

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

DATE: May 21, 2014

TIME: 9:00 a.m.

LOCATION: Sunnyview Landfill
100 W. County Road Y
Oshkosh, WI

PRESENT: Pat O'Brien, Chairman
Ken Robl, Vice Chairman (9:00 a.m. - 10:00 a.m.)
Paul Eisen, Secretary
David Albrecht
Mike Easker
Jerry Finch
Gerry Konrad
Susan Locke
Doug Nelson

ALSO PRESENT: John Rabe, Director of Solid Waste
Kathy Hutter, Confidential Secretary
Kurt Pernsteiner, Facility Manager
Jennifer Semrau, Recycling Specialist
John Fink, County Executive Assistant
John Bodnar, Corporation Counsel (9:00 a.m. - 9:21 a.m.)

1. Call to Order: P. O'Brien called the meeting to order at 9:00 a.m.
2. Approve Agenda: Motion to approve the May 21, 2014 agenda, made by K. Robl and seconded by J. Finch. Motion carried 9-0.
3. Public Comments on Agenda Items: None.
4. Announcement/Communications: J. Rabe reported to the Solid Waste Management Board (SWMB) that the Termination and Mutual Release Agreement was signed by Fox Valley Energy Center (FVEC) and executed by J. Rabe on May 12, 2014.

J. Rabe reported that he met with Mike Collard, Human Resources (HR) Director on May 14, 2014 to discuss a Special Pay Adjustment for the Recycling Specialist position, and a reclassification request for the Lead Operator position.

5. Approval of Minutes – May 7, 2014 Open and Closed Session: Motion to approve the May 7, 2014 open and closed session minutes, made by K. Robl and seconded by G. Konrad. Motion carried 9-0.
 6. Closed Session:
 - a. Pursuant to Section 19.85(1)(g), Wisconsin Statutes, at this point in the meeting, the Board shall consider a motion to convene into closed session for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, in relationship to the Randy Besaw Legal Case.
- Motion made by K. Robl and seconded by J. Finch at 9:06 a.m. to convene into closed session. Motion carried 9-0 by roll call vote.
7. Return to Open Session to Resume Regular Business: Motion to return to open session at 9:21 a.m. made by J. Finch and seconded by K. Robl. Motion carried 9-0 by roll call vote.
 8. Discussion/Action – Consider Award of Replacement Tractor/Mower Capital Purchase (#SW04-14): K. Pernsteiner updated the SWMB on the Replacement Tractor/Mower Capital Purchase (#SW04-14) that was last discussed at the May 7, 2014 SWMB meeting. K. Pernsteiner explained that he contacted Riesterer and Schnell to clarify the purchase price (\$80,814.98) and delivery schedule (6 weeks) on the 2014 John Deere 6115M Tractor (Tractor) that is available at the dealership in Chilton. The Tractor meets minimum bid specifications and has options that would not be included on a factory ordered model. These options include: deluxe cab, upgraded tires, upgraded battery package and upgraded alternator assembly. The Tractor also has two other options, adjustable front fenders and front weight support, which can be removed to reduce the purchase price. The revised purchase price for the 2014 John Deere 6115M with 2014 Diamond Offset HD 102" Rear Mounted Mower and 2014 Diamond HD 75" Side Mounted Mower from Riesterer and Schnell (with two options removed and trade-ins included) is \$79,161.82.

K. Pernsteiner reported that the Tractor available at the Riesterer and Schnell Chilton dealership has a 6-week lead time needed to ship the Tractor to South Dakota for Mower installation. The other factory ordered tractors listed in the proposal (a 2014 John Deere 6115M, a 2014 Kubota M108 SHDC2 and a 2014 Kubota M110 GXDTC) would require a 6-month lead time for order fulfillment.

Discussion ensued by the SWMB.

Motion made by D. Nelson and seconded by J. Finch, to the purchase the 2014 John Deere Model 6115M Tractor (available at the Riesterer and Schnell Chilton dealership) with 2014 Diamond Offset HD 102" Rear Mounted Mower and 2014 Diamond HD 75" Side Mounted Mower from Riesterer and Schnell for \$79,161.82. Motion carried 9-0.

