

**CHITTENDEN SOLID WASTE DISTRICT
BOARD MEETING INSTRUCTIONS
FOR THE PUBLIC – REMOTE ACCESS**

Date: Wednesday, June 28, 2023
Time: 6:30 P.M. or just following the Organizational Meeting
Place: ZOOM MEETING INSTRUCTIONS

IMPORTANT:

CSWD will hold a hybrid Board of Commissioners Meeting. The virtual meeting is accessible by computer or phone. Members of the public, joining the meeting remotely, are asked to preregister online using the link below. Following the meeting a recording will be available upon request.

Hi there,

You are invited to a Zoom webinar.

When: Jun 28, 2023 06:30 PM Eastern Time (US and Canada)

Topic: Board of Commissioners Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_6n3p-s1bSY20LNNuw2Gnew

After registering, you will receive a confirmation email containing information about joining the webinar.

For those without internet access, call 802-872-8100 ext. 213 and leave a message to register for the meeting. A call-in number will be provided to you prior to the meeting.

Participants will be in listen only mode. Call in controls include: *6 – toggle mute/unmute and *9 to raise your hand.

CHITTENDEN SOLID WASTE DISTRICT
REGULAR MEETING

Date: Wednesday, June 28, 2023
Time: 6:30 P.M. or just following the Annual Organizational Meeting
Place: **Hybrid Meeting - ZOOM Meeting or In-Person at CSWD Administrative Office**
19 Gregory Drive, South Burlington

*** (E) Indicates enclosures (H) Indicates handouts (D) Discussion Only

1. (E) **Agenda** (6:30 p.m.)
2. **Public Comment Period** (6:30 p.m.)
3. (E) **Consent Agenda** (6:35 p.m.)
 - 3.1 Minutes of May 24, 2023 (page 3)
 - 3.2 Program Updates (page 7)
 - 3.3 Executive Director Update (page 23)
 - 3.4 Finance – Warrant, Cash Investment and Reserve Balances as of 5/31/2023 (page 25)
 - 3.5 FY 22 Audit (page 27)
 - 3.6 FY 23 Quarter 3 Financials (page 64)
 - 3.7 Environmental Depot lease extension with City of South Burlington (page 71)
4. (E) **Organics Recycling Facility** – Screener purchase (page 84) (6:45 p.m.)

Action Requested: Approve purchase
5. (D) **MOU – City of Burlington** (page 86) (7:10 p.m.)

Action Requested: Extend MOU to September 30, 2023
6. (E) **Materials Recycling Facility** - New System Equipment (page 93) (7:30 p.m.)

Action Requested: Award contract
7. **Other Business** (8:15 p.m.)

Possible Action could occur on any agenda item, although not initially noted. If you need an accommodation, please call the District at 872-8100 upon receipt of this notice. All times listed are an estimated start and duration.

DRAFT
CHITTENDEN SOLID WASTE DISTRICT
ZOOM MEETING Only
May 25– Regular Meeting

PRESENT

BOARD MEMBERS:

Bolton	-----
Burlington	Lee Perry
Charlotte	Ken Spencer
Colchester	Renae Marshall
Essex	Alan Nye
Essex Junction	Mike Sullivan
Hinesburg	Rick McCraw
Huntington	-----
Jericho	Leslie Nulty
	Tom Joslin, alt.
Milton	Henry Bonges
Richmond	-----
Shelburne	Margaret Wiener
So. Burlington	Paul Stabler
St. George	-----
Underhill	Paul Ruess
Westford	-----
Williston	Caylin McCamp
Winooski	Bryn Oakleaf

STAFF:

Jen Holliday, Nola Ricci, Amy Jewell, Josh Estey

OTHERS PRESENT:

Thomas Melloni, Esq.

AGENDA:

1. Agenda
2. Public Comment Period
3. Consent Agenda
4. June Organizational Meeting preparation
5. Legislative Update
6. Executive Session
7. Other Business

-
1. **CALL TO ORDER and AGENDA** Chair Paul Ruess called the meeting to order at 6:06 pm.
 2. **PUBLIC COMMENT PERIOD** - No discussion.
 3. **Consent Agenda –**

There was a request to remove the 3.3 VT Materials Management Plan Comments and to ask general questions in program updates. This will be discussed under other business. All other items accepted without edits.

4. June Annual Organizational Meeting Preparation - P. Ruess reviewed the enclosed memo regarding the Annual Organizational Election Process for officers and interest in the Executive Board or Committees. The deadline to nominate is June 16th and those nominations should be submitted to Sarah. It was noted that Alternate Board members cannot be appointed to offices or to the Executive Board. A. Jewell thanked Williston for the use of their meeting rooms, since 2006, and said that it is our intention to hold the June meeting at the new office space at 19 Gregory Drive in South Burlington. A. Nye requested that a letter be sent to the Town from Sarah thanking Williston for the use of their space.

5. Legislative Update/ VT Materials Management Plan – J. Holliday reviewed the VT Materials Management plan process and comments. She noted the state required Materials Management plan, with the purpose of reducing toxicity and volume of waste streams. Solid waste districts must meet certain requirements from this plan, which include service goals, outreach goals, and more.

A month ago, the VT Department of Natural Resources sought input from solid waste districts in preparation for their update of the plan. CSWD responded with request for review of hard issues including landfill capacity, biosolid jurisdiction, and PFAs.

The following discussion was held on the Vermont Materials Management Plan:

- Are solid waste organizations having conversations or taking action about these larger issues? J. Holliday said conversations are happening at the Department of Natural Resources.
- Has CSWD made any contingency planning for financial burden if MSW materials are sent out of state, rather than Coventry. J. Holliday clarifies that no contingencies are in place now and the timeframe is about ten years, but CSWD is concerned and is beginning the public conversation.
- CSWD staff has kept up with technological advancements. Is there a path for CSWD to lead on technical alternatives to landfills? J. Holliday responded that CSWD has often been a leader in the field, but at current capacity for staff this is outside of our available scope. However, staff agrees that this needs to be done. It was requested that staff provide further specifics details as to planning and policies.
- Request for clarification on staff statement, “evaluate existing variable prices guidance and consider changes to state....” J. Holliday responds that, in development of Act 148 variable rate pricing structures was included as a requirement. N. Plunkett had noted at that time that variable rate pricing is the greatest tool in getting communities to limit their household waste. Variable based pricing is pricing individuals based on the amount of waste they generate. There are many ways to achieve variable rate pricing. Some are more effective than others. Because there are many ways to implement variable rate pricing, Act 148 required that the state make guidelines for variable rate pricing. The current pricing variable structure is very easy to meet, and not effective and the bar should be higher.
- Requested an explanation of the MM Plan process. J. Holliday shared that this plan goes through a public review and comment period. Additionally, the plan also goes through a rule-making process.

J. Holliday reviewed the Legislative Update memo noting solid waste bills introduced this first year of a two-year biennium. Two bills, heard by committees, were H.67 and H.158. H 67 is Extended Producer Responsibility for Household Hazardous Waste. This bill requires the producer or manufacturer of HHW to pay for and provide for collection systems for their products. The producers will form a producer responsibility organization to develop a plan for a collection and education program and submit to the state. This is the first EPR for HHW bill passed in the country. This bill covers 25-30% of products collected by CSWD, and the bill is waiting for the governor's signature.

H. 158 is the bottle bill which expands the bottles that are included in the redemption system; changes the management of the system to an Extended Producer Responsibility system; and requires an independent analysis of the bottle system. This bill passed the House, was amended by the Senate, and requires House review and vote to agree on the amendments. The House ran out of time and the bill was not voted on. It is possible that the legislature will pick it up again during the June veto session; the Governor does not currently support the bill.

The following discussion was held on the Legislative Update:

- Given the strain on redemption centers what has their role in the discussion been? J. Holliday said the redemption centers are supportive of this bill because of the efficiencies potentially gained through the producer responsibility section of H 158.
- How would the bottle bill changes affect the cash flow at the MRF? J. Holliday explained, as she did in testimony, that this is a hard issue to measure. Redemption rates and market variables cannot be easily quantified. Current redemption is about 73%; bill requires the beverage producers to achieve a 90% redemption rate. J. Holliday estimates a \$10-16/ton loss in revenue which would have to be made up for by tip fees.
- Comment that Casella is against the bill, while CSWD remained neutral. It was noted that VPIRG is sharing that CSWD is against the bottle bill; where is this information coming from? J. Holliday said this is a misconception. CSWD has expressed concerns about the rising costs of recycling to Vermonters, which the bill will do, but J. Holliday has never testified against the bill. The focus of CSWD on the bottle bill is its impact on recycling; no position is being taken, just providing the facts.
- Comment that the collection of wine bottles may be helpful to CSWD and questioned if during the calculation of revenue of cash flow if there was a factor for reducing glass handling? J. Holliday notes that staff did include this in their calculations. In her testimony, J. Holliday did say CSWD would support an expansion of the bottle bill to include more glass.

