

WINDHAM SOLID WASTE MANAGEMENT DISTRICT
BRATTLEBORO, VERMONT

BOARD OF SUPERVISORS

MINUTES OF MEETING
JUNE 14, 2007

BOARD MEMBERS PRESENT:

Doris Knechtel, Chair, Newfane; Jane Southworth, Brattleboro; Lester Dunklee and Michelle Cherrier, Dummerston; Elizabeth Frye, Guilford, Tony Gordon, Marlboro; Neal J. Carter, Newfane; Dan Toomey, Putney; James Damato and Priscilla Margola, Readsboro; Richard Jackson, Townshend; Twyla Wallace, Wardsboro; and Merrill Mundell, Wilmington.

BOARD MEMBERS ABSENT:

Brookline; Phil Bartlett and Traci Fletcher, Dover; Richard Holden, Guilford; Mitchell Green and Clifton Inman, Halifax; Brian Chapin, Jamaica; David Hannum, Putney; Celie Ives and Albert Dupell, Stratton; Irvin Stowell, Townshend; Dale Gassett, Vernon; Karl Twitchell, Whitingham; Tom Consoline, Wilmington; and David Glabach and John Spencer, Winhall.

WSWMD STAFF PRESENT:

George Murray, Executive Director; Paul Grandmaison, Finance Manager; Joseph F. Kowalski, Operations Manager; and Kathleen S. Harrison, District Clerk.

The meeting was called to order at 7:05 p.m. by Doris A. Knechtel, Chair.

Introduction of New Supervisors:

Introductions were made by the following newly appointed supervisor present: Jane Southworth, Brattleboro, replacing Rebecca Day; Michelle Cherrier, Dummerston, replacing Ronald Wright; and Twyla Wallace, Wardsboro, replacing Amy Kleppner...

1.) April 26, 2007 Minutes:

Motion was made by Mr. Jackson, seconded by Mr. Mundell, and passed with one abstention, to approve the Minutes of April 26, 2007 meeting.

2.) Treasurer's Report:

Mr. Grandmaison introduced himself to the new members and stated that he was the treasurer up until a month ago but due to a conflict with his professional liability insurance it was necessary for him to resign the position of Treasurer of the Windham Solid Waste Management District. However, Mr. Gradmaison is still the Finance Manager and prepares the Quarterly Financial Statements and oversees financial management of the District.

• **Check Registers:** Mr. Grandmaison reviewed and discussed the Check Registers for the months of January, February, and March 2007. Mr. Grandmaison and Mr. Murray

addressed questions and concerns of the Supervisors regarding the check registers for the months of January, February and March 2007.

Motion was made and seconded, and passed unanimously to approve the Check Registers for the months of January, February and March 2007.

- **Financial Statements:** Mr. Grandmaison reviewed with the Supervisors the Financial Statements for the nine months ending March 31, 2007.

Mr. Grandmaison stated that the first thing everyone might notice in the Cash – Checking there was a negative amount, which the brackets indicate. He explained to everyone that they should think of the cash checking account, payroll account, and the cash management as all one account. Funds are transferred nightly between the cash management account and the cash checking account. The purpose of the cash management account is to earn a higher rate of interest so there really isn't a negative account balance.

Mr. Grandmaison then referred the Supervisors to the Cash Reserves for Post Closure. \$66,000 is reflected on the report but it should actually be \$33,000 because he forgot that the expenditures for the venting of the pole barn was taken out of Post Closure care funds.

Mr. Grandmaison stated that the only thing he needed to discuss on page 3, in the equity section, the line designated for equipment, should be \$14,000 as of March 31st, 2007. It was \$107,000 as of March 1st. This issue was discussed at the last Board meeting and it was believed by some that the designation should not be reduced because the truck was going to be purchased with a loan. But as of March 31st the loan had not been received so it was actually correct to reduce the designation and as it turns out we will not be getting the loan after all. As a result the designation for equipment remains at \$14,000.

Mr. Grandmaison stated, just for the new Supervisors, that page 4 is a statement he has to generate for the Financial Statements to be in accordance with General Accepted Accounting Procedures (GAAP) and this page is pretty much duplicated on page 5. Only page 5 is the more relevant page for discussion purposes. The difference between page 4 and 5 is that page 5 groups all of the budgeted line items on to the upper half of the page. Looking at page 5 you can compare actual expenditures to budget and for this quarter -- 1/31 – 3/31 -- you will note there is an approximate loss of \$12,000; the budgeted loss for this quarter was \$30,000, and the third line over from the left shows \$18,000 which would be a positive variance, meaning that our actual expenditures were net cost running the District \$18,000 better than what was budgeted. Continuing over to the fourth column -- Year to Date – there is an Actual net loss from budgeted items before depreciation of approximately \$21,000; year to date budget was almost \$56,000; and year to date variance a positive \$35,000. This means we are running the District at a cost of \$35,000 less than what was budgeted as of this point in time. The District is doing quite well, year to date, and for this quarter.

