

**OPEN SESSION MINUTES
WINNEBAGO COUNTY BOARD OF SUPERVISORS
SOLID WASTE MANAGEMENT BOARD**

DATE: January 17, 2024

TIME: 9:00 a.m.

LOCATION: Solid Waste Administration Office
100 W. County Road Y
Oshkosh, WI

PRESENT: Doug Nelson, Vice Chairman
Jim Wise, Secretary
Mike Easker
Paul Eisen (9:01 a.m. – 10:39 a.m.)
Jerry Konrad
Kevin Konrad
Howard Miller
Shanah Zastera

ALSO PRESENT: John Rabe, Director
Kathy Hutter, Operations Manager
Cassie Stadtmueller, Office Supervisor
Mike Elder, Director of Facilities
Ethan Hollenberger, Executive Assistant
Chris Anderson, Foth Infrastructure & Environment (9:06 a.m. – 10:39 a.m.)

1. Call to Order: D. Nelson called the meeting to order at 9:00 a.m.
2. Approve Agenda: Motion to approve the amended January 17, 2024, agenda, moving agenda item 7 ahead of agenda item 6, made by M. Easker and seconded by K. Konrad. Motion carried 6-0. J. Konrad couldn't vote due to County Board Rule 11.6.
3. Public Comments Within Jurisdiction of the Solid Waste Management Board: None.
4. Communications Shared by Solid Waste Management Board Members: P. Eisen informed the Solid Waste Management Board (SWMB) that he made an amendment to Resolution 306-012024 which honored former Winnebago County Board Supervisor, Pat O'Brien, in memoriam that was presented at the January 16, 2024, County Board meeting. P. Eisen further explained that in his research, he discovered that P. O'Brien was documented in meeting minutes voting on June 15, 1982, and was sworn in as a supervisor in 1984 at an organizational meeting, not the published year of 1988, which would make him a member of the board for 41 years.

5. Approval of Minutes – December 20, 2023, Open Session: Motion to approve the December 20, 2023, Open Session, made by P. Eisen and seconded by J. Wise. Motion carried 6-0. D. Nelson abstained and J. Konrad couldn't vote due to County Board Rule 11.6.

7. Discussion/Action – Award Transfer Station Floor Replacement Project (#SW01-24) and Authorize 2024 Budget Adjustment: K. Hutter presented the bids for the Transfer Station Floor Replacement Project (#SW01-24) and 2024 Budget Adjustment to the SWMB as follows:
 - #SW01-24 work entails demolition and replacement of reinforced concrete floor, which is worn beyond useful life, replacement of two concrete bollards, demolition, and replacement of a portion of the north waste and recycling loading pit ramps to correct drainage issue. Optional Bid Item A, Surface Hardener was also requested.
 - Project must be completed in two construction sequences to allow for minimal interruption of transfer station operations.
 - Work must be performed February 5-26, 2024, with project completion by March 1, 2024, to avoid limiting operations during annual WisDOT road weight restrictions.
 - Request for Bid (RFB) was published on December 5, 2023. Pre-bid meeting was held on December 13, 2023 (5 contractors attended, attendance was not required). Addendum #1 issued on December 14, 2023, to recap pre-bid meeting discussion. Addendum #2 issued on January 2, 2024, to clarify bollard diameter and cover and clarify presence of sealer/hardener in existing concrete to be demolished. Bids were due January 4, 2024.
 - Received five (5) responses
 - Low bidder is Immel Construction, Green Bay, with base bid price of \$179,363.00 and an Optional Bid Item A for \$13,857.50. Foth and Staff review of bids resulted in no need for follow-up action; the low bid is complete with no irregularities and qualifies for award.
 - Qualification statements were received. Nothing of concern. Immel Construction completed work for WCSWMB in 2016, for the Compactor Installation Projects.
 - Summary of project expenses:
 - Base bid - \$179,363.00
 - Option A - \$13,857.50
 - Total - \$193,220.50
 - 2024 Budget Adjustment Request:
 - 2024 Budget Adjustment \$200,000.00 with funding from retained earnings or landfill revenues, depending on operational surplus/deficit status at year end.
 - Solid Waste (SW) Staff will submit the following Carryover funds to apply to #SW01-24 project cost:
 - Type 2 Carryover, \$10,000 for 2023 Concrete Repair SSR loading pit ramp,
 - Type 2 Carryover, \$10,000 for 2023 Concrete Repair MSW loading pit ramp,
 - SW Staff recommends awarding #SW01-24 to Immel Construction in the amount of \$193,220.50 and authorization of recommended 2024 Budget adjustment

D. Nelson asked why Immel and Lunda have a similar price for the hardener compared to a much higher price compared to the other companies who submitted bids. K. Hutter explained that they are possibly using a different manufacturer of the hardener.

