

**CHITTENDEN SOLID WASTE DISTRICT
SOUTH BURLINGTON CITY HALL
MINUTES OF MEETING
August 23, 2006**

APPROVED COPY

PRESENT

BOARD MEMBERS:

Bolton	-----
Burlington	Justin Rabidoux
Charlotte	John Hammer, III
Colchester	Dirk Reith
Essex Junction	-----
Essex	-----
Hinesburg	Thomas Nostrand
Huntington	-----
Jericho	Bert Lindholm
Milton	Ken Nolan
Richmond	Mary Houle
St. George	-----
Shelburne	-----
So. Burlington	-----
Underhill	Dan Steinbauer
Westford	Bill Leach
Williston	Mike Coates
Winooski	-----

STAFF:

Tom Moreau
Tony Barbagallo
Jim Ticehurst
Amy Jewell
Lee Tuure
Brian Wright
Thomas Melloni

OTHERS PRESENT:

Bob Milligan, RecycleBank
Scott Olsen, All Cycle
Nicole Losch, Burlington Recycling Coordinator
Wendy McArdle

AGENDA:

1. Call to Order
2. Agenda and Public Comment Period
3. Approval of Minutes (6/28/06 – annual organizational & regular)
4. Finance
5. Executive Board
6. Biosolids Charges for FY07
7. Roll Off Containers Purchase
8. RecycleBank Program

9. Proposed Regional Landfill
 10. Administrative Office Renovations
 11. Program Updates
 12. Other Business
 13. Executive Session & Adjournment
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1. CALL TO ORDER

Chairman Bill Leach called the regular meeting to order at 7:08 p.m.

2. AGENDA and PUBLIC COMMENT PERIOD

Amendments to Agenda:

- Add Item 4(c) – Resolution re: Investment Account with Smith Barney (Citicorp).
- Move Item #5 (Executive Board) to follow Item #3 (Approval of Minutes).

There were no comments from the public at this time.

3. APPROVE MINUTES

June 28, 2006 – Annual Organizational Meeting

MOTION by Mary Houle, SECOND by Dirk Reith, to approve the 6/28/06 annual organizational meeting minutes as written. VOTING: all ayes except two abstentions (Justin Rabidoux – Burlington; John Hammer, III – Charlotte); motion carried.

Executive Board

Tom Moreau explained the District's charter only allows five members on the Executive Board, not six members as appointed during the 6/28/06 organizational meeting.

MOTION by Dirk Reith, SECOND by Mary Houle, to accept the Executive Board as previously nominated minus the additional member. VOTING: unanimous; motion carried.

June 28, 2006 – Regular Meeting

MOTION by Mary Houle, SECOND by Mike Coates, to approve the 6/28/06 regular meeting minutes as written. VOTING: all ayes except two abstentions (Justin Rabidoux – Burlington; John Hammer, III – Charlotte); motion carried.

4. FINANCE

a) Finance Committee Report of Warrants

The warrants were approved by the Finance Committee. There were no questions from the Board.

b) Bank Balances as of 7/31/06

There were no questions from the Board.

c) Resolution re: Investment Account with Smith Barney (Citicorp)

Jim Ticehurst explained the resolution authorizing four signers on the account, including the Chairman of the Board of Directors, the Secretary/Treasurer, the General Manager, and the Administrative Manager.

MOTION by Dirk Reith, SECOND by Mary Houle to accept the resolution as presented. VOTING: unanimous; motion carried.

5. BIOSOLIDS CHARGES FY07

Tom Moreau briefly reviewed the terms of the original contract. The currency exchange between the United States and Canada is causing the contractor to lose money. The CPI is currently 3.91% and New England Organics claims that it does not adequately cover the rapidly rising fuel cost increases. If a fuel surcharge is allowed, the contract must be renegotiated because the surcharge was not part of the original contract. There may be potential for an increase in the rate by \$1 to cover fuel costs in the future.

Justin Rabidoux felt the CPI should cover fuel increases as well as other items that increase in cost over the course of a year.