Mr. Grandmaison then turned to pages 6 through 10 and explained that they itemize the expenditures by departments. These pages departmentalize the expenditures and if you

were to add up the total expenditure by department you would see it equal the budgeted expenditures before depreciation on page 5.

On page 11, Material Recycling Facility Operations, for the quarter ending March 31, 2007, you will see that the MRF operated at a net cost of approximately \$31,000. Mr. Grandmaison stated that he can not refer to it as a loss since it gives it a negative connotation and this operation is not expected to run at a profit, therefore, he calls it a Net Cost. Mr. Grandmaison reviewed the figures with the Supervisors and noted that the District operated the MRF at a positive variance of approximately \$4,000. He also called attention to the year to date revenues, actual and budgeted, which are running very close.

Mr. Murray stated that the MRF's budget included the operation of the two roll-off trucks, as well as wages and benefits for the drivers. If these items were removed from the MRF budget the Board would see the MRF operating at a profit. Mr. Murray continued stating the reason for pointing this out is because, using Chittenden Solid Waste District (CSWD) as an example, they are currently operating a single stream MRF which is always generating hundreds of thousands dollars of net profit excess revenues at the end of the year for their District and it gets put into their capital replacement fund. They do not do any collections, everything is brought to them and their facility is contract operated. If you were going to compare CSWD to WSWMD the two truck drivers and trucks would have to be taken into consideration. Mr. Grandmaison commented that what Mr. Murray is referring to is a change in the structure of the operation which in that case you could have something that would generate a profit. Mr. Gordon, after some quick calculations, mused that this type of operation could conceivably save the District an approximate \$108,000 a quarter.

Moving on to page 11, Mr. Grandmaison noted that one thing Mr. Gordon was referring to is the incoming tonnage of materials for the quarter ending March 31st was 1,374 and year to date is 4,501 and dividing this by 3 you get approximately 1,500 a quarter. He continued by referring to page 12 and pointing out the relevance of the monthly revenue for the MRF. He noted that in March the revenue was almost \$70,000 which is a record. Typically, a month's revenue is between a little under \$30,000 or close to \$40,000. Being curious regarding the higher revenue he did identify a significant price increase in some of the items, and substantially large volumes. Also, over time, there is a wave going up and down and the reason for that is the timing of materials being shipped out of the facility due to the time it takes to put together a load of the varied materials. Mr. Grandmaison commented that the additional revenue in March was offset by the unusually high disbursement of purchasing the new roll-off truck. So everything came together at the right time.

In conclusion, Mr. Grandmaison stated that there was a very substantial expense for the new roll-off truck and reduced the District's cash on hand without liquidating any investments. As a result, the District really had to tighten up on things to make sure payroll was met. Mr. Grandmaison commented that it was the guys out back who really pulled together which is reflected in the record month of March and he expressed his appreciation to the operation staff as the guys who do the real work around here!

Mr. Mundell asked what constitutes the material recycling facility. Mr. Grandmaison replied that it is specifically the processing of recycled materials that are collected throughout the District including: the cost of collecting the recyclables; the cost of bringing them back, tipping them on to the floor and loading the materials on to the conveyor belt; paying people to sort and bale these materials; then the bales need to be stored and ultimately loaded into a truck and shipped. Mr. Mundell then initiated discussion concerning revenues for recycling at the convenience center and Mr. Grandmaison referred the Supervisors to page 5 of the Financial Statements where it is broken out on the third line, i.e., Recycling Revenue (CC) which stands for the convenience center and includes the sale of tires and scrap metal. Mr. Murray also noted that Will MacDonald, the Scalehouse Operator, does all of the marketing for the MRF.

Motion was made by Mr. Damato, seconded by Mr. Toomey, to approve the Financial Statements for the Quarter Ending March 31, 2007, and passed unanimously.

Mr. Grandmaison recommended that the Board of Supervisors accept his report on behalf of the Finance Committee report as well since it contains everything discussed at the Finance Committee held prior to the Board meeting;.

3.) Finance Committee Report:

In the absence of an appointed chairperson, Mr. Jackson, Vice-Chairman of the Board of Supervisors and Finance Committee member, acted as Interim Chairman of the Committee.

Ms. Knechtel informed the Board that the Finance Committee is still looking for one or two more members. Mr. Mundell, Wilmington Supervisor, volunteered to serve as a Committee member as well as to accept the position of Finance Committee Chairman. Ms. Southworth, Brattleboro Supervisor, also volunteered to serve as a Committee member.

4.) MRF Co. Operations:

Mr. Kowalski reported to the Board that most the MRF operations have already been discussed. He stated, as usual, everything has been going great out back.

