SOLID WASTE
POLICY BOARD MEETING

June 7, 2017
Solid Waste Department
9:00 am to 12:00 pm
12:30 pm to 1:30 pm Tour of Construction

MEMBERS PRESENT: Mike Giese (La Crosse County), Maureen Freedland (La Crosse County), David Eddy (Buffalo County), Steve Hogden (Trempealeau County), Jarrod Holter (City of Onalaska), Teresa Walters (Houston County), Mike Wobbe (Wabasha County), Patrick Barlow (La Crosse County)

MEMBERS EXCUSED: Leon Pfaff, (La Crosse County)

MEMBERS ABSENT: City of La Crosse, Vacant Position

OTHERS PRESENT: Hank Koch, Randy Nedrelo, Nick Nichols, Linda Bettin (Solid Waste Department), Steve O’Malley (La Crosse County Administrator), Rick Frank (Houston County), Brian Korth (St. Joseph’s Construction), Brian Kent (SEH), Randy Erickson, La Crosse Tribune

CALL TO ORDER/ROLL CALL
Acting Chairman, Maureen Freedland, called the meeting to order at 9:00 am. Maureen Freedland appointed Mike Giese to serve in Leon Pfaff’s absence.

INTRODUCTIONS
Everyone in attendance introduced themselves.

ANNUAL ELECTIONS
Floor was opened for annual nominations. Teresa Walters nominated Leon Pfaff for Chair of the Solid Waste Policy Board. SECOND by David Eddy. Steve Hogden move that we close nominations and cast a unanimous ballot for Leon Pfaff as Chair. MOTION passed unanimously.

Steve Hogden nominated Maureen Freedland as Vice Chair of the Solid Waste Policy Board. SECOND by Mike Wobbe. David Eddy move that we close nominations and cast a unanimous ballot for Maureen Freedland as Vice Chair. MOTION passed unanimously.

Mike Wobbe nominated Patrick Barlow as Secretary of the Solid Waste Policy Board. SECOND by Steve Hogden. Jarrod Holter move that we close nominations and cast a unanimous ballot for Patrick Barlow as Secretary. MOTION passed unanimously.

CONSENT AGENDA
• Approval of Minutes (March 22, 2017)

MOTION to approve previous minutes by David Eddy, SECOND by Teresa Walters. MOTION passed unanimously.

PUBLIC COMMENT
None
CONFERENCE COMMITTEE REPORTS
Maureen Freedland attended the NAWTEC Convention and Olmsted County – WTE Educational Tour in Minneapolis, Minnesota April 24 through April 26, 2017. Maureen shared details of the NAWTEC Convention.

DISCUSSION/QUESTION on UPDATES/HANDOUT
La Crosse County Solid Waste Department Updates:

Site Entrance Update and Construction Updates 2016-2018

Construction Projects

- Replacement of Private Wells
  The Walz well was successfully drilled after the first well failed due to a crevice in the bedrock. Tests from that well indicate that the water quality meets the established standards and will be acceptable. Work will now proceed on plumbing the well to the Walz residence and drilling a new well for Sjolander. It is expected that this work will take approximately sixty days to complete. All costs associated with the installation and testing for these wells is being paid for by funds previously established by La Crosse County and not associated with revenues from existing stakeholders.

- Landfill Site Entrance
  Significant earth work is underway associated with the site entrance. Gerke was the selected contractor by the City of La Crosse and is progressing with earthmoving activities on the property sold to the City of La Crosse by La Crosse County.

  Bids were received for the scale building, citizen’s area and other facilities associated with the County’s portion of the site entrance. The low bid was approved at the Public Works & Infrastructure meeting on May 8, 2017 and a contract is being set up so construction may proceed on or about June 8.

  A review of all capital costs associated with the site entrance and landfill construction was presented to the Public Works & Infrastructure Committee. While work associated with the site entrance is approximately $500,000 greater than expected, work associated with landfill construction is under budget by an amount in excess of $1,000,000. Revised capital improvement plans have been prepared and discussed with the County Administrator and the Finance Department. While individual project costs have varied, the overall costs under the five year capital improvement plan are on budget.

