

**FIRST AMENDMENT TO JOINT POWERS
AGREEMENT BETWEEN DAKOTA COUNTY AND
SCOTT COUNTY**

**DAKOTA-SCOTT REGIONAL HOUSEHOLD
HAZARDOUS WASTE COLLECTION AND
RECYCLING FACILITY**

WHEREAS, effective February 1, 2024 the County of Dakota (“Dakota County”) and the County of Scott (“Scott County”) entered into a Joint Powers Agreement DCA21239 (“JPA”) for sharing of cost to design and construct the Regional Household Hazardous Waste Collection and Recycling Facility (Recycling Zone Plus) (“Project”), as well as establish a general framework for the operation of the facility and setting annual capital replacement and maintenance contributions.

WHEREAS, Dakota County and Scott County are hereinafter collectively referred to as “Parties” and individually as “Party.”

WHEREAS, Section 3 (Term) of the JPA provides that the JPA shall remain in effect until December 31, 2033, with ten (10)-year options to renew unless either Dakota County or Scott County terminates its participation as set out in this Agreement.

WHEREAS, Section 2 (Purpose) of the JPA provides that the purpose of the JPA is to establish a mechanism whereby the Parties may jointly exercise powers common to each for the design and construction of the Regional HHW Facility [Recycling Zone Plus]; as well as establish a general framework for the operation of the facility, in addition to setting annual capital replacement and maintenance contributions.

WHEREAS, the recitals of the JPA provide that the Project will be completed in two phases: Phase I includes property acquisition, design and engineering; and Phase II will include bidding, construction and opening.

WHEREAS, Dakota County has acquired the twelve (12) acre property located in the City of Lakeville as part of Phase I of the Project.

WHEREAS, Section 5 (Capital Cost Estimate) of the JPA provided a preliminary estimated cost of the Project of Twenty-Four Million Dollars (\$24,000,000) as of February 2024, which did not account for inflation and did not include dollars for initial fleet.

WHEREAS, the updated preliminary estimated cost of the Project as of November 6, 2025, is Twenty-One Million and One Hundred Fifty Thousand Dollars (\$21,150,000).

WHEREAS, Section 6 (b) (Non-Party Funding) of the JPA provided, in part, that the Parties are expected to receive the following MPCA CAP funding for the Project: Eight Million Dollars (\$8,000,000) is expected from the MPCA’s 2024 legislative request for the Phase II MPCA CAP Grant.

WHEREAS, based on the Eight Million Dollars (\$8,000,000) expected in MPCA CAP funding, Section 7 (Capital Cost Allocation and Payment) of the JPA provided:

- a. It is specifically agreed that the estimated costs of this Agreement are only preliminary estimates of the cost of the Regional HHW Facility project. The actual final costs for property acquisition and construction and soft costs shall determine

- the total final project costs.
- b. The balance of remaining project costs after all State grant funds have been expended will be the responsibility of each Party and will be split between the Parties based on the 2022 Metropolitan Council Population Census in which Dakota County shall pay seventy-four percent (74%) and Scott County shall pay twenty-six percent (26%), provided however that Scott County's portion shall not exceed Three Million Six Hundred Forty Thousand Dollars (\$3,640,000). Dakota County's portion shall not exceed Ten Million Three Hundred Sixty Thousand Dollars (\$10,360,000).
- c. Scott County shall remit Two Million Seven Hundred Thirty Thousand Dollars (\$2,730,000) no later than at the start of the Construction Administration phase of the project to Dakota County.
- d. Upon substantial completion of the facility, Dakota County shall submit a statement of the final project costs to Scott County. Scott County shall remit its remaining portion of the actual project costs, not to exceed Nine Hundred and Ten Thousand Dollars (\$910,000) within sixty (60) days of receipt of the statement. Substantial completion shall be when Dakota County is authorized to occupy or utilize the facility for its intended use and a certificate of occupancy has been provided by the local building official.

WHEREAS, the State of Minnesota 2025 legislative session resulted in Six Million Dollars (\$6,000,000), rather than the originally expected Eight Million Dollars (\$8,000,000), in MPCA CAP Grant funds for 2025 of which Dakota County applied for and received Six Million Dollars (Six Million Dollars) for the Project.

WHEREAS, neither Party has terminated the JPA pursuant to Section 23 (Termination for Lack of Funding) as of date the Parties executed this First Amendment.

