

January 5, 2021

David Benke Minnesota Pollution Control Agency 520 Lafayette Road N. St. Paul, MN 55155

RE: Metropolitan Certificate of Need Request for the SKB Rich Valley Landfill

Mr. Benke,

SKB Environmental, Inc. (SKB) owns and operates the SKB Rich Valley Landfill, located in Inver Grove Heights. SKB is formally requesting that the Minnesota Pollution Control Agency (MPCA) assign Certificate of Need (CON) capacity to the SKB Rich Valley Landfill for Mixed-Municipal Solid Waste (MMSW) generated with the Metropolitan Area (Metro). SKB has prepared this request to meet the criteria outlined in Minnesota Statutes and Rules and the Metropolitan Solid Waste Policy Plan.

SKB is a wholly-subsidiary of Waste Connections US, Inc. (WCN) and operates in concert with other WCN waste hauling, transfer, and disposal entities, which include: ACE Solid Waste (ACE), Dick's /Lakeville Sanitation (DSI), the SKB Malcolm & Blaine transfer stations, and the Nobles County Landfill. Due to the recent closure of the Great River Energy processing facility in Elk River, current processing facilities operating at full capacity, and dwindling MSW disposal capacity at landfills, SKB and other WCN entities have needed to resort to sending over 100,000 tons of MMSW generated in the Metro Area per year to landfills located outside of Minnesota. SKB is actively seeking an allocation of 142,500 tons/year of CON capacity at our SKB Rich Valley Landfill in order to provide a safe and reliable disposal option in Minnesota for the MMSW tons generated in the Metro Area and managed by WCN.

SKB is actively seeking all the necessary permits and approvals to dispose of MMSW at the SKB Rich Valley Landfill. WCN also owns and operates the Nobles County Landfill, which is permitted and actively accepts MSW. While SKB would prefer our waste be disposed of at the SKB Rich Valley Landfill to minimize energy resources and environmental impacts of transporting waste for disposal, until such necessary permits and approvals are obtained for the SKB Rich Valley Landfill, SKB would request that all CON capacity granted to Rich Valley be temporarily assigned to the Nobles County Landfill. This will ensure that WCN-managed MMSW generated in the Metro will be safely disposed of in Minnesota and



not be forced to facilities owned and operated by our market competitors or to facilities outside of Minnesota.

Included in this request are the following items in order to fulfill the criteria outlined by MPCA as necessary to review our request:

- Annual solid waste estimates.
- Origin of Waste by County.
- Alternatives analysis.
- Error estimate analysis.

Also included with this request are the following attached items:

- Letter from the City of Inver Grove Heights documenting SKB's intent to obtain permission to accept MMSW at the SKB Rich Valley Landfill.
- Letter from Dakota County.
- Letters from Hennepin County and the Partnership on Waste & Energy.
- Draft letter from Anoka County.

SKB greatly appreciates the help and assistance we have received from MPCA staff throughout this process and respectfully request your favorable consideration of our application. Please feel free to contact me if you would like additional or more detailed information or if you have any questions.

Sincerely,

Ryan O Gara

Government Affairs

Annual Solid Waste Estimates

SKB estimates that WCN entities directly control and need an in-state disposal option for 142,500 tons of MMSW generated in the Metro Area annually. This estimate includes tons collected and managed by ACE, tons collected and managed by DSI, and tons delivered to the SKB Malcolm and Blaine transfer stations that have no disposal obligations (i.e. delivery agreements or designation requirements). This estimate does not include any tons that are currently disposed of at processing facilities. This estimate also does not include any tons that are under contract at other disposal facilities.

The annual tons of MMSW estimated by County will be discussed in much more detail in the next section, but are as follows:

Anoka 61,000 tons/year
Dakota 30,500 tons/year
Hennepin 51,000 tons/year

Total 142,500 tons/year

SKB Rich Valley Landfill is currently permitted as a Class III Demolition landfill. It is anticipated that the modified permit would allow for the disposal of demolition debris and industrial waste in addition to MMSW. However, due to the nearby SKB Rosemount Industrial Waste Facility, it is not anticipated that the SKB Rich Valley Landfill would accept industrial waste beyond what is necessary for cover material (i.e. contaminated soils).