- Landfill Construction
  The clay liner construction is completed and the synthetic liner is well underway. Rains have delayed the schedule somewhat but waste filling operations after DNR approval are still expected to commence the first week in July. A relatively minor problem dealing with seepage of ground water on the east slope, that would have adversely affected the liner, was resolved in an expedient manner and was covered under the approved contingency.
Stakeholder Contract Extension Update and Recommendation on Change to Stakeholder Amendment 2.
The extension for the Xcel Contract has been signed by La Crosse County and Xcel. Pricing according to that Contract was put into place effective January 1, 2017 and is being billed in accordance with that Contract.

- Suggested Change to Stakeholder Amendment Regarding Final Facility Upgrade Payment:
  On May 8, 2017 after the March 22, 2017 Solid Waste Policy Board Meeting, a letter was sent to all Stakeholders. That letter addressed the fact that a question was raised regarding the final payment under the Stakeholders Agreement associated with the facility upgrade payment information. Under the Solid Waste Department’s current understandings of that agreement, if a Stakeholder delivered waste to the La Crosse County landfill, the upgrade payments are reduced $5 per ton for waste delivered. In 2023 the final upgrade payments will be made and a number of Stakeholders asked if the remaining amount could be carried forward in the form of a credit. Attached to the May 8th letter were tables presenting past information on the annual obligations for the upgrade payments, tonnages received in past years, credits obtained, and the amount remaining to be paid.

- After reviewing this information, the Solid Waste Department feels that the $5 annual payments have been an effective incentive program and that any remaining credit should be fully utilized by the Stakeholders. Therefore, the Solid Waste Department is recommending to the Solid Waste Policy Board that current Amendment be altered to allow the final credit available in 2023 to be carried over and utilized as a credit. The Solid Waste Department feels this credit should be applied to future HHM services that the Stakeholder may want to participate in. Discussion ensued.

MOTION by Teresa Walters to recommend to the Public Works & Infrastructure Committee to modify the current Stakeholder Agreement to allow any remaining credit in 2023 from the $5 per ton Rebate Agreement pertaining to the Xcel Retrofit Payments to be carried forward and used as a credit for future HHM services. SECOND by Patrick Barlow. MOTION passed unanimously.

Reexamination of Hauler Rebate Policy
- Some questions have arisen regarding the Hauler Rebate.

- In 2016, the total Hauler Rebates paid was $690,126.17.

- Two policy questions have arisen regarding the Hauler Rebate.
  1. A few haulers are doing a small amount of business. Should a Hauler Rebate be granted to those haulers that have a low amount of usage? If there should be a limit, what should that limit be?

  2. In the past, certain minimum requirements were established as a prerequisite to receiving the Hauler Rebate including: being in business one year, have an acceptable credit rating and delivering a minimum of 100 tons of waste per year. Should the Solid Waste Department continue those minimum requirements for any hauler applying for the Hauler Rebate Program? Discussion ensued.
MOTION by Steve Hogden to recommend to the Public Works & Infrastructure Committee to modify the Hauler Rebate Policy to 1. Hauler must have an acceptable credit rating. 2. Hauler being in business for one year. 3. Hauler delivering a minimum of 100 tons of waste per year. When the Hauler reaches one year of delivering 100 tons of waste with a good credit rating, the Hauler will get an earned rebate for the past year. SECOND by David Eddy. MOTION passed unanimously.

Discontinuation of Hauler Lease Program
- For over a decade the Hauler Lease Program has been maintained by the Solid Waste Department.

- Under the Hauler Lease Program, containers were purchased by the Department for haulers.

- The containers were then leased for approximately ten years to the haulers on an interest free basis. Haulers were required to pay sales tax on the purchase of the containers.

- The total amount of containers purchased by La Crosse County was $1,522,416.

- The remaining lease on those containers is $326,880.

- In 2014, a recommendation was made to the Solid Waste Policy Board and included in the 2015 budget to temporarily hold the Container Lease Program in abeyance. This also occurred in 2016 and 2017.

- After reviewing the information regarding this program, and while the program provided benefits to the haulers, that benefit was not always equal and because of limited funds had to be operated on a first come, first serve basis.

- The Solid Waste Department feels that the capital associated with the Solid Waste Department should no longer be used for funding equipment purchases for the haulers.

- The Solid Waste Department, therefore is asking for the Solid Waste Policy Board’s recommendation to the Public Works & Infrastructure Committee that the Container Lease Program be permanently discontinued effective January 1, 2018.