P. Ruess recommends checking in with S. Reeves on a meeting held three years ago when the bottle bill was introduced for additional background information.

When asked if there was another legislative action on the other bills or solid waste topics, J. Holliday noted additional discussions and studies related to solid waste are being discussed, but no action is being taken.

Agenda #6. Executive Session.

MOTION by Alan Nye, Second by Paul Stabler that the Board of Commissioners of the Chittenden Solid Waste District go into Executive Session to discuss the contract negotiations with the City of Burlington, 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 to permit authorized staff, other invited interested parties, and the Solid Waste District attorney to be present for this session. VOTING: All Ayes, Recusal from Lee Perry, Burlington. Motion Carried.

The Board entered executive session at 7:14 p.m.

Motion by Leslie Nulty, Second by Paul Stabler, to exit executive session and reconvene the meeting. VOTING: All Ayes, Motion Carried.

The board meeting was reconvened at 7:36 p.m.

Agenda #7 Other Business:

- R. McCraw asked about the Williston article on reducing hours at the DOC's. It was noted that overall hours are increasing but Williston is moving from six days per week to five days per week on July 1, 2023.
- R. McCraw asked about the Community Clean Up Fund, draft e-mail and asked that it be sent to commissioners so that they could send out to Front Porch Forum. A. Jewell said she would check on this and ask Sarah to respond to the Board.
- R. McCraw asked about the waterline extension and requested an update on the process. A. Jewell said that she would ask Sarah to send an update.

Motion to adjourn. Moved by P. Stabler Jericho; seconded by A.Nye Essex Junction. VOTING: All ayes. Motion passes. Meeting adjourned at 7:42 p.m.

Amy Jewell, 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 Williston.

Amy Jewell, Secretary

MEMORANDUM

To: Board of Commissioners

From: CSWD Staff

Date: June 23, 2023

Re: Program Updates

- Solid Waste Management Fee and Disposal (Jon) – (see attached)
- Organics Recycling Facility (Dan) –
 - Despite running out of available compost in the second week of May, sales of blended soils products have remained strong and total material sales with a week remaining in the fiscal year are 7% or \$49,000 above budgeted amounts. It is anticipated that year-end sales will better expectations by approximately 9%.
 - Monthly billable food scraps for May totaled 319.3 tons. This is 4% above the previous month and is even with the FY22 average. It brings the fiscal year to date total to 3,713 tons – 9.5% or 391 tons below budgeted YTD projections.
 - Following many months of delay, the relocated ORF office and scale are open for business. The new setup includes an improved paved entrance with ample parking for residential food waste drop off. Final touches are still underway, but initial feedback from customers has been positive. The new scale and accompanying software are a big improvement over the previous system.
 - May 26th marked the first day that we were able to access water via the extended municipal water line that runs through the ORF. This was a very welcome event following an entire winter of difficulty obtaining water from offsite sources. The new hydrants are working great and staff is very happy with the water pressure and accessibility of the new system.
- Materials Recovery Facility (Josh)
 - YTD average monthly inbound single stream material: 3,644 tons
 - YTD average monthly marketed material: 2,914 tons
 - 12-month, average commodity revenue (ACR): \$77.61/ton
 - All data includes PGA tons and costs
- Compliance/Hazardous Waste (Josh and Jeannine) –
 - In May Josh and Jeannine conducted a construction site waste management visit at Beta Technologies' new manufacturing plant off of Williston Rd. The site visit was prompted by some loads observed during the load check intensive conducted in April.

- In June tank cleanings were performed by US Ecology on both the used oil tank at the Environmental Depot and the leachate tank at the closed landfill. Visual inspections were performed during both cleanings having found both tanks in good working order.
- In June a RCRA hazardous waste inspection was conducted at the Environmental Depot. This is an inspection that occurs every four years and is an intensive inspection on the operation and paperwork of the facility. The initial report from the state was that there would be no findings from the inspection.
- **Marketing & Communications** (Alise/Michele) –
 - The next iteration of the “We Can Take It” postcard hit mailboxes at the beginning of June. The postcard was sent to all Chittenden County households. This postcard focused on proper disposal of hazardous waste at the Environmental Depot.
 - The Marketing team has finished the recruitment ad and it is now running on a variety of cable networks. The team is watching the data to determine the success of the media buy with Effectv.
 - Communications about DOC hours, fees changes and the implementation of credit cards taking place on July 1 continue to rollout with print ads being placed in community papers, Vermont Maturity and Seven Days. Ads will roll out the first week in July and continue through the end of August. Website and Google Business changes are scheduled for end of day on 6/30.

Media Mentions – May/June

- 5/18/2023 Waste Advantage Magazine - [Vermont Passes First-in-the-Nation HHW EPR](#)
- 5/23/2023 Waste Today - [Vermont considers EPR program for household hazardous waste](#)
- 5/25/2023 Williston Observer - [Green Tips: Cleaning out your closet - responsibly](#)
- 6/16/2023 WCAX [Police investigate body found at Williston transfer station](#)
- 6/20/2023 NBC5 [Williston police identify man found dead at recycling facility](#)
- **Outreach (Beth):** The Waste Warrior program is back in full force. We have held three training sessions and already welcomed volunteers at the weekly South End Get Down and the Burlington Farmers’ Market. We have volunteers scheduled to also help out at Higher Ground and Shelburne Museum events. It’s shaping up to be a great summer already!!
- **Refillable water station project completed** - (Jen) – Attached is the Project Report from Green Up Vermont for the Supplementary Environmental Project (SEP) CSWD funded in the amount of \$79,844 for GUV to purchase and install refillable water bottle stations in schools and high-use municipal properties across Vermont. The SEP is the product of the settlement of an environmental enforcement action brought by the Vermont Attorney General, Agency of Natural Resources, and Natural Resources Board. We are thrilled that this project has successfully been completed and will help reduce litter and trash by reducing the number of single-use beverage containers used in Vermont.

- Legislative update (Jen) – the VT legislature reconvened this week primarily for the purpose of overriding the Governor’s veto on several bills. They also took up and passed H.158. This law will expand the scope of beverages subject to the beverage container redemption system and require manufacturers and distributors of beverages to participate in a producer responsibility organization to manage the collection and disposition of covered beverage containers. It is expected that the Governor will veto H.158.
H.67 was signed into law by the Governor on June 12. This law requires manufacturers of household products containing hazardous substances to provide education and outreach on proper disposal as well as convenient collection services for these products.

CHITTENDEN SOLID WASTE DISTRICT

Tons Disposed based on Solid Waste Management Fees (Year over Year)

Month	Total Tons per Month			
	FY 22 tons	FY 23 tons	Tons Diff.	% Diff
Jul	11,558	10,630	-928	-8.0%
Aug	11,729	12,808	1,079	9.2%
Sep	11,236	11,650	414	3.7%
Oct	11,289	11,126	-162	-1.4%
Nov	10,428	10,846	417	4.0%
Dec	10,583	10,293	-290	-2.7%
Jan	9,180	9,196	16	0.2%
Feb	7,402	7,823	421	5.7%
Mar	9,571	9,849	278	2.9%
Apr	10,137	10,387	251	2.5%
May	11,357	11,918	560	4.9%
Jun				
Total Tons YTD	114,470	116,526	2,056	1.8%
Mgmnt Fee \$ YTD	\$3,090,701	\$3,146,207	\$55,505	1.8%

	Tons	\$
FY 23 Budget	125,250	\$3,381,750
FY 23 Actual YTD	116,526	\$3,146,207
Difference	-8,724	(\$235,543)
FY 23 Actual % YTD vs Budget %	93.0%	
YTD % of Months	91.7%	