D. Nelson asked if there is a better hardener out there, should we go with a different contractor that will utilize that hardener to hopefully avoid floor issues in the future. K. Hutter explained the current transfer station floor was worn down because of normal wear and tear and has lasted 6 years since the last repair, which is the expected life span. K. Hutter further explained we can look at different hardeners, but we are aligned with our partner counties Brown and Outagamie on transfer station repairs.

C. Anderson explained that the price difference could be because of the company's familiarity with the application of the product. C. Anderson further explained the bid price included the material and installation costs.

C. Anderson explained to the SWMB that Foth Infrastructure & Environment (Foth) review and approve all materials submitted in the bid proposals to ensure they meets industry standards.

K. Konrad asked if not completing the repair would put us in a catastrophic problem. K. Hutter explained that if the floor goes without repair the concrete will lift and leachate from the transfer station may absorb into the gravel and foundation below the concrete. J. Rabe explained that there is currently rebar poking through the concrete which is a safety concern.

Discussion ensued amongst the SWMB.

Motion to amend the 2024 Budget by increasing \$200,000.00 with funding from retained earnings or landfill revenues, depending on operational surplus/deficit status at year end, made by M. Easker and seconded by K. Konrad. Motion carried 7-0. J. Konrad couldn't vote due to County Board Rule 11.6.

Motion to award Transfer Station Floor Replacement Project (#SW01-24) to Immel Construction for \$193,220.50, made by P. Eisen and seconded by J. Wise. Motion carried 7-0. J. Konrad couldn't vote due to County Board Rule 11.6.

M. Easker asked if action needs to be taken by the County Board on these action items that were just approved by the SWMB for final approval. E. Hollenberger explained that currently administration is waiting on Corporation Counsel to review the statutes and attorney general opinions in regard to the approval process and authority the SWMB has. M. Easker asked how we proceed in the meantime. E. Hollenberger explained that the SWMB will operate as it has and will be notified if/when something changes.

Discussion ensued amongst the SWMB.

M. Easker stated point of order, the topic of SWMB authority should be discussed at a future meeting.

6. Discussion/Action – 2024 Landfill Gas to Electricity Contract Analysis: J. Rabe explained to the SWMB that at the September 20, 2023, meeting we discussed alternate options for Landfill Gas to Electricity (LFGTE), Vespene being one of them. J. Rabe explained that currently we are generating and selling energy to WPS with a month-to-month rate.

C. Anderson presented the 2024 Landfill Gas to Electricity Contract Analysis to the SWMB as follows:

- **Background:**
 - Continue LFGTE that has been a 20-year success
 - New Agreement with WPS to sell electricity
 - \$1.5 Million Investment in new landfill gas (LFG) Treatment/Compressor and Flare System
 - Track Renewable Fuel Standard for e-RINS that is currently on hold by EPA
 - Consider alternative proposals to purchase renewable power
- **WPS Month-to-Month**
 - Average 2023 blended rate was \$0.064 per kwh
 - 2023 LFGTE system produced ~1 Mw of power
 - LFG is declining and engine capacity will drop to 0.75 Mw in 2025
 - This contract does not include renewable attributes, is market dependent and does not guarantee a rate or revenue
 - The \$1.5 Million investment is borne 100% by the Winnebago County SWMB (WCSWMB)
- **Vespene Energy Proposal**
 - Proposed base rate is \$0.055 per kwh + 15% of top-line revenue (average total rate ~\$0.0725) for 10-year contract without inflation factor
 - Proposal establishes 85% uptime for ~1 Mw of power capacity
 - LFG is declining and engine capacity will drop to 0.75 Mw in 2025
 - This contract assigns the renewable attributes to Vespene but will renegotiate if e-RINs become part of the RFS
 - The \$1.5 Million investment is paid for by Vespene

• **5-Year Analysis:**

Power Purchase Contract	2023 Rate (\$/kwh)	Average Annual Profit/Loss (\$/year)	Cumulative 5-Year Profit/Loss (\$)
WPS	\$0.0640 (2.4% annual inflation)	\$(143,651)	\$(1,022,746)
Vespene Energy	\$0.055+\$0.018 (0.0% annual inflation)	\$130,595	\$654,796

