

Lamoille Regional Solid Waste Management District  
29 Sunset Drive, Suite 5  
Morrisville, VT 05661

BOARD OF SUPERVISORS' BUSINESS MEETING  
TUESDAY, FEBRUARY 14, 2023  
CONDUCTED BY ZOOM

SUPERVISORS

Cathy Mander-Adams	Belvidere	Dana Sweet	Cambridge
Penelope Doherty	Craftsbury	David Whitcomb	Eden
Absent	Elmore	Vacant	Hyde Park
Howard Romero	Johnson	Charles Cooley	Morristown
Willie Noyes	Stowe	Lucas Tilton	Waterville
Phillip Wilson	Wolcott	Absent	Worcester

STAFF

Susan Alexander	District Manager	Donna Griffiths	Clerk
Jon Skates	Facilities Foreman		

Chair Willie Noyes called the meeting to order at 6:34 pm.

1. PUBLIC COMMENT

No members of the public were present.

2. APPROVE MINUTES OF JANUARY 10, 2023 MEETING

**Cathy moved and Phil seconded to approve the minutes of January 10, 2023.** Susan said on p.2 5% needs to be corrected to 1.5%. **The motion to approve the minutes with that correction was passed unanimously.**

3. FY2023 FINANCIALS

a. *Approve December 2022 Financial Reports*

Susan said net income is a positive \$12K, a comfortable place to be. The areas where costs have been increasing the most are Household Hazardous Waste and payroll. **Charles moved to approve the December 2022 financial reports. The motion was seconded and passed unanimously.** (Howard joined the meeting at 6:40.)

b. *Ratification of Check Register*

**Cathy moved and Penelope seconded to ratify the check register. The motion was passed unanimously.**

4. DISCUSS DRAFT FY2024 BUDGET

Susan reviewed the draft budget. At this point there is a gap of \$110,707 between income and expenses. Total expenses are \$1,830,057. We could probably reduce expenses by \$40K without making drastic cuts. The board could demand enough cuts to balance the

budget. Or we could carry over cash reserves as we did last year. We could also look at rate increases. She would say we are charging appropriate amounts for special items like film plastic, textiles, or electronics that are not in the e-waste program. If we try to price those items to cover our expenses it will put pressure on people to put more things in the landfill. We probably could increase what we charge for tires. The surcharge on trash is supposed to be funding our administrative costs. We already have about \$66K in surcharge revenue that is not needed to cover administrative costs and can be used for other operations. We could raise our rates for trash. We currently charge \$2, \$4 and \$6 for 3 different sizes of bags. We haven't raised those rates for probably 7 or 8 years. If we raised the rates by \$1, that would bring in \$180K – more than we need to close the gap. Our rates would still be similar to other facilities or lower. She doesn't recommend raising the surcharge because we already have more than we need to support administration. The best place to raise rates is the bag rate.

Cathy asked about the impact of HHW on our budget. Susan said right now we have \$70K budgeted for 2 HHW events. In the past that is what we would have budgeted for 3 events. Our costs have gone up. There is proposed legislation that would require manufacturers to cover much of the cost, but that probably will take years for full implementation.

Lucas asked about the expectations for composting income. The budgeted amount for FY2024 is quite a bit smaller than what was budgeted for FY2023. Susan said we still have a lot more compost to sell this year. We have gradually been getting closer to not having a deficit for the compost operation. We are still building capacity to process and accept material so we have been taking on a lot of expenses for capital improvements like the concrete pad for the screener. Our goal is to improve our throughput and obtain better net income. We will do a marketing campaign to encourage people to bring more material. We have noticed that fewer people have been bringing in \$1 buckets. We will work with Black Dirt Farm and anyone else who is interested in bringing in more material on a commercial level.