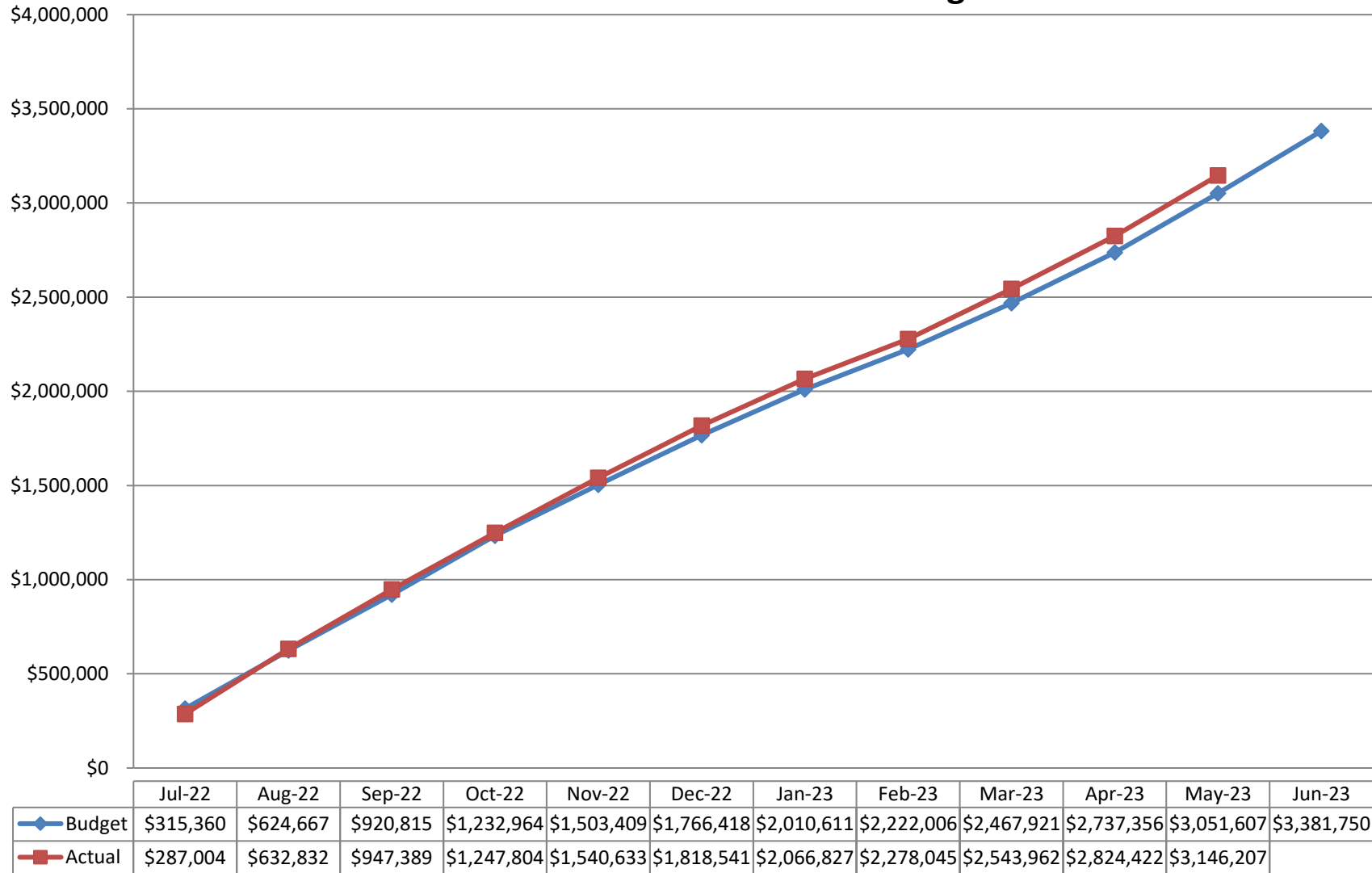
Chittenden Solid Waste District
Solid Waste Management Fee FY 23 (Budget versus Actual)

Time	Tons	\$/Ton	\$
FY 23 Budget	125,250	\$27.00	\$3,381,750

\$	Budget \$			Actual		Difference		% of YTD Budget
	Percent	\$ per month	\$ YTD	\$ per month	\$ YTD	\$ per month	\$ YTD	
Jul-22	9.3%	\$315,360	\$315,360	\$287,004	\$287,004	(\$28,356)	-\$28,356	91.0%
Aug-22	9.1%	\$309,307	\$624,667	\$345,828	\$632,832	\$36,521	\$8,165	101.3%
Sep-22	8.8%	\$296,148	\$920,815	\$314,558	\$947,389	\$18,410	\$26,575	102.9%
Oct-22	9.2%	\$312,149	\$1,232,964	\$300,415	\$1,247,804	(\$11,735)	\$14,840	101.2%
Nov-22	8.0%	\$270,445	\$1,503,409	\$292,829	\$1,540,633	\$22,384	\$37,224	102.5%
Dec-22	7.8%	\$263,009	\$1,766,418	\$277,909	\$1,818,541	\$14,900	\$52,123	103.0%
Jan-23	7.2%	\$244,193	\$2,010,611	\$248,286	\$2,066,827	\$4,093	\$56,216	102.8%
Feb-23	6.3%	\$211,395	\$2,222,006	\$211,217	\$2,278,045	(\$178)	\$56,038	102.5%
Mar-23	7.3%	\$245,915	\$2,467,921	\$265,918	\$2,543,962	\$20,003	\$76,041	103.1%
Apr-23	8.0%	\$269,435	\$2,737,356	\$280,460	\$2,824,422	\$11,025	\$87,066	103.2%
May-23	9.3%	\$314,251	\$3,051,607	\$321,784	\$3,146,207	\$7,533	\$94,599	103.1%
Jun-23	9.8%	\$330,143	\$3,381,750					

TONS	Budget Tons			Actual		Difference	
	Percent	Monthly Tons	Tons YTD	Tons per month	Tons YTD	Tons per month	Tons YTD
Jul-22	9.3%	11,680	11,680	10,630	10,630	(1,050)	(1,050)
Aug-22	18.5%	11,456	23,136	12,808	23,438	1,353	302
Sep-22	27.2%	10,968	34,104	11,650	35,088	682	984
Oct-22	36.5%	11,561	45,665	11,126	46,215	(435)	550
Nov-22	44.5%	10,016	55,682	10,846	57,060	829	1,379
Dec-22	52.2%	9,741	65,423	10,293	67,353	552	1,930
Jan-23	59.5%	9,044	74,467	9,196	76,549	152	2,082
Feb-23	65.7%	7,829	82,297	7,823	84,372	(7)	2,075
Mar-23	73.0%	9,108	91,404	9,849	94,221	741	2,816
Apr-23	80.9%	9,979	101,384	10,387	104,608	408	3,225
May-23	90.2%	11,639	113,022	11,918	116,526	279	3,504
Jun-23	100.0%	12,228	125,250				

CSWD - Solid Waste Management Fee Revenues Year-To-Date - FY 23 Actual v. FY 23 Budget

