



## THE SOUTHEAST MINNESOTA RECYCLERS' EXCHANGE

*Cooperative marketing \* market development \* materials exchange*

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### SEMREX JOINT POWERS BOARD (JPB) MEETING

*Friday, June 6, 2014*

*Dodge County Courthouse - Conference Room B - Lower Level  
Mantorville, MN*

#### AGENDA

- 9:00 Coffee and Rolls
- 9:30 Call Meeting to Order – Roll Call & Introductions
- 9:35 Approve December 6, 2013 Minutes
- 9:40 Director's Update –Schriever
- Report
  - Budget
  - Bill Approval Process
- 10:10 Collaborative Health and Safety Training - Discussion
- 10:30 MPCA/ Legislative Update – MPCA Staff
- 11:00 Member Update Report Questions/Discussion - All
- 11:15 Set Next Meeting
- 11:20 Adjourn

**If you cannot attend or cannot get an alternate**, please notify Sharon Schriever at (507) 328-7022 or by e-mail at [schriever.sharon@co.olmsted.mn.us](mailto:schriever.sharon@co.olmsted.mn.us).

## **Semrex Joint Powers Meeting December 6, 2013**

**Joint Powers Board Members Present:** Dodge County, Steven Gray; Freeborn County, Mike Lee; City of Red Wing, Peggy Rehder; Mower County, Mike Ankeny; Rice County, Jake Gillen; Olmsted County, Ken Brown; Waseca County, Jim Peterson.

**Tech Committee Members Present:** Blue Earth County, Jean Lundquist; City of Red Wing, Jeff Schneider; Dodge County, Terry Selthun; Freeborn County, Randy Tuchtenhagen; Mower County, Jeff Weaver; Rice County, Paul Piper; Olmsted County, Scott Martin; and Waseca County, Georgette Hanson.

**Others Present:** SEMREX Executive Director, Sharon Schriever; MPCA, Garth Hickle; Paul Gardner, Recycling Reinvented; Mark Hanson, Mower County; Rita Cole and Mark Gamm, Dodge County.

The Joint Powers meeting was called to order by Vice Chairman, Jake Gillen at 9:30 a.m. A quorum was present. Introductions were made. Mr. Gillien asked if there were any corrections or additions to the June 7, 2013 JPB meeting agenda. There being none, Mike Ankeny, Mower County, made a motion to accept the minutes as presented. It was seconded by Steven Gray Dodge County, motion carried.

Sharon Schriever passed out Conflict of Interest forms to all JPB members, alternates, and Tech members that were present. The forms need to be signed and turned into Sharon as soon as possible.

**Directors Report:** Prices are down for most commodities, except for corrugated cardboard and high density plastic. The average price for cardboard was up \$2.75 a ton and 2 cents per pound for plastic in 2013 compared to 2012. The Chinese Green Fence is still having an effect on markets and will continue into the future. China does not want to be dumping ground for trash. SEMREX has had little trouble marketing their material because of the quality of material being shipped, and the long-term relationships with the mills. Future plastic prices are expected to be challenged as petroleum production increases in the U.S. making it cheaper to produce new plastic from raw materials than from recycled materials. Total marketing revenue through November was \$712,473 compared to \$708,788 in 2012. Revenue to SEMREX members was up \$3,685 for the same period. SEMREX marketing fee revenue is down \$1,164 through November. Total tons shipped are up nearly 700 tons through November. This is mainly due to Rice County loads of material since June of this year.

**Budget:** Sharon presented the SEMREX budget with proposed budget changes due to an increase in marketed material revenue and resulting increase in marketing fees and pass-through to members (Line items: 5376 and 5378 on the revenue side and 6259 and 6300 on

the expense side). Staff is looking at ways to limit the amount of paper that goes into payments and deposits. Current cash is estimated at \$82,000.00, Sharon thinks this amount is to low Sharon will check to see if this is accurate. A motion by Ken Brown Olmsted County to accept the budget with changes, it was seconded by Steven Gray, Dodge County, motion carried.