- The accumulative balance outstanding on the lease containers will be continued to be collected until all leases are completed. Discussion ensued.

MOTION by Patrick Barlow to recommend to the Public Works & Infrastructure Committee to permanently discontinue the Container Lease Program effective January 1, 2018. SECOND by Steve Hogden. MOTION passed unanimously.
Review Price Increase Plan
The purpose of a price increase plan is to develop a strategy to deal with increasing costs associated with labor, construction, fuel, utilities, and to provide a mechanism that allows Stakeholders to understand when, how, and why price are increased. Hank Koch reviewed the discussion from the last Solid Waste Policy Board Meeting on developing a Price Increase Plan.

Continued Discussion: Developing a Price Increase Plan
- Overview of Past Borrowing
- Driving Forces for Price Increases
- Administrator’s Comments on Alternatives
- Next Steps

Steve O’Malley presented a PowerPoint of the Solid Waste Policy Board, Overview of Borrowing.

- Prior to 2008 recession: Solid Waste borrowed for construction and the French Island Xcel plan “stack” improvements. Borrowing spreads the cost of a large expense over the life of asset to reduce annual expenses. Cash reserves generated strong interest returns. Issuing General Obligation Bonds – G.O. (paid by the Solid Waste enterprise) received the lowest interest rates, without effecting other County debt needs.

- 2008 through Current: Cash reserves not generating much interest. Adopted a “pay-as-you-go” approach to future capital expenses. County’s other borrowing needs for large projects highlighted the need to reduce G.O. exposure. State Trust Fund decided to offer revenue loans at very reasonable rates, not backed by G.O.

- Changes in past few years: Paid off the 2005A debt with Solid Waste cash reserves. $2.4m, saving about $465k yr. in debt payment. Refinanced 2006A $6m remaining principle, reduced rate from 5.75% taxable bonds to 4% STFL, extended term from 8 to 10 yrs. (2025). No pay in 2016. Reduced payment from $875k yr. to $749 yr. Refinanced 2006B $9m remaining principle, reduced rate from 4.2% to 3.75%, kept term @ 10 yrs. (2026). Payment lowered from $975k yr. to $933 yr.

- Effect on Solid Waste annual debt service expenses: Solid Waste debt service schedule shown from 2014 through 2026. Lower interest rates, reduced annual debt payments by $629k yr. Refinancing helped to increase cash to help with “pay as you go” construction.

Discussion ensued. The Solid Waste Policy Board will continue to look at the alternatives.

Discussion of Wood Waste Disposal Problems in Our Region
- The Solid Waste Department is getting an increasing amount of wood waste in the landfill.

- The increased wood waste is due to a change in policy at the La Crosse’s City brush disposal site that went into effect May 1st where they now charge for non-city users and contractors. During the first month of this site management by Today’s Tree Service, the landfill saw a 30% increase of wood waste during May compared to last year.
• Also, the Dairyland Power Cassville Plant shut down approximately two years ago and is no longer accepting wood waste materials.

• The wood waste at the landfill is shredded and sent to the Xcel Energy waste-to-energy incinerator on French Island, where it is mixed with other waste and burned. The Xcel plant was able to take the extra wood waste in 2016 but the La Crosse County’s Contract calls for Xcel to buy 2,500 tons per year of wood waste which was exceeded by 3,000 tons. For 2017, the wood waste could exceed 4,000 tons.

• Brey Maurer, Xcel Energy Plant Manager stated that they cannot handle any more wood waste at their plant. The Xcel plant needs quite a bit of wood waste to mix with the RDF in the burning process, but they get a lot from other sources. Railroad ties have been especially plentiful, and the Xcel plant has contracts to take those as well as other industrial sources of wood waste. If the Xcel plant does burn more wood, they would then have to divert more garbage to the landfill which would then fill up the landfill faster.

• Alternatives will be continued to be looked at by the Solid Waste Department.

FUTURE MEETING DATE AND AGENDA TOPICS
Wednesday, September 27, 2017 – 9:00 am to 12:00 pm

MOTION by Jarrod Holter to adjourn the meeting. SECOND by Mike Wobbe. MOTION passed unanimously. Meeting adjourned at 12:00.

Approved, March 14, 2018, Linda Bettin, Recorder.