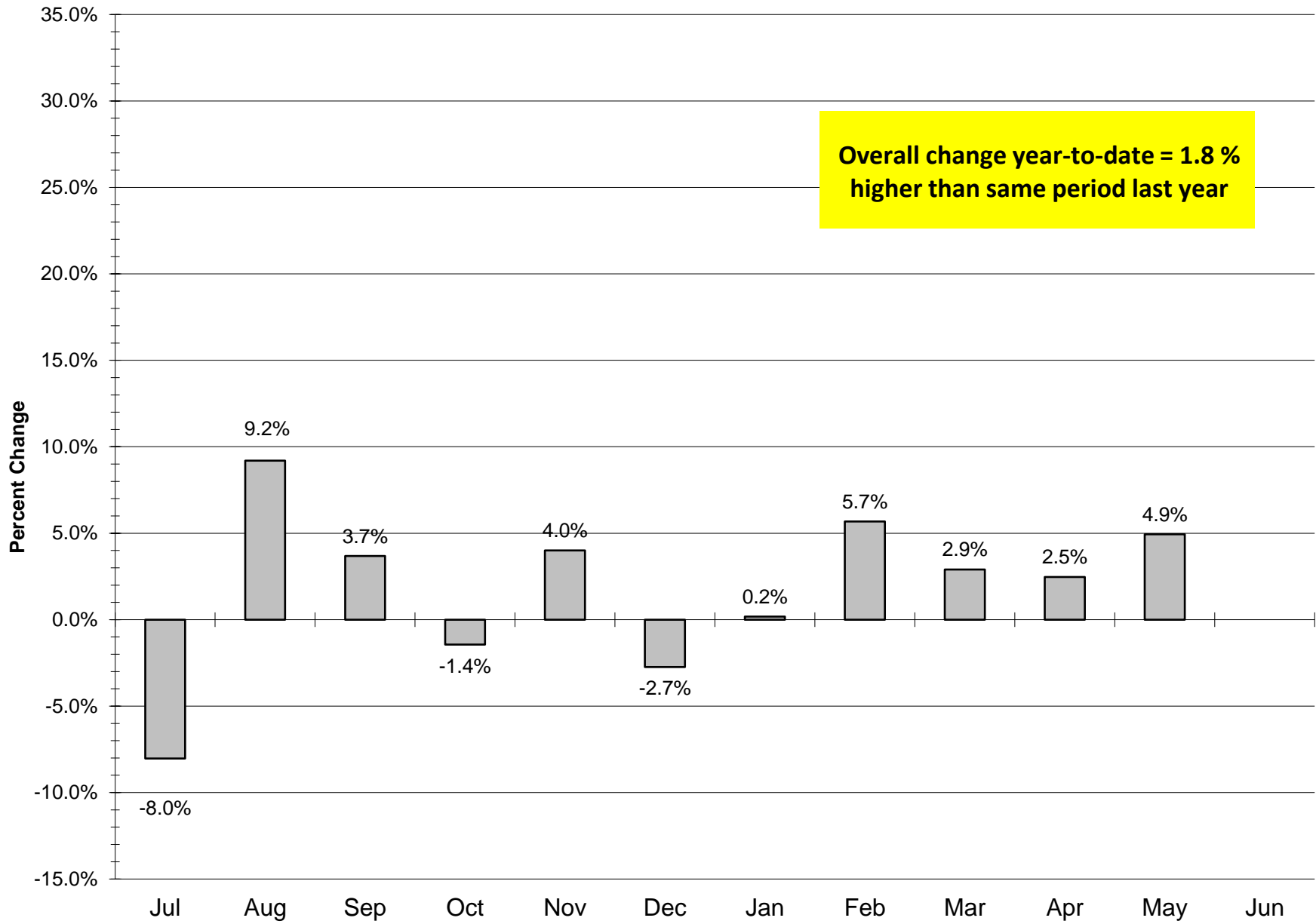


CHITTENDEN SOLID WASTE DISTRICT

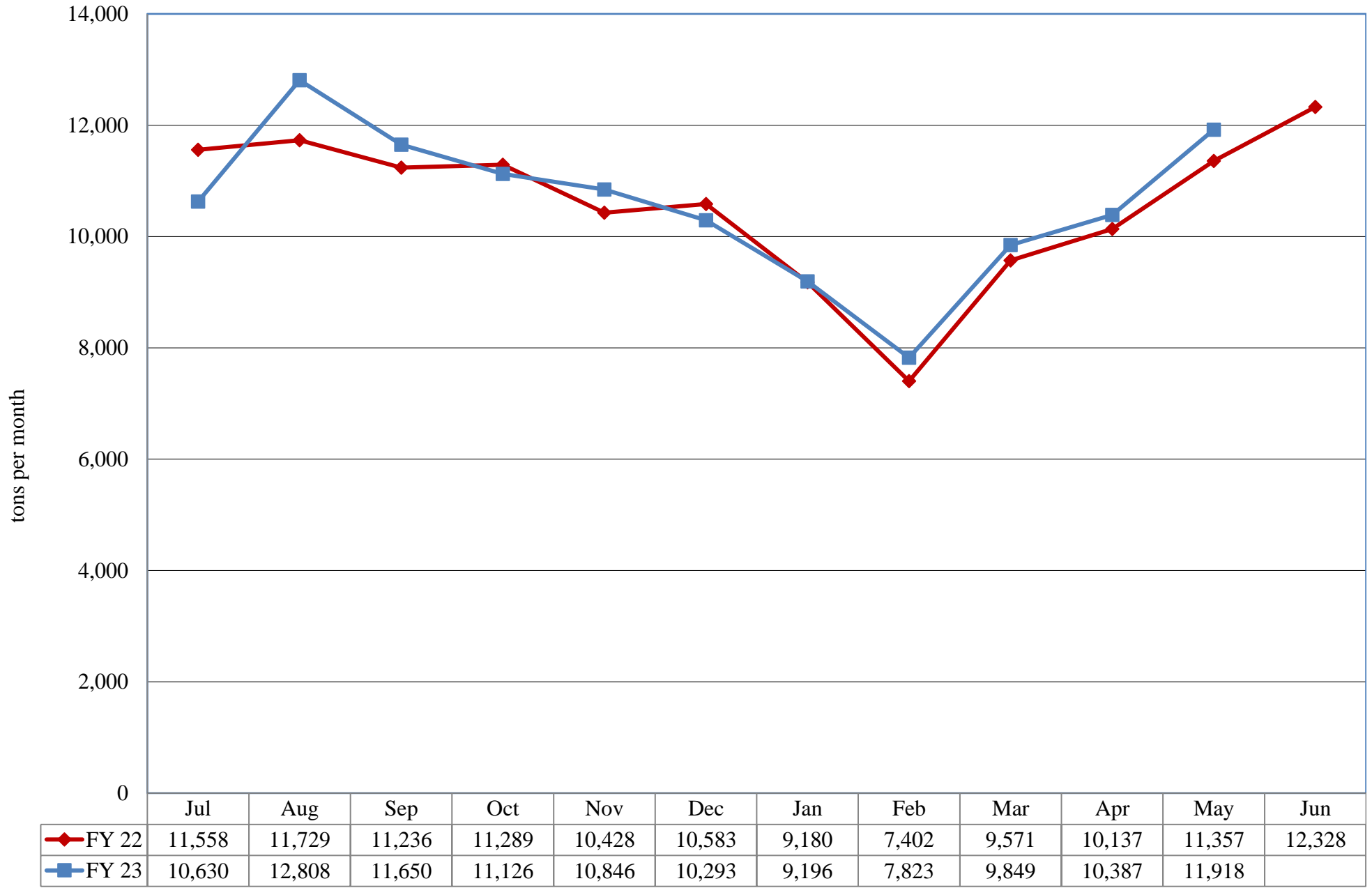
SWMF Tons Refuse Disposed per Operating Weekday

Month	FY 22			FY 23			Difference FY 23 vs FY 22			
	Monthly Tons	# Operating Weekdays	Avg Tons/Day	Monthly Tons	# Operating Weekdays	Avg Tons/Day	Monthly Tons	# Operating Weekdays	Tons/Day Tons	Tons/Day %
Jul	11,558	21	550.4	10,630	20	531.5	-928	-1	-18.9	-3.4%
Aug	11,729	22	533.2	12,808	23	556.9	1,079	1	23.7	4.5%
Sep	11,236	21	535.0	11,650	21	554.8	414	0	19.7	3.7%
Oct	11,289	21	537.6	11,126	21	529.8	-162	0	-7.7	-1.4%
Nov	10,428	22	474.0	10,846	22	493.0	417	0	19.0	4.0%
Dec	10,583	23	460.1	10,293	22	467.9	-290	-1	7.7	1.7%
Jan	9,180	21	437.1	9,196	22	418.0	16	1	-19.1	-4.4%
Feb	7,402	20	370.1	7,823	20	391.1	421	0	21.0	5.7%
Mar	9,571	23	416.1	9,849	23	428.2	278	0	12.1	2.9%
Apr	10,137	21	482.7	10,387	20	519.4	251	-1	36.7	7.6%
May	11,357	21	540.8	11,918	22	541.7	560	1	0.9	0.2%
Jun	0	22	0.0		22					
Total	114,470	258		116,526	258		2,056	0		
Average			443.7			451.7			8.0	1.8%

