitation of feedback from other communities was recommended. Revenue projections were provided. A preliminary site map was reviewed.

4. Xcel Comments

Roger Clarke reviewed discussions with the MPCA and the permitting process.

5. Regulatory Considerations/Permitting and Conditional Use Permit

Regulatory considerations and the permitting process were discussed.

6. Council Questions/Comments

Council questions and comments were addressed during the workshop.

7. Letter of Intent

The purpose of the Letter of Intent was discussed.

8. Adjournment

The workshop adjourned at 6:51 p.m.

Dean Hove, Council President

ATTEST:

Kathy Seymour Johnson, City Clerk