Charles said it doesn't look like the deficit in the compost operation is getting better. Is this always going to be a losing operation or will we ever see it turning the corner? Susan said we have always said we hoped for it to be net neutral after 5-7 years and we are about at that point now. There will have to be additional capacity improvements. We are hoping to climb to a point where there will be economy of scale. She and Jon have been working on how to manage the existing infrastructure grant money. The state has offered an RFP for more infrastructure grant improvements. Cost will be 40% covered by the state. Composting is marginal at best. Chittenden Solid Waste had to refine their program because it was losing money. They stopped bagging small amounts because the labor cost was too high and also made changes to what they accept. We have increased our per cubic yard price for compost sales from \$50 to \$75. The possibility of nanoplastics and PFAS in some compost material makes our material more valuable. There is just the question of whether we can market that material to our demographic, with lower income status than Chittenden County residents. Black Dirt Farm in Stannard sells their compost for \$90 per cubic yard. She doesn't know if we can close the gap between income and

expenses further next year. We have a good management plan in place for our operations. How much can we market our material? Penelope said Black Dirt Farm delivers. We don't have a way to do that. That gives some others an edge. Susan said she, Jon and Sarah have a preliminary marketing plan for our compost. They would like to sell more in larger amounts at one time.

Phil asked how our recycling rates are. Are we getting enough to cover our costs? If we are looking at raising rates, is \$1 enough? And with trash rates, would we want to look at raising the rates for different bag sizes proportionally, rather than adding \$1 to each? Susan said it is convenient to work with whole dollars. Staff like not to have to make change and worry about running out of quarters. Recycling income is \$164K and our cost for disposal is \$79K plus a hauling cost of \$37K. When Act 148 was first established we changed our rates because we were no longer allowed to charge for recycling. We put it into the trash rate and made recycling free. When there was a huge shift in the value of recyclables, the state allowed us to charge for recycling so 4 or 5 years ago we started charging \$1. She would not increase the recycling rate, only the trash rate. That creates more incentive to recycle. Phil said we are netting \$47K on recycling.

Willie said he thinks the logical thing is to raise the charge for each bag by a dollar. In a couple of years we will have a new contract with Casella and who knows what that cost will be? Wages will continue to go up. Who knows where CPI is going? If we raise the bag rates by \$1, that will probably sustain us for another 10 years. Dana agreed. He said it is never good to sit back and wait it out. It is good to stay with increases so customers don't get a big shock all at once. Cathy asked if our announcement of increasing rates can include encouragement for people to do better at recycling and composting to keep their costs down. Charles said he thinks we need to raise rates by at least a dollar. He would increase the recycling rate. Penelope said she struggles with increases the recycling rate. We want people to recycle more.

Charles asked why the budgeted recycling income is lower for FY2024. Are we going to lose volume? Susan said we set up the Stowe Electric operation as a separate class. We take 19% of the recycling income out of the line where it used to be reflected and put it under income for the Stowe Electric OCC operation. But we are seeing lower recycling. Part of the \$30K reduction in income is because of income shown in a different class and part is because there is less recycling going on. She is not sure if more people are using curbside collection. Our MSW is down a little too.

Cathy said increasing the price for trash might encourage more recycling. She doesn't know that she would want to increase the cost for recycling. Howard said he agrees that we should raise the trash rate and not the recycling rate if we can make the point that people can reduce their cost if they recycle more.

Susan said if we were to raise rates by a dollar a bag that would give us \$180K. That would cover our costs and still leave a considerable amount of money to start reformulating our capital budget. She and Jon are still working on where and when to

invest money in equipment. She would like to hear from board members about what improvements they would like to see us put more money into.

Charles said he would plan for replacing the compactor in the upcoming fiscal year. Seventy-three percent of our tonnage comes through Stowe. We are on borrowed time with the compactor. If we increase bag rates by a dollar that will give us more money.