Difference in SWMF Tons Per Month Disposed
FY23 versus FY22

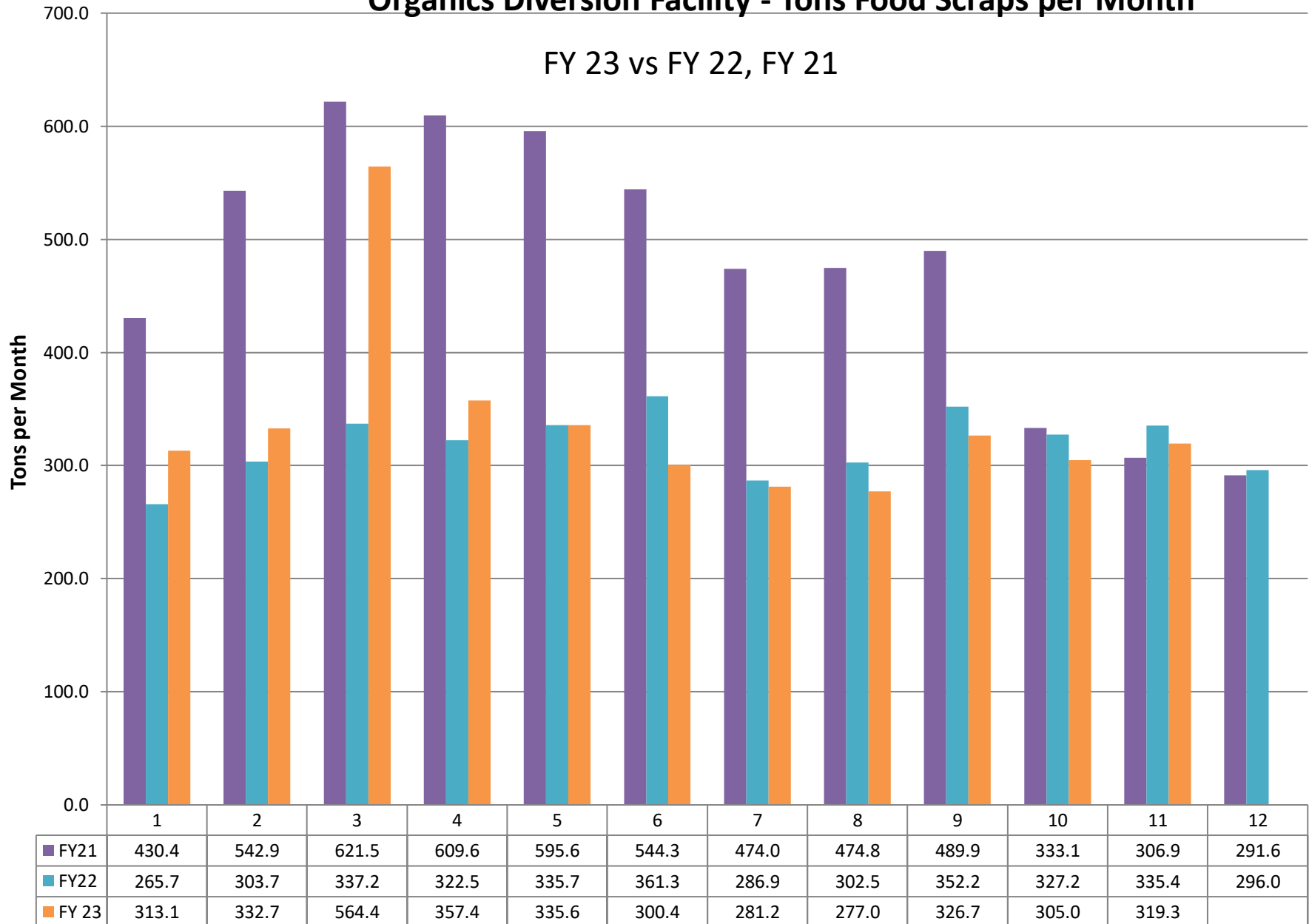


CSWD - SWMF Tons Trash per Month - FY 23 v. FY 22



Organics Diversion Facility - Tons Food Scraps per Month

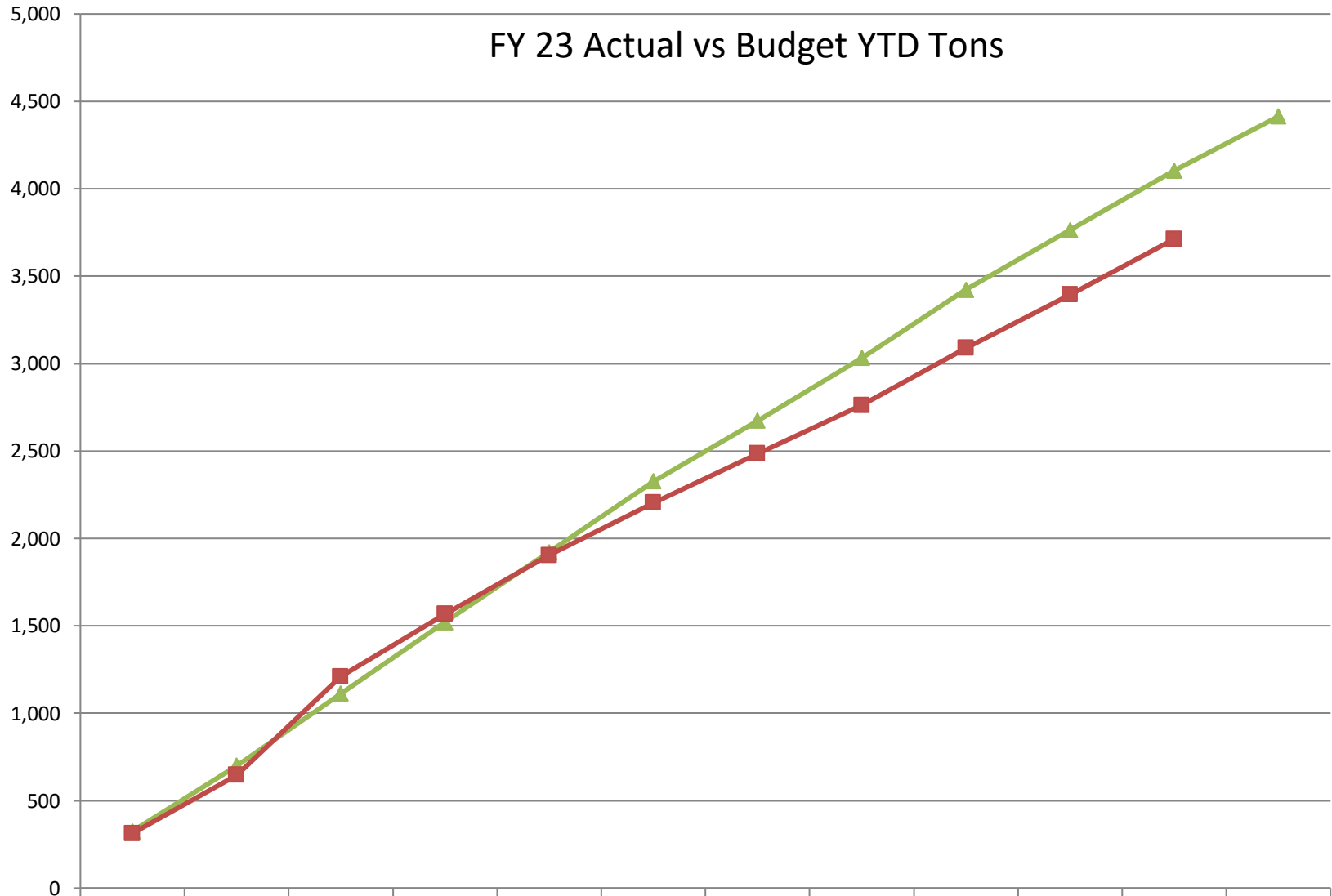
FY 23 vs FY 22, FY 21



Organics Diversion Facility - Incoming Food Scraps

FY 23 Actual vs Budget YTD Tons

Cumulative Year-to-Date Tons



▲ FY 23 Budget	325	700	1,112	1,521	1,922	2,327	2,674	3,032	3,423	3,764	4,104	4,414
■ FY 23	313	646	1,210	1,568	1,903	2,204	2,485	2,762	3,088	3,393	3,713	

WAIT

**Before you open that bottle of water or other beverage,
take a look at what is really happening!**

1,000
people open a
bottle of water
every second
of the day in
the U.S.

A water bottle
25% full
is the amount of
oil it takes
to produce
the bottle.

The
average
person uses
156
plastic bottles
per year.

60 million
plastic water
bottles are discarded
every day
in America.

40,000
18-wheeled trucks
are used
every week
to deliver bottled
water across
the U.S.

It can take
300 years
for a plastic bottle to
fragment, and it still
never
disappears.

91%
of the world's
plastic bottles are
NOT
recycled.

25 million
TONS
of plastic packaging
ends up in our
oceans every
year.

By **2030** we will be pouring the equivalent of **two garbage trucks of plastic** into the ocean **every minute**, and **four per minute** if the planet reaches **2050**.

We can do something to change this!

The main solution to water bottle pollution is to reduce our use of plastic, which means:

1. Changing our everyday habits by using reusable stainless steel water bottles and filling stations.
2. Help raise awareness, by telling friends and family about the impact plastic bottles are having.
3. Make sure you recycle. Whether you use one, or see one on the ground, pick it up and recycle it.



Supplemental Environmental Project (SEP) Proposal Re: 20-CV-00961

With funding and support from CSWD, Green Up Vermont was excited to facilitate.

Reducing Plastic Waste Using Refillable Water Bottle Stations

Project Start November 2021

FINAL REPORT JUNE 16, 2023

"THE GREATEST THREAT TO OUR PLANET IS THE BELIEF THAT SOMEONE ELSE WILL SAVE IT"

~ Robert Swan, Explorer

PROJECT SYNOPSIS FOR SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP) 20-CV-00961

CSWD funded a grant program to supply and install refillable water bottle stations in schools, municipal buildings, and municipal parks in Vermont. This project was an Environmental Education and Awareness project and a Pollution Prevention project. CSWD is recommended that Green Up Vermont (GUV) manage the project.

GEOGRAPHIC AREA

Outreach and applications received were statewide with at least one installation in each of Vermont's 14 counties. The funding was not enough to ensure each city and town and every municipal park received a station, so care was exercised to ensure fair geographic distribution. Municipal facilities, schools, and rec departments, that have a high amount of public use were given priority to optimize the waste reduction goal. See map. Red dots = placements.

