

MEMORANDUM

TO: Board of Commissioners
FROM: Sarah Reeves, Executive Director
DATE: July 5, 2024
RE: MRF siting, wetlands update (2)

On June 5, 2024 I briefed the Board of Commissioners on a MRF siting issue that had recently surfaced regarding wetlands on the planned site of the new MRF. On June 26, additional discussion was held in Executive Session. This memo will expand on those briefings and will describe the results of the field work done on June 24-25, 2024 by TRC Companies and the subsequent draft report and mapping. Unfortunately, I have the unpleasant task of informing you that the Redmond Road site does not appear to be suitable for constructing a large manufacturing facility.

CURRENT SITUATION (Please see Board memo dated June 14, 2024 for the full history)

A wetlands review of the site was conducted in 2020 and a draft report generated in 2020 and revised in 2021. As we were finalizing permitting for the new MRF construction in May 2024, the state conducted another walk-through of the site. Indicators at the time were that the conditions at the site had changed significantly and the site would need to be re-delineated for wetlands. CSWD contracted with TRC Companies to conduct the field work, delineations, and produce new mapping and a new report.

On July 5, I received a preliminary report and map from TRC. The high-level results are:

- The site has undergone significant change regarding the wetland structure since the site was reviewed by TRC and ANR in 2020.
- The Army Corps of Engineers' and ANR's onsite statement that the site now qualifies as "primarily a wetland community" is, in TRC's estimation, correct.
- According to TRC, the site "has reverted to a wet meadow with a mixture of upland and wetland vegetation, though at this time wetland vegetation appears to be dominant onsite."
- The wetlands are connected to a stream which flows to the Winooski River, which is classified as a "Waters of the U.S." and therefore needing Army Corps of Engineer review and approvals for construction.
- The northern part of the site is a mosaic of over 80% wetland; The southern field is over 85% wetlands.
- Conditions contributing to the shift are:
 - Vermont emerged from a long drought period ending in 2022 and immediately began a very wet period, resulting in routine field maintenance not being feasible (the field was too wet to mow two seasons in a row);
 - Lack of routine mowing due to field conditions allowed wetland vegetation to grow, go to seed, and then re-seed the following year. The spread of wetland vegetation was rapid and prolific.

- The VELCO access road likely caused a change in how water flowed on the northern part of the site, with the addition of drainage ditches, swales, the road, and the resulting compacted soils.
- The largest contiguous area of somewhat dry, or “upland” area” is a 50’ to 200’ wide stretch of land adjacent to Redmond Road, following the length of the site. However, because all of the wetlands onsite are connected to the stream running through the parcel, ANR would impose a 50’ buffer on the wetlands. Construction within the buffer might be allowed, but there would be mitigation fees associated.

It is TRC’s belief that placement of a MRF on the Redmond Road site is possible but would require impacts to state regulated wetland buffers and would include full impacts to wetlands resources regulated by the ANR and the Army Corps. Placement of any wetlands fill for construction would carry a minimal charge of \$200,000 per acre filled. The project as designed utilizes approximately 11 acres. Building within the buffer carries fees to ANR, filling wetlands carry fees to the Army Corps.

The environmental damage to the Redmond Road site would be significant if CSWD does move forward with constructing the MRF there. CSWD’s Mission reads:

The Chittenden Solid Waste District’s mission is to reduce and manage the solid waste generated within Chittenden County in an environmentally sound, efficient, effective, and economical manner.

It is my recommendation as Executive Director that CSWD no longer consider the Redmond Road site as the location for the new Materials Recycling Facility, and to instead research available property to purchase.

NEXT STEPS

The original concept (2019) for the placement of the MRF was in the middle of the available lot. The TRC 2021 report indicated two large finger-shaped wetlands lengthwise straddling either side of the middle area. Locating the building there would have impacted those two wetlands, so the decision was to aim to place the MRF in the large open area at the northern portion of the lot. We’re taking another look at the original concept, even though it had challenges.

Same Project, Different Location

With Redmond Road likely deemed unbuildable and a new location required, CSWD would need to look to purchasing property. Time and cost are considerations, as is the general availability of suitable properties. ReArch, our construction partner, has a commercial properties division and they have offered to help CSWD with the property search, should that be the direction we take.

If a different site is available, the difficulties of the Redmond Road site (and the high development costs) will be avoided. Developing Redmond Road, particularly when adding the per acre fees/fines, could very well be close to, or greater than, the cost of purchasing a ready-to-build parcel. A central location with excellent truck access will remain critical components to a renewed locations analysis. A new site also will allow CSWD to re-evaluate the design and incorporate features back in that we’d designed out to cut costs. It also allows us time to discuss the fire suppression system with the state, as we felt that the requirements didn’t fit our needs and the system was unnecessarily (in my and staff’s opinion) over engineered. There may be room now for adjustment.

Financial

I have not yet applied to the Vt Municipal Bond Bank for the second half of our voter-approved bond proceeds. The new delay means we have a bit more time to investigate our options, including the potential benefits of floating the bonds ourselves (slightly more cost, slightly more time, potentially more revenue available). The payments for the first tranche of \$10M are interest-only for four years.

Pausing construction commencement for a time means we can continue to invest reserve funds through at least the end of the calendar year while interest rates are high. We likely would've paused investing in September to ensure liquidity in the reserves.

The current MRF continues to plug along, and commodity pricing has remained high through the 3rd and 4th quarters of FY24. We will end the year with healthy surplus revenues over budget and could provide the funds needed for a property purchase.

However, the longer we remain in operation in the current MRF (Avenue C, Williston), the greater the investment in upkeep for the old equipment and the greater the risk of catastrophic failure of critical components. Should those components fail, our fallback position would be to direct haulers to the Rutland MRF or to offer to consolidate material and haul it there ourselves. In FY25, we're budgeting \$250k for repairs at the current MRF.

Our contract with Casella to operate the current MRF is open-ended to "the commissioning of the new MRF". There is no contractual pressure to re-negotiate the contract at this time.