MOTION by Mike Coates, SECOND by Mary Houle, to approve the rate increases as outlined in the memo from Tom Moreau, dated July 27, 2006, and titled "Biosolids Rate for FY07".

DISCUSSION: It was noted the cost is passed on (revenue neutral). The back up plan is to landfill the material. Lime application programs in New England have all failed.

VOTING: unanimous; motion carried.

6. ROLL OFF CONTAINERS PURCHASE

Lee Tuure reported the replacement of containers is included in the Capital Plan and Capital Budget. The containers to be replaced are rusted and the metal is fatigued. Repairs have been made up to this point, but replacement is now necessary. Mr. Tuure also explained the need to replace a compactor unit. The cost to replace 19 roll off containers is \$106,600 (not to exceed amount). The cost for the compactor is \$9,597 (not to exceed amount). A bid was received for a second compactor. The bidder will hold the price for three to six months. The next round of container replacements is approximately two years. As the compactors are used more, the open containers are used less. There was further discussion of maintaining the containers and prohibiting rust.

Justin Rabidoux commented staff on estimating as accurately as was done with the containers and compactor(s).

MOTION by Dirk Reith, SECOND by Mary Houle, to authorize the General Manager to purchase 19 roll off containers from Cooper Tank and Welding for an amount not to exceed \$106,600 and to purchase one stationary compactor including installation from CEJU, Inc. for an amount not to exceed \$9,596. VOTING: unanimous; motion carried.

7. RECYCLEBANK

Tony Barbagallo reported staff met with haulers to get feedback on the RecycleBank program. Many haulers felt this is Casella's way to expand its business. Staff assured the haulers that CSWD supports of a level playing field for all haulers.

Bob Milligan, RecycleBank, gave a presentation on the recycling incentive program offered by his company. A recycling cart with the embedded RF identification chip was displayed. Mr. Milligan stated the RecycleBank program results in increased recycling and avoidance of landfill costs which translates into a savings for haulers and rewards for consumers in the form of coupons that can be redeemed at local shops and larger retailers supporting the program. RecycleBank can also generate reports on participation and sort data in a multitude of ways (pounds collected, participation by household, by street, by route, and such). The data are helpful in seeking grants and focusing efforts to improve recycling. RecycleBank also offers educational outreach and can target areas, neighborhoods, schools, businesses. Mr. Milligan felt RecycleBank would complement the District's programs. The charge for RecycleBank service is \$2 per household per month. The amount is tacked onto the customer's bill.

There was lengthy discussion of the program. It was noted that technicians and equipment needed to run the service will be brought to the area of launch. A third party would handle maintenance. There will be some added time to collection because of the weighing and emptying of container bins, but more material will be recycled. Also, with the larger containers biweekly pick up may be feasible. Rewards earnings are presently limited to \$30 per month to avoid people putting heavy items like bowling balls into the system for the weight. Customers can accrue their reward coupons. The program is constantly being reviewed and improved, stated Mr. Milligan, to help meet the needs of the customer. RecycleBank office personnel will help customers access their rewards coupons.

Dirk Reith asked about the change in recycling necessary for a hauler to realize a savings from tip fees. Mr. Milligan stated every pound of recycled material is a pound that a landfill fee does not need to be paid. Tom Moreau calculated the \$15,000 investment for the tipper on the collection truck could be offset by recycling 188 tons ($\$15,000 \div \$80/\text{ton}$ difference between recycling cost and landfill cost). There was further discussion of the impact on small haulers in Chittenden County. Bob Milligan assured the issue is volume of material, not the number of collection trucks.