County of Origin

Anoka County

Anoka County represents the largest source of MMSW included in this request. Primarily, this is due to the large presence of ACE Solid Waste's MMSW collection and newly built transfer station. ACE was the single largest supplier of MMSW to the now-closed Great River Energy (GRE) processing facility in Elk River. In addition to ACE's collection and transfer operations, certain tonnages of MMSW generated in Anoka County were delivered to the SKB Malcolm & Blaine transfer stations.

The table below reflects how much MMSW generated in Anoka County was managed at the SKB & ACE transfer stations and direct hauled to GRE by ACE:

2019		2018	
SKB Malcolm TS	2287.64	SKB Malcolm TS	2155.56
SKB Blaine TS	993.65	SKB Blaine TS	21946.59
ACE TS	36734.95	ACE TS	0
ACE Collection	20146.6	ACE Collection	39114.4
	60162.84		63216.55

Given these actual average annual tonnages, SKB has requested 61,000 tons/year of MMSW from Anoka County. Included in this request is a draft letter from Anoka County committing this annual tonnage. County Board action approving the letter is expected later in January 2021. SKB & ACE would like to commit 61,000 tons/year of MMSW from Anoka County to the SKB Rich Valley Landfill (or Nobles County Landfill until such permits are obtained at Rich Valley).

Dakota County

Dick's/Lakeville Sanitation (DSI) has a large hauling presence in Dakota County and operates a transfer station located in Lakeville, collecting approximately 70,000 tons of MMSW generated in Dakota County every year. Currently, DSI disposes of all of these tons at the Waste Management Burnsville Landfill, but there are approximately 2 years remaining on this disposal agreement. In current negotiations, WM is requesting that DSI divert disposal to the WM landfill in Lake Mills, lowa. Even in the event that WM were granted an expansion with CON capacity to include DSI's tonnages, WM would be under no obligation to renew an agreement with DSI to allow disposal capacity at WM Burnsville. This poses an imminent need for DSI to secure a safe disposal option in Minnesota.

The SKB Rich Valley Landfill is located in Inver Grove Heights in Dakota County. SKB and DSI is requesting an annual CON capacity from Dakota County for 30,500 tons/year of MMSW. SKB manages approximately 500 tons/year of MMSW generated in Dakota County at the SKB Malcolm Transfer

Station. DSI would like to commit a minimum of 30,000 tons/year of MMSW generated in Dakota County to the SKB Rich Valley Landfill (or Nobles County Landfill until such permits are obtained at Rich Valley).

SKB submitted a request to Dakota County for 30,500 tons/year and received a letter approved by the County Board committing 30,500 tons/year, which has been included as an attachment. SKB submitted the request to Dakota County just prior to the WCN acquisition of DSI, so it is possible that in the future, DSI would prefer to dispose of more Dakota County MMSW at the SKB Rich Valley landfill. However, we are satisfied with the 30,500 tons/year that was committed by Dakota County. We will note this as a potential estimate error in that section of this request.

Hennepin County

Hennepin County is home to the SKB Malcolm Transfer Station and, additionally, ACE has collection routes in Hennepin.

The table below reflects how much MMSW generated in Hennepin County was managed at the SKB & ACE transfer stations and direct hauled to GRE by ACE:

2019		2018	
SKB Malcolm TS	46850.49	SKB Malcolm TS	44998.56
SKB Blaine TS	295.92	SKB Blaine TS	1774.6
ACE TS	2875.31	ACE TS	0
ACE Collection	150.92	ACE Collection	4530.27
	50172.64		51303.43

Given these actual average annual tonnages, SKB has requested 51,000 tons/year of MMSW from Hennepin County. Included in this request is a letter we received from Hennepin County and a letter from the Partnership on Waste & Energy (PWE), which is a joint powers board between Hennepin County and Ramsey/Washington Recycling & Energy (R&E). The letters indicate that there is sufficient tonnage available in Hennepin County to warrant additional capacity, but leaves it to MPCA to determine how capacity and waste commitments should be divided up at disposal facilities in the Metro Area.

SKB & ACE would like to commit 51,000 tons/year of MMSW from Hennepin County to the SKB Rich Valley Landfill (or Nobles County Landfill until such permits are obtained at Rich Valley).