Susan said Jon has already been researching that. We will have a significant waiting period after we order a new compactor. Jon said it has become clear to him that the compactor is on borrowed time. It could stop working tomorrow. A catastrophic compactor failure won't cripple us. It will be inconvenient and will lead to higher costs, but we can make it through if that happens. There is another thing that is complicating the situation. Our hauling contract with Casella is coming up for renewal August 25. The 3 trailers they provide us have brittle skin and get damaged if we put more than 18 tons in them. They have been putting about 15 tons in a trailer, when if we pushed it we could put more like 28 tons in a trailer. When it comes time to renegotiate the contract they may not want to give us the same rate. Will someone buy new tractors that can carry higher loads when we get a new compactor? Or will we still have low load factors? The way the next contract looks may impact how easy it is to think of a one-for-one compactor swap.

Charles asked, they don't have a contractual obligation to provide trailers that go up to 28 tons? Susan said they had an expectation that we would put around 22 or 23 tons in a trailer and when we first started doing that they started seeing holes in the sides so they reduced the weight of loads. Jon said the contract says they are supposed to provide 3 trailers but they have only had 2 available so they have been swapping trailers earlier with lighter loads. Now there is a 3<sup>rd</sup> trailer available so he thinks the load weights will increase.

Susan said she is hearing consensus that raising the bag rates by \$1 each is the best option.

Penelope said when we raise the rates there should be a marketing line for us all to use to remind people that diverting to recycling is a way to reduce costs. Susan agreed. We will pair the rate increase with that positive message.

##### 5. DISCUSS CONTINUED REMOTE MEETINGS

Susan said the governor signed a bill that gives communities the option of continuing completely remote meetings until June 2024. She is not even required to be in the office. We have some additional responsibilities to make sure people know how to get into the meeting. That option is on the table for another year. If some board members want to come to a meeting place while others join by Zoom she will see if she can arrange for us to meet in Morrisville. Or we can go to meeting 100% in person.

Cathy asked, if we did a hybrid meeting is there not enough space at the LRSWMD office? Susan said there is not. Cathy said in that case it is more logical to meet remotely as it doesn't cost anything. Susan said there are advantages to remote meetings. It reduces our carbon footprint, is safer in bad weather or after dark, and makes it easier to achieve a

quorum, which is why the Vermont League of Cities and Towns has been advocating for it. Cathy said she doesn't see any problem with meeting completely remotely and she does see advantages. When we meet completely remotely we have to record the meeting but if it is a hybrid meeting we don't. In-person meetings are more costly for board members and we have to pay for a space.

Howard said he would like to have one meeting a year when the board is all together in person. Some of us haven't met each other. He mentioned that he appreciates having Jon at these meetings.

**Cathy moved and Penelope seconded to hold meeting remotely during 2023 except for the reorganizational meeting in April. The motion was passed unanimously.**

6. STAFF APPRECIATION RESOLUTION

Susan said she, Jon, Sarah and Joyce thought a resolution from the board in appreciation of staff would be appropriate after the two recent bad weather events – the Christmas weekend storm and the extreme wind chill this month. Jon had commented about how well all our staff managed to work through these difficult times. Susan showed the board the resolution she had typed up.

**Cathy moved and Penelope seconded to authorize Willie to sign on behalf of the board the staff appreciation resolution as presented.** Penelope suggested taking a picture of staff with someone presenting the resolution and putting something in the local papers about it. Susan said that is a great idea. She will mail a copy to each of our facilities and put something in the newspaper with a photo of some employees. We won't be able to get them all together. **The motion was passed unanimously.**

7. UPDATES

Susan said some upcoming public outreach events are shown on the agenda. We sent out an RFP for auditors. There will be no meeting in March. Susan reminded board members who need to be reappointed or re-elected to discuss that with their towns.

Cathy asked if we decided where the April meeting will be held. Susan said she will try to get the Tegu Building. She will let the board know.

**Dana moved to adjourn. The motion was seconded and passed unanimously.**

Chair Willie Noyes adjourned the meeting at 7:54 PM.

Respectfully submitted,

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Donna Griffiths, District Clerk

Date

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Willie Noyes, Chair

Date