• **Economic Sensitivity:**

Power Purchase Contract	2023 Rate (\$/kwh)	Average Annual Profit/Loss (\$/year)	Cumulative 5-Year Profit/Loss (\$)
WPS	\$0.0640 (7.5% annual inflation)	\$(104,572)	\$(522,860)
Vespene Energy	\$0.055+\$0.0 (0.0% annual inflation)	\$(3,858)	\$(19,292)

- Risk Management:
 - Equipment ownership and reimbursement
 - Grid-connection and non-utility classification
 - Future WPS agreements
- Next Steps:
 - Negotiate a contract with Vespene with a strategy to achieve WCSWMB goals
 - Request annual inflation factor tied to Energy Market
 - Request higher percentage royalty payments > 15%
 - Negotiate an adjusted power commitment that accounts for reductions in LFG and engine-generator capacity
 - Request favorable terms for quick reimbursement of \$1.5 Million

Discussion ensued amongst the SWMB.

C. Anderson explained that the SWMB has already approved and committed to the \$1.5 Million purchase of new LFG Treatment/Compressor and Flare System to continue our LFTGE system.

H. Miller asked if the labor costs to run the LFGTE system was included in the 5-year analysis. C. Anderson confirmed it was included in the estimates.

M. Easker asked for clarification if Vespene is out of California but focusing on the Midwest. C. Anderson explained that is correct and there is a site at the Marathon County Landfill that Vespene is working with.

M. Easker stated since this is fairly new and cutting edge, how did Vespene come up with their reimbursement rates and percentages. C. Anderson explained that he is not sure how they determined their rates, but it is something we would negotiate. C. Anderson further explained this is something Richard Heinemann from Boardman Law could look into to ensure we are getting a competitive rate.

J. Rabe explained Vespene will use the energy generated from our site to run the computers used for Bitcoin mining.

P. Eisen stated he is concerned about J. Rabe retiring and feels a project like this should be under a full-time knowledgeable leadership from the Solid Waste Department. P. Eisen further explained that Vespene's use of the energy is to mine Bitcoin and his opinion is that mining Bitcoin is speculative.

C. Anderson stated regardless of the status of Bitcoin, Vespene will be paying us for the power generated and our involvement will only be in regard to energy generation to run their computers.

H. Miller asked if it would be possible to get information on costs if we stop power generation and start flaring the gas that is generated. C. Anderson explained there is a cost to just flare the gas and the SWMB also approved the purchase of \$1.5 Million LFG Treatment/Compressor and Flare System which we are still responsible to pay for.

P. Eisen asked if we can still sell the environmental attributes. C. Anderson explained that is something we can look into selling but the current market value is not very high.

Discussion ensued amongst the SWMB.

P. Eisen stated he is conflicted because there is not a full-time leader to oversee this agreement when J. Rabe retires. P. Eisen further explained that leading this project would require someone to be completely immersed in the Vespene negotiations and the SWMB is not in a position to pursue this.

S. Zastera explains she understands P. Eisen's concern with the transition with Directors but feels that C. Anderson and current Solid Waste Staff would be the continuum of this project. D. Nelson stated he agrees with S. Zastera.

J. Rabe explained that Richard Heinemann of Boardman Law would also be able to assist in the negotiation process.

Motion made by M. Easker and seconded by H. Miller to continue contract negotiations with Vespene. Motion carried 6-1. P. Eisen nay. J. Konrad couldn't vote due to County Board Rule 11.6.

8. Director's Report on Department Operations: J. Rabe presented the Director's Report to the SWMB as follows:
 - North waste compactor rebuild is taking place January 15-19, 2024, operating using south waste compactor only.
 - LFGTE operations continue running either 2 or 3 engines during on-peak generation times (approx. 500-750 cfm); 1 or 2 engines during off-peak hours (400-550 cfm); periodic flare operation continues when necessary
 - WPS Revenue Summary: December 2023 generation = \$54,625 and 2023 YTD = \$721,032 (\$400,000 included in 2023 Budget)
9. Future Agenda Items: J. Rabe stated budget carryovers will need to be presented at a future meeting.
10. Set Next Meeting Date: The next SWMB meeting date is scheduled for February 7, 2024, at 9:00 a.m.

11. Adjournment: Motion to adjourn made by K. Konrad and seconded by M. Easker. Motion carried 6-1. P. Eisen nay. Meeting was adjourned at 10:39 a.m. J. Konrad couldn't vote due to County Board Rule 11.6.

Respectfully Submitted,

Cassie Stadtmueller
Office Supervisor

Approved by SWMB – April 3, 2024