PROJECT DESCRIPTION

The goal of the project was to support waste reduction by providing increased access to refillable water stations and reduce reliance on single-use beverage containers. Eligible recipients were schools, municipal buildings, and parks. Because installation costs are often a barrier to implementation, awardees were reimbursed up to \$1,000 towards the cost of installation. Remaining funds from installation and other items went toward funding other refillable water stations. Recipients covered any installation costs above the \$1000 grant reimbursement as well as any continued costs associated with maintenance of the units.

PROJECT TIMELINE:

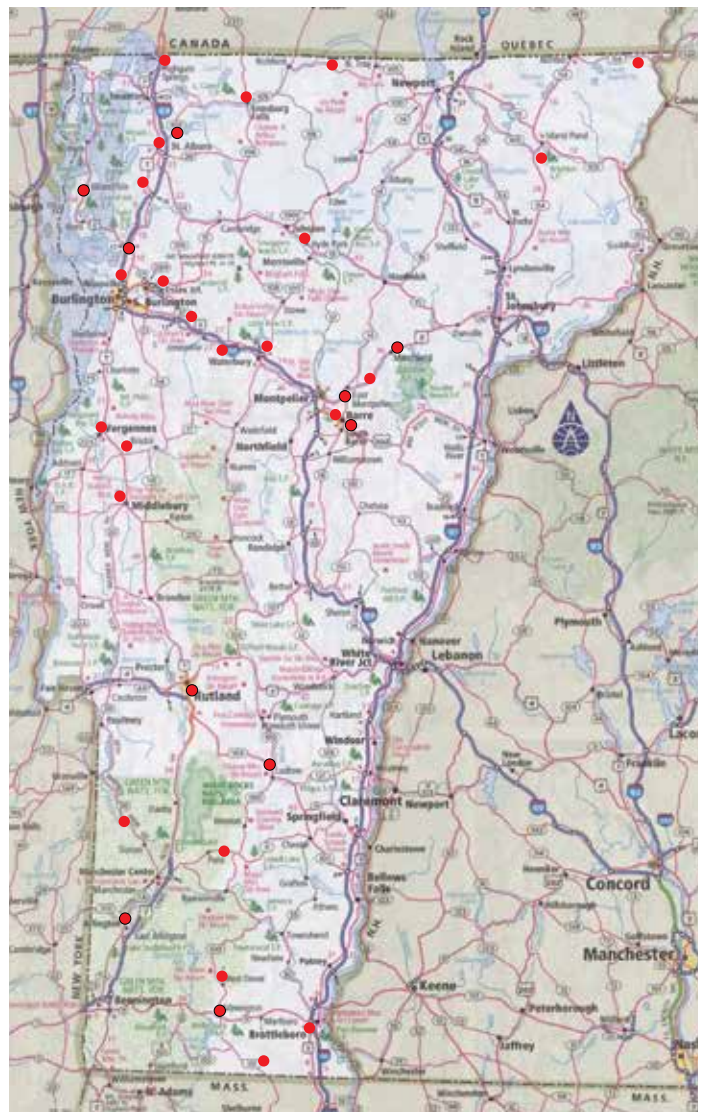
Develop grant app and publicize to potential recipients	Oct. 29, 2021
Notify recipients of the award	Dec. 31, 2021
Order units for drop-ship to recipients	Jan 5, 2022
Pre-Installation waste sort	March 2022
Installation of units	April-June 2022
Reimburse installation costs (up to allowable amount)	April, 2022
Reissue RFP, if allotted units not claimed	May 2022
Repeat process if necessary	May - Aug. 30, 2022
Post-Installation data collection	March 2023

PROJECT BUDGET

20 Indoor Unit: Elkay LZWSSM EZH2O + Filter @ \$823.28 ea.	\$16,465.60
Installation Services Up to \$1,000 per unit x 20	\$20,000
10 Outdoor Unit: Global Industrial Outdoor @ \$1,576.00 ea.	\$15,760
Installation Services Up to \$1,000 per unit x10	\$10,000
Project Management and Admin - Green Up Vermont	\$17,609
Total	\$79,834.60

PROJECT BENEFITS

Single-use plastic bottle reduction was achieved by providing convenient access to refillable water stations throughout Vermont. Access to water in spaces where groups congregate will encourage a broader use of reusable bottles. The project was quantified by conducting pre-installation waste sorts at installation locations, and by collecting post-install data.





PROJECT FACILITATION

November 1 2021, Green Up Vermont received the SEP funding check from CSWD and got right to work implementing the project. Statistics show that waste reduction leads to litter reduction so this project was really a wonderful supplement to the work that Green Up Vermont is passionate about.

After a bit of shopping around for suppliers and sharing the details of the project, we found by purchasing all units at the same time we could receive a "bulk" discount and free shipping (to one location). Our initial instruction was to purchase 20 indoor units and 10 outdoor units with the allotted funds, keeping in mind the installation commitment funds. By buying bulk and receiving free shipping we were able to increase our purchase to 23 indoor units and award, with installation, a total of 33 filling station units - three more than originally scheduled.

Our outreach consisted of multiple lists of eligible recipients including all Vermont schools, town offices, and Green Up Day volunteer town coordinators, many whom are involved directly with rec departments, libraries, and municipal infrastructure. Recipients of the information were excited and before long we were receiving plenty of applications - most worthy of awards. We chose to award units based on the number of people the location would serve, the need for a water resource, along with the type of facility. We were pleased with our response and awarded all units in the first round.

The units were ordered in December of 2021 and delivered to each recipient by March, 2022. With covid still very much a part of our lives many locations had trouble finding plumbers and electricians to do the installs and of course the outdoor units needed warmer weather and unfrozen ground. The installation process was slow but receipts trickled in and Green Up Vermont reimbursed promptly.

Pre-sort data collected showed us we could potentially eliminate approx. 5,686 single use plastics and 4,517 refundable containers from the recycle bin or the landfill on a monthly basis. Annually those numbers equal 68,232 and 54,208 containers respectively.



Left Top: Kate and Steve at Casella, who kindly stored the units, pack up a truckload of units for delivery.

Bottom Left: State map with red pins where units are located.

Top Right: Snow still on the ground in March but this is where the Town of Orange outdoor unit will be installed.

Middle: Alice Ward Library in Canaan, excited to receive their unit.

Bottom Right: Water fountains at the Waterbury Ice Center had been broken for years leaving athletes with only the bathroom sinks to fill waterbottles. This unit was well received and much appreciated. Kate Alberghini with manager Tim Griffith.

AWARENESS & SUSTAINABILITY

As part of our continued education around Green Up Day we began implementing our awareness program that brought publicity to the water bottle project. We shared single-use plastic statistics and spoke to classrooms about how using reusable containers makes a huge difference in the environment. We empowered kids to be influencers in their classrooms, schools, homes, and beyond. The goal for reaching Vermont's youth is to change their habits now for a better future practices.

As units were installed we worked with location project leads to host "ribbon cuttings" in their communities for the press and public awareness. The libraries we worked with held special readings and promoted books that tell additional stories of waste and solution to audiences of all ages. Green Up Vermont designed and implemented a plaque for each unit that promotes using refillable bottles to save the planet and the Green Up Vermont and ANR logos for further connection to Green Up Day and environmental awareness. It includes the Green Up Vermont URL for further information and was funded by Green Up special projects.

"Once a week, a mom and her 2 kids take a walk on the rail trail, and then they come in to the Library to fill their water bottles and read until the Library closes! So SWEET!!!!"

~ Amy Olsen, Library Director, Lanpher Memorial Library



Above: Lanpher Memorial Library unit ribbon cutting. L to R: Jen Holliday, Amy Olson, Kate Alberghini, John Beling, Hyde Park Selectman, and Mike Casella.

Below: Crossett Brook Middle School Unit with Volunteer Town Coordinator Audrey Quackenbush, students and Kate Alberghini.

Right: Outdoor unit at Northwood Pool in Rutland serves 100 swimmers daily during Summer months.



UNIT LOCATIONS

Alice M Ward Library
Arlington Rec Park
Barre Town Rec Area
Brook Memorial Library
City of Barre
City of Vergennes
Crossett Brook Middle School
Donaldson Park
Dorsey Park
Enosburg Elementary School
Fairbanks Museum
Flood Brook School
Georgia Public Library
Green Mountain Union HS
Halifax Town Office
Highgate Library & Community Ctr.
Ice Center of Washington West
Island Pond Welcome Center
Jay-Westfield Elementary School
Lanpher Memorial Library
Marshfield Rec Fields
Middlebury Memorial Sports Center
New Haven Town
Northwood Pool
Petee Memorial Library
Plainfield Co-op
Sand Hill Pool
St. Albans Bay Park
St. Albans City Pool
Town of Orange
Wilmington Visitors Center
Wells Village School
Winooski Community Service Dept.