There was discussion of Casella's involvement/ownership in RecycleBank (Casella is a stockholder as are other stockholders; the founders of the company are the largest stockholders). Collected material must go to a single stream MRF. If Casella has a single stream MRF in the area, they will get preference for the collected recyclables, otherwise negotiations can take place for use of another MRF. Casella's rates must be reasonably competitive as determined by RecycleBank, stated Mr. Milligan. Ken Nolan expressed concern about Casella having leverage on the MRF contract due to the RecycleBank program. Tom Moreau stated the District would not support RecycleBank under the

current Casella MRF contract with the District; but perhaps under a revised contract. Ken Nolan questioned if the District is limiting itself to make changes in the future if RecycleBank is in place. Tony Barbagallo pointed out the program is voluntary for haulers and homeowners. A homeowner can contact RecycleBank independently and get a list of participating haulers. There was further discussion of the issue of equity for small and large haulers. Concern was expressed that recycling and use of the District's MRF may be impacted with the RecycleBank program and the mandate to use the nearest Casella's MRF which might be in the next county. Tom Moreau explained staff has tried many if not all options to increase recycling. RecycleBank may be an another effective approach. Keeping a level playing field is an important issue for the District. "Having the glove fit for everyone or 90% of the population" is a policy question for the Board, stated Mr. Moreau. Tony Barbagallo observed if the District is not involved in RecycleBank and then decides to franchise, odds are large haulers will be with RecycleBank.

Bill Leach questioned the District's role with RecycleBank and why the District should sponsor the program, especially since the District is capturing a significant percentage of recyclable material at this time. Tom Moreau replied RecycleBank is one of the few mechanisms available to increase recycling. The program is going to be implemented (by Casella) and the District may be able to have a hand in leveling the playing field. The District is missing 30% of recycling. There was further discussion of the program. Bob Milligan summarized the formula is participation and weight. The model can be changed specific to a geographic area. The goal is to "incentify" people to recycle. RecycleBank will work with the District to meet the District's needs.

There was brief discussion about the rewards coupons (no expiration date with the current model; participants can use them each month or let the coupons accrue). RecycleBank continues to work with many businesses to sponsor rewards coupons. Mr. Milligan will send data on coupon redemption by current customers in the Philadelphia area.

Bill Leach pointed out the good job being done with recycling by the District currently, and recognized volume is key in trash and recycling. Chairman Leach questioned why RecycleBank is not covering a larger area of Philadelphia. Mr. Leach said he would like to see a longer track record on management, growth, profitability before the District sponsors the program. Haulers can choose to participate in the program on their own.

Ken Nolan requested further discussion of legal issues in Executive Session before a decision is made by the Board.

MOTION By Justin Rabidoux, SECOND by Dirk Reith, to direct the General Manager to negotiate a mutually agreeable draft agreement with RecycleBank to provide, at a minimum, the above outlined services (in a memo from Tony Barbagallo, dated 8/18/06, and titled "RecycleBank" or as discussed), and the draft agreement will then be presented to the Board for action.

DISCUSSION: It was noted legal ramifications should be discussed in Executive Session before a decision is made.

MOTION by Mike Coates, SECOND by Mary Houle, to table action on the RecycleBank program following further discussion in Executive Session.

VOTING: unanimous; motion carried.

8. PROPOSED REGIONAL LANDFILL

Tom Moreau reported on the recent trash sort per the Recycling Performance Research Plan to collect data on participation rates and to try to have an impact on recycling not collected (30% of the available recyclables in 17% of the trash). Staff does support the RecycleBank program. Mr. Moreau also reported the Vermont Supreme Court decision on Site #21 (regional landfill site in Williston) has yet to be released. With regard to the landfill development, Concept II has three variations including north to south progress with sand stockpiled on the VELCO parcel, north to south progress with sand stockpiled on the south side, or south to north progress with sand on the north end. Waste generation and till removal rates have been revised. Data could be presented to the Board at the September meeting when the analysis is complete. The three variations of the landfill model will be run through the economic model. Waste acquisition requires the economic model. One member community is interested in discussing franchising.