WHEREAS, Section 8 (Ongoing Regional Facility Program and Operations) of the JPA provided:

- a. Dakota County will solely administer the Regional HHW Facility program and operations including employing personnel or contractors.
- b. Scott County shall reimburse Dakota County for a portion of the operation and administration of the Regional HHW Facility as established in a Reciprocal Use Agreement. The amounts established under the Reciprocal Use Agreement shall be determined based on actual facility operating costs, using a per vehicle basis charged to Scott County for each participant vehicle served from Scott County.

WHEREAS, Section 9 (Ongoing Capital Replacement and Maintenance) of the JPA provided:

- a. Dakota County shall be responsible for administering ongoing capital replacement and maintenance.
- b. Scott County will remit Sixty-Nine Thousand Two Hundred Thirteen Dollars and Sixty-Three Cents (\$69,213.63) annually on or before June 1 as its share of ongoing capital replacement, and maintenance reserves.

WHEREAS, Section 28 (Merger and Modification) provides that any amendment to the JPA must be in writing and executed by the Parties.

WHEREAS, the Parties desire to amend certain Recitals and Sections 2, 3, 5, 6, 7 and 9 of the JPA as set forth below.

NOW, THEREFORE, the Dakota County and Scott County agree to amend the JPA as follows in consideration of the mutual covenants contained herein:

1. The fifth Recital which stated: "**WHEREAS**, the estimated cost of the Regional HHW Facility

project is approximately Twenty-Four Million Dollars (\$24,000,000) with approximately Ten Million Dollars (\$10,000,000) expected to be financed with State funding, and the estimated Fourteen Million Dollars (\$14,000,000) balance to be financed with funds from Dakota County and Scott County; and ”; is amended to read as follows:

WHEREAS, the estimated cost of the Regional HHW Facility (Recycling Zone Plus) project is approximately Twenty-One Million One Hundred Fifty Thousand Dollars (\$21,150,000), with Eight Million Dollars (\$8,000,000) financed with State funding, and the estimated Thirteen Million One Hundred Fifty Thousand Dollars (\$13,150,000) balance to be financed with funds from Dakota County and Scott County; and

- 2. The seventh Recital which stated: “**WHEREAS**, the State of Minnesota has awarded Dakota County General Obligation Bonds for a Household Hazardous Waste and Recycling Facility for Phase I and the State and Dakota County have entered into a Grant Agreement under the MPCA’s Solid Waste Processing Facilities Capital Assistance Program (CAP), which sets out terms of ownership and operation of the real property and facility; and” is amended to read as follows:

WHEREAS, the State of Minnesota awarded Dakota County General Obligation Bonds for the Regional HHW Facility (Recycling Zone Plus) for Phase I and Phase II and the State and Dakota County have entered into a Grant Agreement under the MPCA’s Solid Waste Processing Facilities Capital Assistance Program (CAP), which sets out terms of ownership and operation of the real property and facility; and

- 3. The eighth Recital which stated: “**WHEREAS**, Dakota County has executed a signed contingent purchase agreement with Scannell Properties to acquire a twelve (12)-acre property in the City of Lakeville to construct the Regional HHW Facility; and” is amended to read as follows:

WHEREAS, Dakota County has purchased a twelve (12)-acre property in the City of Lakeville as part of Phase I to construct the Regional HHW Facility (Recycling Zone Plus); and

- 4. Section 2 (Purpose) is amended to read as follows:

PURPOSE. The Parties desire to establish a mechanism whereby they may jointly exercise powers common to each for the design and construction of the Regional HHW Facility (Recycling Zone Plus); as well as establish a general framework for the operation of the facility, in addition to setting annual capital, fleet and equipment replacement and maintenance contributions.

- 5. Section 3 is amended to read as follows:

TERM. This Agreement shall be effective upon execution by all Parties and shall remain in effect until December 31, 2036 with ten (10)-year options to renew unless either Dakota County or Scott County terminates its participation as set out in this Agreement.

- 6. Section 5 is amended to read as follows:

CAPITAL COST ESTIMATE. The preliminary capital cost estimate is a Twenty-One Million One Hundred Fifty Thousand Dollars (\$21,150,000) project cost, including property acquisition (purchase price, due diligence, approvals, closing costs, etc.), and construction, based on schematic design and soft costs (professional services such as designer, estimator, commissioning, testing, permits, etc.) allocated as follows:

- a. Construction Costs: \$13,800,000

- b. Soft Costs: \$3,330,000
- c. Site Acquisition Costs: \$4,020,000

7. Section 6 is amended to read as follows:

NON-PARTY FUNDING. Parties have received the following MPCA CAP funding for the project.