Alternatives Analysis

The Counties that were contacted as part of our request (Anoka, Dakota, and Hennepin) each conducted an analysis of management methods in determining the anticipated available MMSW needing disposal capacity. This analysis included projections related to source reduction, recycling and organics management, and available processing capacity. As such, the tonnage estimates and commitments provided by the Counties represent available MMSW for land disposal.

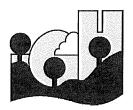
Current alternative disposal options are limited to out-of-state landfills. This poses a challenge in that those facilities may not be designed and built to the same specifications and requirements found in Minnesota. This presents a potential environmental liability risk that could be mitigated by ensuring that MMSW generated in the Metro Area is disposed of in a Minnesota landfill. Additionally, the increased transportation distance translates to increased emissions and fuel consumption.

In the event that CON capacity is issued to competing facilities (owned and operated by our market competitors) for the WCN-controlled tonnages identified in this request, our competitors would be under no obligation to provide that capacity at a fair and competitive price. To the contrary, it is almost certain that they would recognize the market primacy of such a unique position and would exploit it competitively to their advantage and our detriment.

Estimate Errors

The tonnage estimates used in this request were derived from previous actual annual tonnages. These tonnages only include MMSW generated in each individual County that is not currently under any obligation to be processed or under any contractual disposal obligation. Furthermore, we have excluded any tonnages that would not reasonably be delivered to the SKB Rich Valley Landfill. For example, ACE collected loads that are direct hauled to WM Elk River Landfill due to proximity and route efficiency were not included in this request.

As discussed previously, one potential source of error in our estimates would be specifically related to Dakota County, given WCN's recent acquisition of DSI. At the time of our request, DSI was under the previous ownership and was confident in committing 30,000 tons/year for disposal to SKB. However, under mutual WCN ownership, it may be likely that we would prefer to dispose of all of DSI's MMSW at the SKB Rich Valley Landfill. This would include roughly 70,000 tons/year generated in Dakota County and potentially up to 90,000 tons/year generated in the Metro Area as a whole. If that were to be the case, it is foreseeable that the requested CON capacity may not be sufficient and could be used faster than expected.



City of Inver Grove Heights

www.ighmn.gov

December 2, 2020

To: Kirk Koudelka, Minnesota Pollution Control Agency

Peter Sandhei, Minnesota Pollution Control Agency

From: City of Inver Grove Heights

Subject: Letter of Acknowledgement of SKB's Intent to Apply for Certificate of Need

This letter is in response to SKB Environmental Inc.'s (SKB) recent notification submitted to the City of Inver Grove Heights (City) regarding their intent to apply for MPCA's Certificate of Need (CON) for SKB Rich Valley Landfill. As part of their application, SKB has requested that the City submit a letter to the MPCA that indicates the City is aware of SKB's intent to apply for the CON process and outlines which city review steps are necessary for SKB to obtain City approvals.

This letter is acknowledging that the city is aware of SKB's intent to apply for the MPCA's CON process. To date the city has received the attached notification from SKB dated October 27, 2020 and an informational presentation from SKB at the November 2, 2020 City Council Work Session meeting.

City code 10-13E-7 currently prohibits the development of a new sanitary landfill and disposal of industrial waste unless a Zoning Text Code Amendment and Conditional Use Permit are received. Additionally, SKB's existing approvals do not allow for the final disposal of industrial waste or mixed municipal solid waste (MMSW) at SKB Rich Valley. SKB would have to make application for and receive City approvals to accept industrial waste and MMSW at the Rich Valley Landfill. An initial review of the documents indicates that SKB would have to make application for a:

- Zoning Ordinance Amendment
- Non-Conforming Use Certificate Amendment (NCUC)
- Conditional Use Permit Amendment (CUP)
- Host Community Agreement Amendment

The application review processes would involve:

- A review of technical issues by Barr Engineering, the City's Environmental engineering consultant
- Review of land use implications by City staff
- Review of site plans for compliance with, but not limited to, zoning, stormwater, fire and building codes

- Preparation of the amended ordinance, a Non-Conforming Use Certificate, and Conditional Use Permit by LeVander Gillen & Miller, the City Attorney
- Amendment or new Host Community Agreement (HCA)
- Review and recommendation by the Environmental Commission
- Review and recommendation by the Planning Commission
- Consideration by the City Council, including up to three readings of the ordinance amendment

It is the City's understanding that if SKB is selected on a preliminary basis by MPCA to receive CON, changes to city code must be made and SKB must secure proper approvals from the City before the final CON is awarded to SKB by the MPCA. The City expresses no opinion as to whether the changes and approvals will be granted.