IMPACT

The initial applications asked each recipient how many people access their location on a daily, monthly, or annual basis. We calculated that there is a potential to reach 1,129,543 +/- each year. The units host a powerful ongoing message.

The units deliver clean drinking water to Vermont residents and visitors of all ages. From student access throughout the day to after school athletics and activities; support for municipal staff, the hospitality of offering a free fill of water to visitors to our state or spectators at our many rec fields. All units save single use plastics from our landfill AND teach the valuable lesson of a simple habit that can make such a huge impact on our planet.

SINCERE GRATITUDE

Green Up Vermont is sincerely grateful for the opportunity to facilitate this project. Water consumption is so important to humans of all ages. Being able to implement this program that not only reduces single-use plastics but provides good clean drinking water is a complete win win.

Working with Chittenden Solid Waste District on this project was a pleasure and their support was consistent and ongoing whenever we needed them.

It is with pride for Vermont and all agencies involved with this program that I report on the success of this initiative. I know the impact will last long into the future with every bottle that these units fill. Our recipients and constituents are all as dually grateful for what we were able to accomplish.

If there is ever another opportunity to conduct a similar grant in the future, please keep Green Up Vermont in mind for the facilitation.

Thank you

Kate Alberghini, *Executive Director, Green Up Vermont*

Above: Patty, Town Clerk in Halifax is thrilled to fill her bottle on site with filtered water.

Middle: Wells Village School, Girls on the Run program athletes and coach.

Bottom Left: Southern Vermont Visitors Center and Chamber of Commerce is pleased to offer free water fills to visitors and residents alike.

Bottom Right: Kate speaks to a Davis School classroom about using refillable containers and how their habits can make a huge environmental impact. They were thrilled with their new water bottles.



#3.3

TO: Board of Commissioners
FROM: Sarah Reeves
DATE: June 22, 2023
RE: Executive Director Update

May 18 - PRESENT

- **STAFF CHANGES:** Michele Morris, Director of Marketing and Communications, is retiring from CSWD as of June 30 after 14 years with the District. Michele will continue as a contractor through calendar 2023 to finish working on the new website project. I want to thank Michele for her excellent work over the years representing CSWD in the media. She has become a trusted voice in the solid waste community and communicates CSWD's values and mission extremely well. With Michele's transition to part-time contractor, Beth Parent, Community Engagement and Outreach Manager, will add to her duties becoming the primary media contact and will oversee our social media accounts and overall media relations. Kat Moody, Community Outreach Coordinator, will assume responsibility for CSWD's monthly Digest. Alise Certa, Marketing and Communications Manager will report directly to Jen Holliday.
- **DROP-OFF CENTERS:** I approached Hinesburg Town Manager Todd Odit to ask if the Town would be agreeable to allowing CSWD to operate a second day at the DOC in Hinesburg. Todd enthusiastically said yes. The lease agreement with the town for the current site of the DOC stipulates that the Town Manager may consider and approve changes to the days/hours of operation for the DOC, upon request from CSWD, making the change an Administrative action not needing Selectboard or Board of Commissioners authorization. We do need to amend our solid waste permits before we can begin operating a second day, and CSWD Compliance Specialist Jeannine McCrumb will process those amendments once we have the signed agreement from the Town Manager (currently on vacation). We expect to be able to begin the second day of operation in August and intend to operate on Wednesday and Saturday. An informal customer survey of Hinesburg customers resulted on Wednesday being the preferred added day, with "any day" coming in a close second.
- **NEW MRF GRANTS:**
 - We've signed the paperwork to receive the \$250,000 grant from The Recycling Partnership. We are thankful for this support from TRP. They've indicated that we may want to consider also applying for a similar grant for PET processing.
 - We've been notified by the EPA that our Solid Waste for Recycling Infrastructure (SWIFR) grant application has been deemed eligible to move on to the Merit Review phase of the grant process. This is excellent news! Making it to the merit review phase means we are automatically in a much smaller pool of applicants vying for the limited grant dollars. The notification said that the EPA anticipates announcing the selection of grant recipients "later in the summer of 2023".

July/August 2023

- July 1: start of Fiscal Year 2024
- Sarah vacation: July 3 – 7
- July 4: All CSWD facilities and offices closed for Independence Day
- Sarah business travel: July 10-12
- July Executive Board (if needed): July 17
- July Board of Commissioners meeting (if needed): July 26
- August Executive Board (if needed): August 14
- August 16: Bennington Battle Day (CSWD facilities and offices open regular schedule, float PTO for staff)
- August Board of Commissioners meeting (if needed): August 23
- Sarah vacation: August 28 – September 1

To: Board of Commissioners
From: Nola Ricci, Director of Finance
Date: June 23, 2023
RE: Warrants, Reserves & Cash Balance

The following warrants have been reviewed by the Finance Committee and disbursements have been issued since the last submitted Finance Memo:

Warrant Date	Warrant Amount
05/16/23	\$607,365.11
05/30/23	\$504,753.64

Reserve balances indicate how much of that cash has been assigned or committed for a particular purpose.

As of May 31, 2023

Assigned Reserve balances are as follows:

Landfill Post Closure	\$ 556,943.36
Facility Closure	\$ 1,464,178.31
Capital Reserves	\$ 10,490,751.09
Biosolids Reserve	\$ 288,848.68
Community Clean Up	\$ 80,469.57
Solid Waste Reserve	\$ 1,000,000.00
<u>Operating Reserve</u>	<u>\$ 1,750,000.00</u>
Total Designated:	\$ 15,631,191.01
Total Undesignated:	\$ 2,609,179.57
Cash & Cash Equivalents:	\$ 15,964,816.33
Current Liabilities:	\$ 745,669.66



ADMINISTRATIVE OFFICE

19 Gregory Drive, Suite 204
South Burlington, VT 05403

EMAIL info@cswd.net

TEL (802) 872-8100

www.cswd.net

Breakdown of Community Clean Up Reserve by Location as of May 31, 2022:

Bolton	\$ 0
Burlington	10,000.00
Charlotte	5,000.00
Colchester	7,500.00
Essex Jct	4,250.00
Essex Town	7,500.00
Hinesburg	5,000.00
Huntington	2,500.00
Jericho	5,000.00
Milton	5,262.13
Richmond	5,000.00
Shelburne	5,000.00
S. Burlington	7,500.00
St. George	2,500.00
Underhill	5,000.00
Westford	0
Williston	0
Winooski	3,457.44

To: Board of Commissioners, Finance Committee
From: Nola Ricci, Director of Finance
Date: June 06, 2023
RE: FY22 Audit

The Government Auditing Standards, issued by the Comptroller General of the United States, in conjunction with the Chittenden Solid Waste District charter, requires an annual audit of the CSWD financial statements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States. In compliance of those terms, RHR Smith & Company, CPAs was hired to perform as independent auditors for the fiscal year 2021 financial statements.

On May 15, 2023, RHR Smith & Company, CPAs concluded in an audit report that audit evidence obtained from CSWD management was sufficient and appropriate to provide an audit opinion. Thereafter, they expressed the opinion that the financial statements for fiscal year 2022 were presented fairly, in all material respects, and are in accordance with accounting principles generally accepted in the United States.



Proven Expertise & Integrity

May 15, 2023

Board of Commissioners
Chittenden Solid Waste District
1021 Redmond Road
Williston, Vermont 05495

We have audited the financial statements of the business-type activities of the Chittenden Solid Waste District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 6, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Chittenden Solid Waste District are described in Note 1 of Notes to Financial Statements. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of Notes to Financial Statements, the Chittenden Solid Waste District changed accounting policies related to Governmental Accounting Standards Board No. 87, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates (paragraphs 13-14)*" and GASB Statement No. 97, "*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*" in 2022. There was no impact in the financial statements based on the cumulative effect of these accounting changes.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the business-type activities of the Chittenden Solid Waste District's financial statements were:

- ☐ Allowance for uncollectible accounts
- ☐ Depreciation expense which is based on the estimated useful lives of capital assets
- ☐ Accrued compensation
- ☐ Post-closure costs payable

Management's process for determining the above estimates is based on firm concepts and reasonable assumptions of both historical and future events. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reflected in the capital assets, other long-term obligations and net position footnotes.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. A schedule of any uncorrected misstatements has been presented to management with the management representation letter. We identified and proposed adjustments of misstatements as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 5, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Chittenden Solid Waste District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Chittenden Solid Waste District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

However, we noted certain other matters that we reported to management of the Chittenden Solid Waste District in a separate letter dated April 3, 2023.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the Chittenden Solid Waste District and is not intended to be and should not be, used by anyone other than these specified parties.

