

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

BOARD OF SUPERVISORS' BUSINESS MEETING
WEDNESDAY, APRIL 5, 2023
29 SUNSET DRIVE, UVM CLASSROOM

SUPERVISORS

Absent	Belvidere	Absent	Cambridge
Penelope Doherty	Craftsbury	Absent	Eden
Jane Oliphant	Elmore	Vacant	Hyde Park
Howard Romero	Johnson	Charles Cooley	Morristown
Willie Noyes	Stowe	Lucas Tilton	Waterville
Absent	Wolcott	Carl Witke	Worcester

STAFF

Susan Alexander	District Manager	Donna Griffiths	Clerk
Jon Skates	Facilities Foreman		

Willie Noyes called the meeting to order at 6:32 pm.

1. ORGANIZATIONAL MEETING

Charles nominated Willie Noyes for chair. **Willie Noyes was unanimously elected chair.**

Penelope nominated Charles Cooley for vice chair. **Charles Cooley was unanimously elected vice chair.**

Susan said Gary Anderson has been serving as treasurer. He comes in every week and signs checks. He is the only person who can sign checks. We have been very happy with him. He has agreed to continue on.

Penelope moved to appoint Gary Anderson as treasurer and the motion was passed unanimously.

Carl moved to appoint Donna Griffiths as clerk and the motion was passed unanimously.

Susan said in the past the board used to appoint a grand juror. We never had a reason to use one and have never communicated with them. Our charter gives the board the option of appointing one. It can be done at any time. The board agreed to hold off on appointing a grand juror until one is needed.

It was agreed to continue to use the News & Citizen and Stowe Reporter as the newspapers of record.

Susan said until June of 2024 the board has the option of meeting remotely. There is no requirement to have anyone present in person or a location for members of the public to come in person. There is a bill in the legislature to allow that to become a permanent option.

Willie said he thinks there has not been a meeting without a quorum since the board started meeting by Zoom. Susan said David Whitcomb told her he is interested in meeting in person during nice weather months but not during the winter months. Willie said he thinks it is not bad to meet in person a couple of times a year. The board can decide on a month to month basis.

Penelope moved and Carl seconded to hold meetings by Zoom on the second Tuesday of each month at 6:30 p.m. The motion was passed unanimously.

2. PUBLIC COMMENT

No members of the public were present.

3. APPROVE MINUTES OF FEBRUARY 14, 2023 MEETING

Lucan moved and Howard seconded to approve the minutes of February 14, 2023. The motion was passed unanimously.

4. FY2023 FINANCIALS

a. *Approve February 2023 Financial Reports*

Susan said our current cash assets total \$450K. That is probably a little more than we need to have without a plan to use it, but she and Jon have been talking about ways to spend it. It was over \$600K 3 years ago. We have been using it for improvements we hadn't had time to plan ahead for, like paving in front of the electric department building at Stowe and the drainage project at Johnson. Our current efforts to balance the budget have left us with a gap. She will talk about drawing money out of the cash balance for projects and raising rates to replenish the account.

Penelope asked if the money is in an interest bearing account. Susan said we have a small money market account. Most of our money is in a sweep account with very low interest. Penelope said there are money market accounts online offering 5% interest. Willie talked about a sweep account that offers up to 4%. Charles said we might want to explore an account that offers more interest. Susan said she will look into that.

Susan talked about two bills in the legislature that are likely to pass.

Charles moved and Lucas seconded to approve the February 2023 financial reports. The motion was passed unanimously.

b. *Ratification of Check Register*

Howard moved and Lucas seconded to ratify the check register. The motion was passed unanimously.

- c. *Pre-payment Authorizations for Large Checks*
Carl moved and Charles to authorize pending payments in the amount of \$16,526.75. The motion was passed unanimously.