9. Discussion – 2013 Financial Report: J. Rabe explained that the 2013 Financial Report reflected a full year of transfer station operations compared to 2012 which was a transition year from full scale landfill operations to transfer station operations. K. Pernsteiner presented the 2013 Statement of Revenues and Expenses (Final Audited) to the SWMB as follows:

	<u>2012</u>	<u>2013</u>
Operating Revenues		
Landfill Fees	\$ 9,225,432	\$ 6,885,150
Power Sales	3,222,107	3,122,991
Sales of By-Products	274,852	296,582
Total Operating Revenues	<u>\$12,722,391</u>	<u>\$10,304,723</u>
Operating Expenses		
Salaries and Wages	\$ 902,481	\$ 746,280
Employee Benefits	317,344	291,985
Supplies	54,483	70,662
Contractual Services	5,376,089	5,805,358
Other Operating Expenses	1,350,686	941,952
Utilities	352,074	435,638
Insurance	94,988	85,124
Depreciation and Amortization	3,818,656	(557,749)
Indirect Costs	114,300	119,200
WDNR Recycling Fees	976,921	1,449
WDNR State Special Charge Fees	803,840	3,352
Landfill/Recycling License	16,576	20,843
General & Administrative	114,417	66,535
Total Operating Expenses	<u>\$ 14,292,855</u>	<u>\$ 8,030,629</u>
Non-Operating Revenues (Expenses)		
Rental Income	- - -	\$ 16,275
Interest Income	\$ 575,457	(153,416)
Interest Expense	(5,749)	(5,204)
Miscellaneous	6,242	5,300
Total Non-Operating Revenues	<u>\$ 575,950</u>	<u>\$ (137,045)</u>
Net Surplus/(Deficit)	<u>\$ (994,514)</u>	<u>\$ 2,137,049</u>
Net Assets, January 1	<u>\$ 29,561,771</u>	<u>\$ 28,567,257</u>
Net Assets, December 31	<u>\$ 28,567,257</u>	<u>\$ 30,704,306</u>

K. Pernsteiner reviewed the major changes between 2012 and 2013 amounts with the SWMB.

Discussion ensued amongst the SWMB.

K. Pernsteiner presented the 2013 Balance Sheet (Final Audited) to the SWMB as follows:

ASSETS	<u>2012</u>	<u>2013</u>
Current Assets		
Cash and Investments	\$ 29,870,243	\$ 25,866,205
Other Receivables	1,294,464	1,427,179
Inventories and Pre-payments	398,345	206,510
Total Current Assets	<u>\$ 31,563,052</u>	<u>\$ 27,499,894</u>
Restricted Assets		
Cash and Investments	\$ 17,274,429	\$ 16,973,392
Property and Equipment		
Net Property and Equipment	<u>\$ 6,733,296</u>	<u>\$ 5,934,060</u>
Total Assets	\$ 55,570,777	\$ 50,407,346
LIABILITIES AND FUND EQUITY		
Current Liabilities (Payable from Current Assets)		
Total Current Liabilities	\$ 2,253,191	\$ 1,149,177
Long-Term Liabilities		
General Obligation Bonds Payable	\$ 95,721	\$ 82,781
Other Long-Term Liabilities	24,654,608	18,471,082
Total Long-Term Liabilities	<u>24,750,329</u>	<u>18,553,863</u>
Total Liabilities	<u>\$ 27,003,520</u>	<u>\$ 19,703,040</u>
Fund Equity		
Investment in Capital Assets	\$ 6,773,758	\$ 5,939,621
Reserved for Solid Waste	21,793,499	24,764,685
Total Fund Equity	<u>\$ 28,567,257</u>	<u>\$ 30,704,306</u>
Total Liabilities & Fund Equity	\$ 55,570,777	\$ 50,407,346

Discussion ensued amongst the SWMB.

P. O'Brien requested that a footnote be added to the bottom of the Balance Sheet that explains the \$5 Million reduction in Total Assets/Total Liabilities & Fund Equity from 2012 to 2013.

K. Pernsteiner presented the 2013 Restricted Investment Summary (Final Audited) to the SWMB as follows:

	<u>2012</u>	<u>2013</u>
WDNR Escrow Account		
Sunnyview Landfill - Closure	\$ 6,592,575	\$ 6,697,934
Sunnyview Landfill - Long Term Care	7,441,589	7,554,272
Snell Road Landfill - Long Term Care	1,166,993	1,185,454
Total Restricted Investments	<u>\$ 15,201,157</u>	<u>\$ 15,437,661</u>

Discussion ensued amongst the SWMB.

