

#3.3

TO: Board of Commissioners
FROM: Sarah Reeves
DATE: October 17, 2024
RE: Executive Director Update

September 20 - PRESENT

- **NEW MATERIALS RECYCLING FACILITY PROJECT:**

- We've engaged a municipal financial consulting firm, Raftelis, to assist us with writing a grant application for the EPA's second round of the Solid Waste Infrastructure for Recycling grant opportunity (SWIFR). CSWD made it to the decision-round of the initial grant application process but was unsuccessful in obtaining funding. It was an extremely competitive process, with fewer than five municipal projects awarded in all New England.
- We continue to engage with our equipment provider, Bulk Handling Systems, to review the processing system and ensure flexibility for the future. Staff is identifying different materials that we'd like to add to the new MRF's sorting capability to pull more material out of the waste stream and to maximize the amount of, and quality of, the bales of material we send to market. Making sorting system tweaks now will save the District money down the road by reducing the need for major system retrofits.

- **RECYCLABLES MARKETING:**

- CSWD markets the recyclables sorted at the MRF through our MRF operations/processing contract with Casella. The current contract terms are that net revenue from the sale of recyclables is split 50-50 with Casella. As with all commodities, revenue is not guaranteed and recyclables markets are highly reactive to events outside the control of either CSWD or Casella. For example, the recent strike by the International Longshoremen's Association, although short-lived, caused a spate of "panic buying" of certain recyclables, cardboard specifically. The high out-of-season demand spiked the price of cardboard (a.k.a., OCC, or old corrugated cardboard) artificially elevating the already high price for the material. We would normally begin seeing a decline in the price of OCC towards the end of October/early November as demand for holiday packaging and export packaging is filled, however the decline is in full swing as of the beginning of October. Why? Because OCC purchases that would've been spread out over the course of three to four months leading up to November all occurred in August. The domestic processing mills are full (supply satisfied), and therefore prices are dropping (demand low). It's a fascinating example of external forces at play that can influence internal decisions. In this case, the takeaways are: commodity markets are cyclical; recycling commodity markets are seasonal; and month-to-month assessment of a MRF's profitability based on the previous month's average commodity revenue isn't a best practice.

November 2024

- November 11: Veterans Day, office and facilities closed (ORF open for commercial drop-off only)
- November 12: Executive Board meeting, 5:00 PM
- November 14: CSWD Public Education Webinar-Mastering Blue Bin Recycling (scroll down for registration link <https://cswd.net/about-cswd/calendar/>)
- November 19: Finance Committee meeting, 4:00 PM
- November 20: Full Board meeting, 6:00 PM
- November 21: DOC Operator Annual Training, DOCs closed; office, ORF, MRF, Environmental Depot open
- November 28: Thanksgiving Day, office and facilities closed
- November 29: Office closed, facilities open