5. DISCUSS FOR ACTION DRAFT FY2024 BUDGET

Susan said in February the board saw a draft budget that was \$110K in the red. She knew she could reduce some expenses but we would still be around \$70K in the red. And we are facing a deficit of \$50-60K this year. Last year we carried over about \$50K from cash reserve to close the gap. Given all that, it seemed like time to look at our income. We have two main sources of income: the surcharge and user fees. The surcharge is the fee we assess haulers on every ton of waste generated in Lamoille County that goes into the landfill.

Carl said there was a period a few years back when our surcharge was so much lower than other districts' that many haulers were saying material came from Lamoille County when it was not really generated here. Has that been corrected? Susan said we don't really know. There is an audit program that is supposed to be looking at that.

Susan said the main other part of our income comes from user fees. We also have a small amount of income from sales of compost, scrap metal, etc. and money for being a collection site for e-waste and light bulbs.

The surcharge is meant to cover mostly administrative tasks like outreach, education and administration. It also pays for things banned from the landfill that no one else wants to handle. Susan showed a comparison of our surcharge to those in some other districts. We have had the same surcharge (\$21/ton) since 2014. Prior to that we had different surcharges for C&D and MSW.

Charles asked if any of the other districts Susan showed have a per capita fee as well. Susan said she doesn't think so. In Northwest customers pay a \$1 fee at their facility gate just to get in. There are districts that have a per capita fee. This district used to. We used to assess the towns so much per person. It is a pretty unpopular thing. Mad River has a per capita fee and they have lost towns because of it. She doesn't ever envision us going back to a per capita fee.

Susan showed how our bag fees compare to other sites in the area – All Metals, Casella, Hillside, Lamoille Trash and Myers.

Susan said the proposed new budget is predicated on raising the surcharge by \$2, which results in approximately \$40K more income. The additional income would be allocated mainly to balance the compost facility budget. We could probably balance the budget with a \$1 increase but then we would need to increase it again before long. If we increase the bag fees by \$1 per bag that will raise about \$180K. We last raised bag fees in 2016.

Susan showed our major sources of income and major expenses. MSW income is \$900K. Surcharge income is \$460K. Payroll expense is \$640K. MSW disposal expense is almost \$300K.

Lucas asked what we charge for recycling. Susan said we charge \$1 for a blue bin. When Act 148 was passed we were no longer able to charge separately for recycling. It had to be bundled in with the cost of trash for us and for haulers. When the market for recyclables dropped the state said we could charge for recycling again. We started charging \$1 for blue bins. It costs us \$128/ton (plus hauling) to drop our recycling at Hyde Park.

Susan reviewed the proposed budget, which has \$1,968,000 in total income and \$1,885,000 in expenses. It puts the additional \$40K from raising the surcharge into the compost operation. Payroll is up from the previous year. Employees got a cost of living increase in January and employees also get step increases if they meet expectations and meritorious increases if they exceed expectations. The operations part of the budget has always had higher expenses than income. If the board approves the \$1 bag fee increase, for the first time income will cover the cost of operations. In March, Susan and Jon applied for a state organics infrastructure grant because the deadline was in March. It is a reimbursement grant. We were awarded the grant. This budget assumes the board will approve accepting the grant.

Jon said the grant opportunity brought up the question of how we can get the organics facility to break even. To break even we will need to sell about 300 yards of compost a year. We have about that much to sell this year and we have a marketing plan for it. We also need some equipment. To optimize what we can do on the current footprint we can put in a concrete curing pad to reduce the amount of compost lost to the soil and give us space to cure compost outside of the covered building. That is one project to be completed with the grant funds. The other two are much smaller. We will get an additional ASP (aerated static pile) blower system so we can turn a storage bay into an additional ASP bay. That will give us a 20% increase in capacity, which will give us the economy of scale to approach or pass the break even point. The third grant-funded project is a loader ramp. Historically we have never sold more than 100 yards of compost a year. We haven't had more than that to sell. This year we have 300 yards to sell. To do that, he is thinking we need to connect with the commercial market. Our equipment will have trouble getting more than 7 or 8 feet off ground. He is thinking we need a way to load compost into a large commercial vehicle. All these things will hopefully lead to a 20% increase in throughput and hopefully we can break even. In the meantime, the \$40K in additional income from the surcharge increase will be helpful. In order to get the grant reimbursement of \$29K we will need to spend \$73,350. We will take \$44K out of our cash reserves.