**Audit Report:** Sharon asked if everybody received SEMREX audit report and if there were any questions. Sharon said we received an “unqualified opinion” this means the financial statements are stated and conform to the cash basis of accounting, this unqualified opinion is the highest opinion the State can give out. A motion by Peggy Rehder City of Red Wing to accept the audit report for the year ended December 31, 2011 it was seconded by Ken Brown Olmsted County.

**Fiscal Agreement:** Sharon presented the fiscal management with Olmsted County, there are no changes in the agreement, and Sharon mentioned the SEMREX Website agreement is not part of the fiscal agreement. A motion by Steven Gray, Dodge County, to accept the fiscal agreement with Olmsted County, it was seconded by Mike Ankeny Mower County, motion carried.

**County and City Reports:** The counties and city reports were included in the information that was sent out with the agenda and minutes.

**Additional information:** City of Red Wing on June 28, 2013 the Waste to Energy facility went into full extended outage. **Red Wing** has a contract with Xcel Energy to deliver 20,000 ton of trash from July 1, 2013 to June 30, 2014 at a cost of \$10.00 a ton for the first year contract. After the first year, the contract cost will go to \$19.00 a ton if Red Wing can provide enough waste to Xcel. To bring Red Wing’s Waste-to-Energy Facility to meet new limits, it will cost about 3.5 million dollars and about 2 million to update its shredder. All this would need to be done before July of 2015. Jean Lundquist commented on Red Wing’s mattress recycling and how inexpensive the process is to tear apart the mattresses and box springs by using a hand grinder. **Freeborn County:** HHW is up 25% due to the Farm Ag Collection, single stream collection has started in Freeborn County. Waste Management got the contract for seven years to help them recover the cost of the 64-gallon recycling carts W.M. purchased. It is too early to tell how much of an increase in the collection of recyclables. **Blue Earth County:** Dodge County has been issued a haulers license to haul organics to Full Circle Organics in Good Thunder MN. **Rice County:** OCC is up 300 ton, mix recycling is up a little due to a change in haulers. Contract for Single Stream Recyclables is up with Allied/Republic. They will look at different options that could be available in 2014.

**Beverage Container Update: Garth Hickle** from MPCA updated us on the proposed beverage container bill that will be presented to the Minnesota Legislature this year. They are looking at putting a 10 cent deposit on all beverage containers including dairy products up to 1 gallon. It is hoped that the 10 cent deposit would help to achieve an 80% recycling rate. A committee of Distributors, Brand Owners, processors of these materials, and government will look at and analyze this proposed bill. It is proposed that there be at least one redemption center in every county with a center located for every 5,000 people. A Board would control who gets to be a redemption center, and distribute the 10 cent refund, including the extra deposit money from the containers that were not redeemed. January 2014 will start the process and bring the results to the MPCA in February 2014. **Jeff Schneider** is worried about a significant loss of material from the recycling stream and what they pull out of the trash stream; the City of Red Wing invested a significant amount of money in upgrades to capture materials including beverage containers. Jeff suggested that the unredeemed deposit money come back to the counties that have recycling centers to help offset their cost from the loss of beverage containers, instead of going back to the producers. **Peggy Rehder** City of Red Wing said she could not support this legislation that could undermine all their investments they have put into their system that captures these materials. **Garth Hickle** stated that the main reason for looking at a beverage container bill is to increase recycling in Minnesota, the processors of glass, PET, and metal need more recyclable materials for their operations.

**Recycling Reinvented Paul Gardner:** Paul talked about Extended Producer Responsibility, which mainly looks at consumer packaging/paper products. This is in the early stages of a three part study. Manufacturers are driving this issue. These products have an estimated value of 80 million dollars to the packaging/paper industry. The packaging/paper industry are trying to work with the big recyclers/waste companies to help capture these products. Paul said that the big recyclers/waste companies do not want to work with these big companies because they will have little control on how these materials will be collected.

The next JPB meeting will be June 6, 2014 in Dodge County with the meeting starting at 9:30. There being no other business, a motion was made by Steven Gray to adjourn the meeting it was seconded by Mike Ankeny motion carried.

Terry Selthun