Tom Moreau reviewed alternate technologies, including biodegradable organics (composting and anaerobic digestion), and thermal/chemical conversion of both biodegradable and non-biodegradable organic material. The waste stream at the District is composed of 25% biodegradable organics (36,250 tons per year) which could be processed with composting and anaerobic digestion technology. The better the source separation of incoming organics, the higher the value of the finished compost product. Having customers sort their trash to remove biodegradable organics has not proven to be very effective. It is better to sort the material after it is collected. Sixty percent of the waste stream (86,000 tons) could be processed with thermal/chemical conversion. The process involves heat and/or chemicals to convert organic material into liquid or gas fuel that then could be combusted for electricity or heat. A complex facility (not a simple incinerator) is needed for this complex technology. Japan, the European Union and Australia have been using thermal conversion, but the countries involved do not have the packaging found in North America. No one in North America is using the technology as yet though it is getting intense study, especially in California. Emissions are purportedly good from the process. The economies are not yet known to convert the material not being recycled currently. Producing products that are easier to market may be more environmentally friendly.

Tom Moreau discussed hiring a public affairs firm to handle the regional landfill public relations effort. Residents of housing developments in Williston near the proposed landfill site have expressed concerns about the proximity of the landfill and associated problems (seagulls, dust, gas, odors, potential impact on wells if the groundwater is drawn off per the landfill design, impact on property values). The District will address the concerns, but staff felt it prudent to hire a public affairs firm as well. The cost of the service is within the managerial spending limit. Bill Leach noted since most of the

complaints have been directed to the Williston Town Manager, the District's response should be through the town manager until the public information forums are held.

Justin Rabidoux urged the District not to wait until Act 250 hearings to allow public input because that could delay the project. Mr. Rabidoux also urged the District to correct any erroneous information that is being circulated. Bill Leach suggested the consultant advise whether the District should respond now and how to respond to the public so future informational meetings are not hindered. Presently, the District does not have a design for the landfill. The concern of the residents is about the concept of the landfill being in the area. Mike Coates clarified there are two issues to address: the landfill being located in Williston (the neighbors do not want it) and information on the actual facility.

9. ADMINISTRATIVE OFFICE RENOVATIONS

Brian Wright reviewed proposed renovations and additional office space at the administrative office on Redmond Road. Presently two employees are using the hallway for office space. There is approximately \$100,000 in the budget for the project. At a cost of \$150 per square foot for new construction, the budget will allow 700 s.f. of additional office space, a small conference room, upgrade to the kitchen/lunch room space, some landscaping, upgrade to the septic system, and upgrade to the front vestibule/reception area. The Executive Board concurred with the proposed improvements. The District has applied for local permits and will go out to bid for the construction work. The Board will make the final decision on a contractor. It is hoped to have the work done this construction season. It was noted any changes to the area due to the regional landfill construction are well in the future. Once the landfill is under design, there may be opportunity to design a new building with a large conference room so board meetings and other functions can be held on-site. The consensus of the Board is in support of the proposal as presented.

10. PROGRAM UPDATES

The Board received written briefs on programs/projects at the District.

11. OTHER BUSINESS

None.

12. EXECUTIVE SESSION and ADJOURNMENT

MOTION by Bert Lindholm, SECOND by Mary Houle, that the Board of Commissioners of the Chittenden Solid Waste District go into Executive Session to consider pending civil actions, contract negotiations, personnel issues, and property purchase negotiations where premature general public knowledge would clearly place the District, its member municipalities, and other public bodies or persons involved at a substantial disadvantage, and further, to seek and discuss the advice of attorneys on various legal issues where premature public knowledge could adversely affect the outcome of such civil action against the District, and to permit staff and the Solid Waste District attorney(s) to be present for this session. VOTING: unanimous; motion carried.

The Board entered Executive Session at 10:30 p.m.

MOTION by Mary Houle, SECOND by Bert Lindholm, to adjourn Executive Session and the regular meeting. VOTING: unanimous; motion carried.

Executive Session and the regular meeting were adjourned at 11 p.m.

M.E.Riordan, Recording Secretary

I agree that this is an original copy of minutes and they have been approved by motion of the Board of Commissioners at the _____ meeting held in _____.

Carlisle "Mike" Coates, Secretary/Treasurer