Oil Spill: Mr. Kowalski reported that there had been an oil spill earlier today. Approximately 30 gallons of waste oil was lost and a remediation clean-up was done. It was done by District staff supervised by a Remediation Engineer which probably saved the District several hundred dollars.

Gas Migration: Mr. Kowalski informed the Board that he and Mr. Murray have actively taken control of the gas migration problems at the facility including the monitoring and everything else that needs to be done. As a result, they have a real handle on the problem. They have met with an engineer who has reviewed the whole operation with them and both he and Mr. Murray are confident they have a feel for the big picture. They have spent a considerable amount of time with documenting, etc.

Mr. Murray recapped for the new members the pole barn fire in January of 2004 and the explosion in August of 2006. As a result the state has issued a Notice of Alleged Violation (NOAV) to the District indicating that we were not properly controlling landfill gas. Because of this it is necessary for the District to put together a whole remediation plan and how we are going to manage the gas. We have been finding things that should have been done, and were not being done, by Energy Recovery of Brattleboro when they were owners of the gas field. The flare that we currently have is not necessarily the one we should have as far as safety controls. Mr. Murray continued by informing the Board members of the lack of cooperation of Howard Katz after he donated the gas field, as well as their lack of paying the monthly lease for gas collection that they resell to a generator. Mr. Kowalski stated that one of the main problems that the District is having with ERB is that they are trying to make money selling electricity and we are trying to control gas off-site. So the gas they are looking for is the high octane gas where for the District to exceed the limits that we were allowed to have through the Agency of Natural Resources (ANR) is not the gas that they are looking for. They are not providing the services to the areas that are problematic to us for migration control but only looking at pockets of good gas for electrical generation.

Mr. Murray stated that he has had a couple of interesting conversations one with Fibermark who is interested in getting all the gas we can deliver to them since they have to keep river water up to 120 degrees for their processing and they use number 6 oil. Also, Mr. Murray has recently met with Tom Simonds, of Allard's, and there is a district heating group in Brattleboro that is interested in putting in small district heating loops around the populated areas, Allard has excess capacity in their boiler and we are preliminarily investigating the possibility of putting in a district heating loop tying in the District, this building, Bolster Movers, Entergy and Winter Panel. There is the possibility of grant funds to get it kick started. Mr. Murray advised the Board that he will be keeping them updated since there are more meetings scheduled.

Discussion ensued on how the District could effectively collect the back lease payments from Energy Recovery of Brattleboro. The Supervisors also discussed the District heating loop and how it will positively affect WSWMD.

5.) **Program Coordinator's Report:**

In Ms. Sterling's absence Mr. Murray gave the following report:

Compost Bins: Mr. Murray reminded the Supervisors that there are still many compost bins for sale at \$45.00 each.

6.) **DSM Report:**

Municipal Loan Fund: Mr. Murray informed the Board that the District did apply for the Municipal Loan Fund at the time of the truck purchase and were turned down due to the number of applicants they had. They eliminated applicants due to their degree of neediness and the District did not meet their criteria. They now have a set of guidelines to use as to what towns are eligible to access the loan funds.

Westminster: Mr. Murray reminded the Board that the Town of Westminster will be joining the District as of July 1, 2007.

Triple T: Mr. Murray stated that he has many discussions with Triple T and that he and Peter will probably be calling a meeting of the haulers sometime this summer just to discuss them what their expectations are since they are interested in our future plans. This will undoubtedly be an informal meeting with any available Supervisors and haulers just to brainstorm. We are getting considerable pressure from the commercial sector across the District asking what we are intending to do for them. The USDA grant which starts in October 1st does have commercial recycling in it. Mr. Murray put out some ideas for the Supervisors to think about over the summer.

7.) **Other Business:**

September Meeting: Ms. Knechtel reminded the Supervisors that the next meeting will be held on Thursday, September 13, 2007, at 7:00 p.m.

West Brattleboro Roll-offs: A Supervisor wondered whether the roll-offs would return to West Brattleboro? Mr. Murray replied that he and Joe, along with the West Brattleboro Association, have pretty much exhausted any potential sites in that area. He suggested that if anyone had any ideas to please get in touch with him.

Advertising: A new Supervisor inquired about District advertising for meetings and upcoming events. Mr. Murray and Ms. Harrison listed the various newspapers; web site; District newsletter; yellow pages of the telephone book; radio PSAs, etc. Ms. Cherrier was also referred to Ms. Sterling for any questions regarding advertising ideas. And the new Supervisors were encouraged to contact Mr. Kowalski to tour the MRF facility.

8.) **Adjournment:**

Motion was made, seconded, and passed unanimously to adjourn the meeting at 8:40 p.m.

Kathleen S. Harrison
District Clerk