Sincerely,

CITY OF INVER GROVE HEIGHTS

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Mayor George Tourville

cc: Ryan O'Gara, SKB Environmental Inc.
Joe Lynch, City of Inver Grove Heights
Heather Rand, City of Inver Grove Heights
Ally Sutherland, City of Inver Grove Heights
Allan Hunting, City of Inver Grove Heights
Jeff Ubl, Barr Engineering
Bridget Nason, LeVander, Gillen & Miller
Tim Kuntz, LeVander, Gillen & Miller



December 15, 2020

Ryan O'Gara SKB Environmental, Inc. 251 Starkey St. PO Box 7216 St. Paul. MN 55107

Re: Certificate of Need letter request

Dear Mr. O'Gara:

Per your request on October 29, 2020, Dakota County has prepared an estimate for the amount of municipal solid waste (MSW) that will be generated within Dakota County over the next ten years (2021-2030) and the amount of that waste that will be available for management at the SKB Rich Valley Landfill or the Nobles County Landfill.

SKB Rich Valley is not currently allowed to accept MSW and would need to receive permits and licenses from the City of Inver Grove Heights, Dakota County, and the Minnesota Pollution Control Agency prior to accepting MSW. As indicated in your request, SKB proposes to dispose of MSW generated in Dakota County at the Nobles County Landfill until such time that the Rich Valley Landfill receives all necessary permits and licenses.

Estimates for the total amount of MSW that will be generated in Dakota County over the next ten years were based on population forecasts and current per capita waste generation rates.

Waste diversion from land disposal was based on successful implementation of the strategies and tactics detailed within the 2018–2038 Dakota County Solid Waste Master Plan (SWMP). The

estimated diversion used for these calculations did not include any increase in organics diversion due to a lack of current capacity to accept those increased quantities.



The difference between the estimated total waste generated and the estimated waste diverted provides the total amount of waste that will need to be managed across all landfills.

SKB is requesting a fixed appropriation of 30,500 tons per year or 305,000 tons over the next 10 years and has provided a commitment from an MSW hauler for that amount of waste. Dakota County estimates that a total of 1,801,219 tons of MSW is available to landfill over 2021-2030, which is adequate to meet SKB's request. See the table below for details:

Dakota County MSW Estimates (all values are in tons)

Dakota	County IVISVV	commares i	all values al	e in const		*
		Waste				
	Total	to				SKB
Year	MSW	Energy	Recycling	Organics	Landfill	Allocation
2021	467,907	13,000	158,770	101,944	194,193	30,500
2022	471,290	13,000	168,544	101,944	187,802	30,500
2023	474,674	13,000	178,338	101,944	181,392	30,500
2024	478,056	13,000	182,998	101,944	180,114	30,500
2025	481,440	13,000	187,651	101,944	178,845	30,500
2026	484,339	13,000	191,911	101,944	177,484	30,500
2027	487,238	13,000	195,971	101,944	176,323	30,500
2028	490,137	13,000	200,038	101,944	175,155	30,500
2029	493,035	13,000	204,112	101,944	173,979	30,500
2030	495,933	13,000	205,057	101,944	175,932	30,500
TOTAL	4,824,049	130,000	1,873,390	1,019,440	1,801,219	305,000

If you have questions regarding this letter, please contact Georg T. Fischer, Dakota County Environmental Resources Department Director, at 952-891-7554 or georg.fischer@co.dakota.mn.us.