10. Discussion – Regional Single Stream Recycling Update: J. Semrau presented the Regional Single Stream Recycling Update to the SWMB as follows:

MRF Equipment Upgrades

- Brown, Outagamie and Winnebago County (BOW) Material Recovery Facility (MRF) is working to expand with a second baler and processing equipment capabilities for additional material.
- Major components include:
 - a new secondary (primarily fiber) baler, with associated pits, belts, infeed conveyance, etc.
 - modification to existing equipment to utilize new baler
 - new automated fiber bunker
 - sort-line modifications to accommodate the recovery of aseptic packaging (cartons) and additional plastics
 - additional storage silos for newly recovered materials
 - integration, start-up and testing of modifications and equipment
- Bulk Handling Systems (BHS), Eugene, OR was awarded the equipment contract for \$1,725,000; contract was signed in late April, 2014. Upgrades will be paid for by BOW MRF retained earnings from the past few years; no capital financing is required.
- Equipment fabrication/system engineering takes 12-weeks from General Arrangement Drawings (GAD) approval; GADs were approved May 16, 2014.
- Installation will occur over four consecutive weekends (Saturdays/Sundays) to allow the plant to be operational during construction. There will be one day of downtime (Friday) with a final Saturday/Sunday completion weekend.
- Graef was awarded Architect/Engineer work for the project on April 3, 2014.
- Graef is working on Request for Bids for civil construction work; anticipated that civil work will begin at the end of June 2014 and conclude by end of July 2014.
- Equipment installation in August 2014; project conclusion is expected to be 'fall' 2014.

Tonnage/Production

- Tonnage is up in 2014 compared to 2013 at the BOW MRF.
- January - April 2014 = 29,266 tons; January - April 2013 = 24,641 tons (~19% increase)

- Main source of increased tonnage: Waste Management (Green Bay)
- April 2014 was the first time the MRF ever exceeded 8,000 tons received in a month, (8,741 tons received).
- May 2014 is tracking to exceed 8,000 tons again.
- MRF has added an hour to each shift (first shift 5:00 a.m. - 2:00 p.m. (instead of 6:00 a.m. - 2:00 p.m.) and second shift 3:00 p.m. to midnight (instead of 3:00 p.m. - 11:00 p.m.) and working some Saturdays to keep up.
- During construction/equipment installation, running on Saturdays will not be an option, so the MRF is testing 'continuous run' operation. An additional 50 minutes per shift (20 minute break, 30 minute lunch) can be achieved with this model where 5 extra sorters rotate into positions so the plant never shuts down during breaks/lunch.

Bale Storage

- Bale storage space will be reduced by approximately 50% after completion of the BOW MRF upgrades. Current bale storage capacity is ~818 bales; after the upgrades, bale storage capacity will be ~371 bales.
- During construction/equipment installation, bale storage capacity will be extremely limited (~150 bales).
- The MRF produces ~350 bales/day.
- Recognizing this problem, a Lean project was formed about 4 months ago.
- Solutions identified to be used during the construction phase include:
 - Permission from Wisconsin Department of Natural Resources (WDNR) to temporarily store designated bales outside of the facility.
 - Spotting of semi trailers by buyers (up to 5 trailers: aluminum, steel, PET, HDPE natural, HDPE color)
 - Renting ramps, trailer jacks, plates, chocks for efficient trailer use/loading.
 - BOW MRF contracting for additional bale transportation (to have better control and guaranteed timely pick-up of largest commodity, ONP [old news print]).
 - Shipping bales on second shift.
 - Maintaining a 50% empty at the Outagamie County (OC) Transfer Station (TS) for bale/material storage.
- After the construction/equipment installation phase, many of the above tactics may continue to be utilized to accommodate the permanent decreased bale storage space.

Press/Outreach/Education

- Winnebago County Solid Waste Facebook page has 613 'Likes' - accumulated 500 'Likes' by April 30, 2014 and 400 'Likes' by April 17, 2014.
- Winnebago County (WC) Solid Waste has acquired a new domain name: www.WinnebagoCountySolidWaste.com (easier to remember/provide than www.co.winnebago.wi.us/solid-waste).
- BOW produced a 2014 Tri-County Recycle Guide; distributed in Gannett newspapers, *Press Gazette*, *Post Crescent*, and *Northwestern* on April 17, 2014.
- On Earth Day (April 22, 2014), local TV stations Fox11 and WFRV did stories on the BOW MRF adding new recyclable materials this fall.