Charles asked if we are looking at 300 cubic yards of compost production a year in future years. Jon said he is not ready to answer that. We went from a 15 month process to a 9 month process and that created swelled availability. He thinks we will have a consultant come in to advise us on our process.

Susan said in the future we might want to think about incorporating the Stowe electric department program in with the rest of Stowe in operations. We still have \$49K in planned expenditures at the Stowe electric department building for the previous grant we got. We will get reimbursement of \$19K. We will be doing some improvements to that building – a new bathroom, upgrading to LED lights. There are some rebates available for the light upgrade so there is no better time to do it.

Susan reviewed the capital budget plan. We had originally planned to spend about \$60K on a compactor this year. Jon said the ballpark figure for the current cost is \$180K. Susan said she thinks this would be a good year to think about the next 40 years of this organization and to plan on spending some serious money on making Stowe ready for the next 40 years. Jon and Susan would like to sit down with interested board members and talk about designing a plan for the Stowe facility for the next 40 years.

Charles said Jon had previously brought up that even if we get a compactor the trailers are the weak link. We can only put so much in them. Willie asked how many more years we have on the Casella contract. Jon and Susan said it ends in September 2025. Susan said our contract with Casella said we would guarantee loads of around 21-23 tons but it has been more like 14 or 15 tons. Jon said they supply the trailers and their trailers can't handle the loads they wanted. On average we probably get 15 tons in a trailer. If the trailers were new we could get 25 to 28 tons in them.

Jon said the idea of replacing the compactor with one that is the same is uninspiring to him. Maybe we can look at a different way of doing business, like twin roll-offs. Maybe we could separate C&D and get a better rate.

Susan said it was always our vision when we took over the Stowe electric department building that we would move our offices there. When we evaluated the cost, it turned out to be a lot more expensive than we thought. Another big piece of what she and Jon would be looking to do would be a complete renovation on the building and then moving the offices there.

Penelope moved and Howard seconded to accept the state infrastructure grant. The motion was passed unanimously.

Carl moved and Jane seconded to increase the surcharge to \$23 per ton and to increase bag fees by \$1 per bag. The motion was passed unanimously.

Charles moved and Lucas seconded to approve the budget for FY24 as presented. The motion was passed unanimously.

Charles said he would encourage starting to look at site design sooner rather than later. Getting professionals in would really help. Jon said he and Susan were talking about forming a committee over the next several months to discuss ideas for Stowe. He would like staff to also be involved in the process. It was agreed that Susan and Jon will

communicate with the board via email about who is interested in being on a committee and then set up a first meeting.

Jane asked if Susan and Jon are talking about staying at the current location in Stowe or looking at another place. Jon said we would stay in the same place. He thinks the site we are on is very advantageous. It is centralized. There is room to do what we want to do. Susan said moving to another site would be expensive and there is the question of whether we could even get it through zoning and the DRB.

6. UPDATES

Susan asked board members to spread the word about our compost for sale. Willie brought up the question of whether we need to charge sales tax for compost. Susan said she will look into that.

Susan said at the next meeting she will give the board some information on the new MRF approved for the Chittenden Solid Waste District and their timeline.

Howard asked, if he wants to talk to Johnson Hardware and Rental about selling some of our compost, what should he say our price is? Susan said we would probably have a conversation about that. Howard asked how it would get to the store. Jon said by default that would be up to them, but we could possibly help.

Susan said the next Household Hazardous Waste event is May 26. We are only doing two this year because of the cost. Both are at the Lamoille Union campus. The second one is in September.

Howard moved and Charles seconded to adjourn. The motion was passed unanimously.

Chair Willie Noyes adjourned the meeting at 8:32 PM.

Respectfully submitted,

Donna Griffiths, District Clerk

Date

Willie Noyes, Chair

Date