Sincerely,

Mike Slavik

Chair, Dakota County Board of Commissioners

HENNEPIN COUNTY

MINNESOTA

December 14, 2020

Ryan O'Gara Government Affairs SKB Environmental 251 Starkey Street St Paul, MN 55107

Re: MPCA Certificate of Need Letter Request

Dear Ryan O'Gara,

In response to your Certificate of Need request dated October 29, 2020, Hennepin County is providing a letter as a member of the Partnership on Energy and Waste, which is a joint powers board consisting of Hennepin, Ramsey and Washington counties. If you have any questions, please contact me at 612-348-5906.

Sincerely,

Dave McNary Assistant Director

Sent via email

Cc: Peder Sandhei, Minnesota Pollution Control Agency

Dave McNay





December 14, 2020

Ryan O'Gara Government Affairs SKB Environmental 251 Starkey Street St Paul, MN 55107

Dear Ryan O'Gara,

The Partnership on Waste & Energy (PWE) is a joint powers board between Hennepin County and Ramsey/Washington Recycling & Energy (R&E). PWE includes Hennepin, Ramsey, and Washington counties and collaborates in areas of waste and energy management.

The PWE is submitting this letter on behalf of the three counties pertaining to the Minnesota Pollution Control Agency's (MPCA) notice of intent to accept certificate of need (CON) requests from Twin Cities metropolitan area landfills. Under state law, a CON request by a landfill must include annual solid waste estimates and the origin of waste from each county or waste management district.

Hennepin, Ramsey, and Washington counties support the policy goals of the Waste Management Act and the solid waste management hierarchy. The counties developed their 2018 Solid Waste Management Master Plans to make progress toward the goals in state statute and the objectives in the Metropolitan Solid Waste Management Policy Plan. The master plans and annual progress reports demonstrate each county's commitment to public health and the environment.

Hennepin County

Hennepin County has estimated the total amount of mixed municipal solid waste (MMSW) to be generated annually in the county from 2021 through 2030. The county estimates that 365,000 tons per year of MMSW will be managed at Hennepin Energy Recovery Center (HERC) for resource recovery and an additional 60,000 tons per year of MMSW will be managed at the county's Brooklyn Park Transfer Station (BPTS).

The remaining tons of MMSW will be managed in the private system. The MPCA is in the best position to determine how those remaining tons should be allocated by facility for the purposes of Certificate of Need requests. The MPCA has access to statewide waste data, an in-depth knowledge of landfill permits, and a holistic perspective on capacity needs. In addition, it is the MPCA's responsibility to ensure the orderly and deliberate development of facilities, including landfills.

	Henne	nia	County	/ Tonnage	Estimates
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Year	MMSW	Resource Recovery	Tons Available	BPTS to	Private System	
	Generated	at HERC	for Landfill	Landfill	to Landfill	
2021	848,600	365,000	483,600	60,000	423,600	
2022	863,900	365,000	498,900	60,000	438,900	
2023	875,600	365,000	510,600	60,000	450,600	
2024	884,800	365,000	519,800	60,000	459,800	
2025	892,000	365,000	527,000	60,000	467,000	
2026	896,500	365,000	531,500	60,000	471,500	
2027	899,700	365,000	534,700	60,000	474,700	
2028	901,500	365,000	536,500	60,000	476,500	
2029	902,200	365,000	537,200	60,000	477,200	
2030	901,700	365,000	536,700	60,000	476,700	

Ramsey/Washington Recycling & Energy

All MMSW generated in Ramsey and Washington counties is designated through county ordinance to the Ramsey/Washington Recycling & Energy Center (R&E Center) located in Newport, MN. A percentage of that waste is non-processible or residual and needs to be disposed of at a landfill.

Ramsey and Washington counties' Joint Waste Designation Plan was approved by the MPCA in 2017 and includes waste projections for the counties through the R&E Center system. While adjustments are made as new data comes in such as from annual SCORE reports, the counties and R&E continue to base waste projections and future plans on these waste designation projections.

Ramsey and Washington counties have estimated the total amount of MMSW to be generated from the two counties annually from 2021 through 2030, as well as the estimated annual amounts to be managed at the R&E Center for processing. The remaining MMSW is estimated for waste needed to be disposed in landfills for the two counties in the table below.