- BOW is seeking Carton Council funding for outreach of new materials.
- J. Semrau authored the cover article of the Winnebago County *Wavelength* May 2014 edition featuring the new materials that will be added to the recycling stream:
 - Cartons (Milk, juice, soup, wine, etc.)
 - Dairy Containers (Yogurt, sour cream, margarine, cottage cheese, etc.)
 - Produce, Bakery and Deli Containers (Berry, donut, potato salad, etc.)
 - Lids from the Above Containers
- Watchdog Q&A Reporter Duke Behnke consulted J. Semrau and published “Residents can now recycle all No. 1 plastics” in the *Post Crescent* May 11, 2014 print edition.
- BOW is working on a joint webpage (landing page) for future outreach.
- BOW’s fall educational campaign will include all or some of the following: press releases, radio, posters, utility stuffers, newspaper, online ads, social media, email blasts, municipal and County web pages/newsletters, etc.

Single Stream Hauling

- Single stream hauling (transportation) is a BOW shared expense.
- BOW consultants have been evaluating Brown County (BC) and WC Transfer Stations.
- BC will be switching to a new service provider for single stream hauling.
- BOW considered if installation of a compactor at BC (with new hauler using compactor trailers) will save system money.
- Evaluation looked at various costs (capital, construction, electricity, maintenance, etc.) versus benefits (more tons per load, fewer loads per day) and whether it makes sense for BOW to consider compaction at BC (and perhaps WC in the future).
- Outcome of the evaluation demonstrates a positive Return on Investment for the BOW of ~4 years.
- As a result, BOW staff are developing a “Transferring Counties Capital, Operating and Hauling Costs Policy” (Policy) in conjunction with Schenck, SC.
- In addition, a Letter of Understanding is being developed by the BOW Directors regarding the BC Compactor.
- The Policy and Letter of Understanding are being written based on guiding principles in the Original and Extended BOW Recycling Agreements.
- The Policy, referencing language in the BOW Recycling Agreements, extrapolates which costs from a hauling County would be an individual County expense versus a BOW shared expense. Costs outlined include capital (including installation, engineering, building modifications, etc.) as well as operational (routine maintenance, electrical, etc.).
- The Letter of Understanding will be a signable document, executed by the BOW Directors, referencing the above mentioned Policy, specific to the BC Compactor.

Discussion ensued amongst the SWMB.

11. Discussion – Landfill Gas Operations Report: J. Rabe updated the SWMB with the following landfill gas operations, WPS/Highway revenues and Air Construction Permit status.

Landfill Gas Operations – May 20, 2014		
Engine #1	Off	Decoking and replacing pistons & liners
Engine #2	Running at 987 KW	
Engine #3	Running at 900 KW	Awaiting new short block
Engine #4	Running at 1060 KW	
Engine #5	Running at 1400 KW	Running at reduced load; engine knocking & needs decoking
Sunnyview Compressor	Compressors A & B running at 46%. Pipeline outflow 1440 scfm.	
Sunnyview Flare	Flare – On; Flow – 683 scfm; Vacuum = -45’’ wc; Blowers 103/104/105 running at 82%	
Sunnyview Gas Field	CH4 = 51.8% O2 = 0.8%	
Snell Rd Flare	Flare – On; Flow – 117 scfm; Vacuum = -15.2’’ wc; Blower 2 running	
Snell Rd Gas Field	CH4 = 49.6% O2 = 1.2%	

- WPS/Highway Revenues were \$276,512 for April 2014; on target to meet the 2014 budgeted energy revenue of \$2.8 Million.
- Engine #3 – running at reduced load for now; short block shipping date remains June 11 with the rebuild scheduled for July 2014 (estimated 30 days of downtime).
- Air Construction Permit – WDNR issued the Air Construction Permit on April 16, 2014. Environmental Protection Agency (EPA) public comment period and permit approval is in progress.

Discussion ensued amongst the SWMB members.

12. Future Agenda Items: None.
13. Set Next Meeting Date: The next SWMB meeting date is scheduled for June 4, 2014 at 9:00 a.m.
14. Adjournment: Motion to adjourn made by J. Finch and seconded by M. Easker. Motion carried 8-0. Meeting was adjourned at 10:31 a.m.

Respectfully Submitted,

Kathy Hutter
Confidential Secretary

Approved by SWMB – June 4, 2014