- a. Two Million Dollars (\$2,000,000) was awarded in 2021 for Phase I design and property acquisition.
- b. Six Million Dollars (\$6,000,000) was awarded in 2025 for Phase II facility construction.

8. Section 7 is amended to read as follows:

CAPITAL COST ALLOCATION AND PAYMENT.

- a. It is specifically agreed that the estimated costs in this Agreement are only preliminary estimates of the cost of the Regional HHW Facility (Recycling Zone Plus), with the exception of the property purchased for the facility. The actual final costs for construction and soft costs shall determine the total final project costs.
- b. The balance of remaining project costs after all State grant funds have been expended will be the responsibility of each Party and will be split between the Parties based on the 2024 Metropolitan Council Population Census in which Dakota County shall pay seventy-four percent (74%) and Scott County shall pay twenty-six percent (26%), provided however that Scott County's portion shall not exceed Three Million Four Hundred Nineteen Thousand dollars (\$3,419,000). Dakota County's portion shall not exceed Nine Million Seven Hundred Thirty-One Thousand Dollars (\$9,731,000).
- c. Scott County shall remit Two Million Three Hundred Ninety-Three Thousand Three Hundred Dollars (\$2,393,300) no later than at the start of the Construction Administration phase of the project to Dakota County.
- d. Upon substantial completion of the Regional HHW Facility (Recycling Zone Plus), Dakota County shall submit a statement of the final project costs to Scott County. Scott County shall remit its remaining portion of the actual project costs, not to exceed One Million Twenty-Five Thousand Seven Hundred Dollars (\$1,025,700) within sixty (60) days of receipt of the statement. Substantial completion shall be when Dakota County is authorized to occupy or utilize the facility for its intended use and a certificate of occupancy has been provided by the local building official.

9. Section 8 is amended to read as follows:

ONGOING REGIONAL FACILITY PROGRAM AND OPERATIONS

- a. Dakota County will solely administer the Regional HHW Facility program and operations including employing personnel or contractors.
- b. Scott County shall reimburse Dakota County for a portion of the operation and administration of the Regional HHW Facility as established in an Operations Agreement. The amounts established under the Operations Agreement shall be determined based on actual facility operating costs, using a per vehicle basis charged to Scott County for each participant vehicle served from Scott County.

10. Section 9 is amended to read as follows:

CAPITAL ACQUISITION AND ONGOING CAPITAL REPLACEMENT AND MAINTENANCE.

- a. The initial fleet acquisition cost for large equipment to manage materials and supplies at the Regional HHW Facility (Recycling Zone Plus) is estimated at Three Hundred Sixteen Dollars (\$316,000). Scott County shall pay twenty-six percent (26%) of the total cost of the

initial fleet acquisition, provided however that Scott County's portion shall not exceed Eighty-Two Thousand One Hundred Sixty dollars (\$82,160). Scott County shall remit its portion of the initial fleet acquisition cost no later than the start of the Construction Administration phase of the project to Dakota County.

- b. Dakota County shall be responsible for administering ongoing capital, fleet, and equipment replacement and maintenance.
- c. Starting in 2027, Scott County will remit Ninety-Seven Thousand Five Hundred Eighteen Dollars and Sixty-One Cents (\$97,518.61) annually on or before June 1 as its share of ongoing capital, fleet, and equipment replacement, and maintenance reserves.
 - i. Dakota County will utilize these funds for the sole purpose of capital, fleet, and equipment replacement and maintenance, for the Recycling Zone Plus.
 - 1. \$82,997.73 will be allocated for capital replacement and maintenance.
 - 2. \$11,698.02 will be allocated for capital equipment fleet replacement.
 - 3. \$2,822.86 will be allocated for facility equipment replacement.

11. This Amendment is effective and enforceable on the date that the last Party hereto signs this Amendment.

12. All other terms of the JPA shall remain in full force and effect.

13. In any case where this Amendment conflicts with the initial terms of the JPA, this Amendment shall govern.

IN WITNESS WHEREOF, the parties have executed this Amendment on the dates indicated below.

COUNTY OF DAKOTA

Approved by Dakota County Board
Resolution No. _____

By _____
Heidi Welsch, County Administrator

Date of Signature: _____

COUNTY OF SCOTT

Approved by Scott County Board
Resolution No. _____

By _____
Lezlie A. Vermillion, County Administrator

Date of Signature: _____

APPROVED AS TO FORM:

Jeanne Anderson, Assistant Scott County Attorney

Date of Signature: _____

DRAFT