R&E currently contracts with Burnsville Sanitary Landfill and with BFI Waste Systems of North America dba Pine Bend with agreements through 2022. Tonnages in 2021 and 2022 are estimated based on the proportion of landfilled waste delivered to each landfill facility in 2019. After 2022, the estimated annual tonnage is shown as total landfill capacity needed, and is not identified by landfill facility. R&E cannot identify estimated quantities by landfill facility after 2022, as new landfill agreements will need to be solicited. In selecting landfills for contracts, Ramsey and Washington counties, through R&E, will take into consideration a number of elements, such as long-term environmental liability; facility compliance with federal, state and local regulations; operating factors such as hours of operation and services offered at the site; transportation costs; and general risk associated with the landfill.

Ramsey and Washington Counties Tonnage Estimates

Year	Burnsville Sanitary Landfill est.	BFI Waste Systems of North America dba Pine Bend est.	Total Landfill Tons
2021	5,600	82,100	87,700
2022	5,600	82,000	87,600
2023			87,200
2024			86,600
2025			85,700
2026			84,500
2027			83,000
2028			81,200
2029			79,000
2030			76,500

Please contact Dave McNary, Hennepin County at 612-348-5906, Zack Hansen, Ramsey County at 651-266-1160 or Nikki Stewart, Washington County at 651-430-6713 with questions.

Sincerely,

Commissioner Debbie Goettel, Hennepin County

Chair, Partnership on Waste and Energy

Deblie Coelle

Commissioner Fran Miron, Washington County

Victoria a. Reinhardt

Commissioner Victoria Reinhardt, Ramsey County

December 17, 2020

Mr. Dave Wiggins SKB Rich Valley Landfill 2490 117th St. E. Inver Grove Heights, MN 55077

Re:

SKB Rich Valley Landfill - Certificate of Need

Dear Mr. Wiggins:

As a follow-up to your letter regarding a certificate of need (CON) request for the SKB Rich Valley Landfill, Anoka County understands the closing of the Great River Energy Waste-to-Energy Facility caused waste collected within the County by ACE Solid Waste, Inc. (ACE) as well as waste generated within the County and delivered to the SKB Environmental Malcolm and Blaine Transfer Stations to be diverted for disposal at municipal solid waste (MSW) landfills in Minnesota as well as outside of the state borders.

As per the 2018 Anoka County Solid Waste Management Master Plan, it is the policy of Anoka County that landfills are a necessary component of an integrated solid waste management system. Sufficient landfill capacity should be available to:

- manage solid wastes that cannot be reduced, reused, recycled, composted or processed;
- operate an efficient regional solid waste management system; and
- manage waste in the event of unscheduled facility shutdowns, abatement market downturns, or catastrophic events.

While the County supports a market approach, in order to minimize the County's long-term liability with waste generated within the County, it is preferred for MSW generated within Anoka County be disposed of at MSW Landfills within Minnesota to ensure all disposal facilities are meeting the Minnesota Pollution Control Agency (MPCA) minimum permit requirements for construction, operation, closure and monitoring. The County is working diligently to meet our goals to divert as much waste from MSW landfills as possible. It is the understanding of the County all nearby waste-to-energy facilities are currently operating at capacity. We estimate between 2021 and 2031 61,000 tons of MSW per year from Anoka County (which has historically been managed through the SKB Transfer Station in Blaine) could be disposed of at the SKB Rich Valley Landfill or the Nobles County Landfill until permitted capacity becomes available at the SKB Rich Valley Landfill.

Anoka County prefers the unprocessible MSW be disposed of within the State of Minnesota boundaries, we anticipate the SKB Rich Valley Landfill or Nobles County Landfill to meet a portion of our MSW disposal needs. In the event new or additional MSW processing capacity serving the Metropolitan Area becomes available, the County maintains the management of MSW generated in the County follows the waste management hierarchy and applicable restrictions on disposal.

Anoka County reviewed historical data of the amounts of MSW managed through the SKB Transfer station as well as factored in a theoretical portion of what had been going to processing to now be managed through the SKB transfer station.

As such, Anoka County anticipates the following volumes to be available to go to the SKB Rich Valley Landfill or Nobles County Landfill:

Waste											
Flows	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Tons	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000

Please feel free to call or email Alison Peterson, Anoka County Environmental Services Manager if you have any further needs.

Sincerely;

Anoka County Board of Commissioners