Very Best,

A handwritten signature in dark ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

RHR Smith & Company, CPAs



April 3, 2023

Board of Commissioners
Chittenden Solid Waste District
1021 Redmond Road
Williston, VT 05495

MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the business-type activities of the Chittenden Solid Waste District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Chittenden Solid Waste District's internal control over financial reporting or compliance.

Management is responsible for the selection and use of appropriate accounting policies and procedures. The significant accounting policies and procedures practiced by the Chittenden Solid Waste District are described in Note 1 of Notes to Financial Statements. In performing our test work and other auditing procedures, we noted no transactions of the Chittenden Solid Waste District for the above-mentioned year end audited, for which there was a lack of authoritative guidance or consensus or deviation from best practice.

This report is intended solely for the information and use of the Board of Commissioners, management, and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2022, where we expressed an unmodified opinion on our independent auditors' report dated May 15, 2023.

We would like to thank Nola and all of the staff at the Chittenden Solid Waste District for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

A handwritten signature in dark ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

RHR Smith & Company, CPAs

3 Old Orchard Road, Buxton, Maine 04093
T. 800.300.7708 | 207.929.4606 | F. 207.929.4609
www.rhrsmith.com

Audited Financial Statements
and Other Financial Information

Chittenden Solid Waste District

June 30, 2022



Proven Expertise & Integrity

CHITTENDEN SOLID WASTE DISTRICT

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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Chittenden Solid Waste District
Williston, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Chittenden Solid Waste District, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Chittenden Solid Waste District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Chittenden Solid Waste District as of June 30, 2022 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chittenden Solid Waste District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chittenden Solid Waste District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chittenden Solid Waste District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Chittenden Solid Waste District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2023 on our consideration of the Chittenden Solid Waste District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Chittenden Solid Waste District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chittenden Solid Waste District's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
May 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

(UNAUDITED)

The following management's discussion and analysis of Chittenden Solid Waste District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements.

Financial Statement Overview

The Chittenden Solid Waste District's basic financial statements include the following components: 1) government-wide financial statements and 2) notes to the financial statements.

Basic Financial Statements

The basic financial statements include financial information in the government-wide financial statements. There are no fund financial statements as the District only has one fund. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

The District's financial statements provide a broad view of the District's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the District's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The District's financial statements include the following statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Revenues, Expenses and Changes in Net Position - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Statement of Cash Flows - this statement presents information on the effects changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources and operations have on cash during the course of the fiscal year.

All of the above-mentioned financial statements have been presented for the District's one type of activity:

- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. This activity for the District includes all the activities of the District.

There are no fund financial statements presented as all activity for the District is enterprise in nature and is presented for only one activity. The activity of the District is presented for the following:

Proprietary Funds: The Chittenden Solid Waste District maintains one enterprise fund, the Waste Management General Fund. Enterprise financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the enterprise fund financial statements as they are presented on the same basis of accounting and therefore only shown in the District's financials.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District's financial statements. The Notes to Financial Statements can be found following the Statement of Cash Flows.

Financial Analysis of the District as a Whole

Our analysis below focuses on the net position and changes in net position of the District's business-type activities. The District's total net position increased by \$4,135,474 from \$25,792,831 to \$29,928,305.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased to a balance of \$15,931,452 at the end of this year.

Table 1
Chittenden Solid Waste District
Net Position
June 30,

	<u>2022</u>	<u>2021 (Restated)</u>
Assets:		
Current Assets	\$ 17,816,527	\$ 14,075,187
Noncurrent Assets - Capital Assets	<u>13,708,004</u>	<u>13,723,045</u>
Total Assets	<u>31,524,531</u>	<u>27,798,232</u>
Liabilities:		
Current Liabilities	962,568	1,282,796
Noncurrent Liabilities	<u>633,658</u>	<u>722,605</u>
Total Liabilities	<u>1,596,226</u>	<u>2,005,401</u>
Net Position:		
Net Investment in Capital Assets	13,708,004	13,723,045
Restricted	288,849	221,879
Unrestricted	<u>15,931,452</u>	<u>11,847,907</u>
Total Net Position	<u>\$ 29,928,305</u>	<u>\$ 25,792,831</u>

Revenues and Expenses

Revenues for the District's business-type activities increased by 11.71%, while total expenses increased by 3.79%. The largest increases in revenues were in material sales and other. The largest increase in expenses were in drop-off centers and administration and unclassified.

Table 2
Chittenden Solid Waste District
Change in Net Position
For the Years Ended December 31,

	2022	2021
Revenues		
Tipping fees	\$ 7,567,356	\$ 7,772,544
Solid waste management fees	3,409,238	3,263,750
Material sales and other	5,049,702	3,309,482
Total Revenues	<u>16,026,296</u>	<u>14,345,776</u>
Expenses		
Materials recovery facility	2,180,265	3,134,724
Outreach and communications	918,473	797,537
Organics diversion facility	1,108,926	1,076,749
Drop-off centers	3,081,371	2,907,470
Hazardous waste program	796,617	644,617
Biosolids program	1,278,154	1,187,806
Special projects	188,911	166,545
Future project development	125,872	141,801
Finance	584,973	442,969
Administration and unclassified	856,181	376,577
Enforcement	168,291	130,517
Property management and unallocated maintenance	64,211	65,118
Change in estimated future landfill post-closure costs	63,145	(60,267)
Depreciation	1,006,251	956,316
Total Expenses	<u>12,421,641</u>	<u>11,968,479</u>
Nonoperating revenues (expenses)	<u>530,819</u>	<u>762,100</u>
Change in Net Position	4,135,474	3,139,397
Net Position - July 1, Restated	<u>25,792,831</u>	<u>22,653,434</u>
Net Position - June 30	<u><u>\$ 29,928,305</u></u>	<u><u>\$ 25,792,831</u></u>

Capital Asset and Long-Term Debt Administration

Capital Assets

As of June 30, 2022, the net book value of capital assets recorded by the District decreased by \$15,041 from the prior year. This decrease is the result of current year additions of \$1,046,549, net disposals of \$55,339 less depreciation expense of \$1,006,251.

Table 3
Chittenden Solid Waste District
Capital Assets (Net of Depreciation)
June 30,

	2022	2021 (Restated)
Land	\$ 5,290,801	\$ 5,290,801
Construction in progress	313,940	161,218
Land and building improvements	3,782,706	3,921,728
Vehicles, machinery and equipment	4,238,031	4,349,298
Software	82,526	-
Total	<u>\$ 13,708,004</u>	<u>\$ 13,723,045</u>

Debt

As of June 30, 2022, the District had no debt.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

- The rate set for the Solid Waste Management Fee (SWMF) remains unchanged for FY23 at \$27.00 per ton - the rate that has been in effect since September 2013. We have budgeted a significant decline in MSW tons disposed in FY23. Strong economic times have historically resulted in an increase in the amount of trash landfilled, however with the continuation of the COVID19 pandemic, these times are uncertain, and we have accounted for the possibility of a significant decrease in solid waste. The Finance Committee has continued the process of exploring alternatives for a long-term sustainable revenue stream to supplement or replace the SWMF in the future.
- The tip fee for food scraps will increase in FY23 and again in FY24.

- Tipping Fees in the Materials Recovery Facility will increase in FY24 in order to compensate for contractual increases in third-party operating costs.
- The FY23 operating expense budget for the District shows an increase due to inflation and Hauling Services for PGA.
- The FY23 capital budget includes funding for Phase 2 Site Expansion Project at the Organics Diversion Facility.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance at 1021 Redmond Road, Williston, Vermont 05495 or at finance@cswd.net.

CHITTENDEN SOLID WASTE DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

	2022	2021 (Restated)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 15,316,428	\$ 11,230,023
Investments	54,592	54,223
Accounts receivable (net of allowance for uncollectibles)	1,962,949	2,088,929
Inventories	404,233	471,748
Prepaid items	78,325	230,264
Total current assets	<u>17,816,527</u>	<u>14,075,187</u>
Noncurrent assets:		
Capital assets:		
Land and other assets not being depreciated	5,604,741	5,452,019
Buildings, improvements and equipment, net of accumulated depreciation	8,103,263	8,271,026
Total noncurrent assets	<u>13,708,004</u>	<u>13,723,045</u>
TOTAL ASSETS	<u>\$ 31,524,531</u>	<u>\$ 27,798,232</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 541,797	\$ 900,951
Accrued expenses	37,394	-
Accrued payroll and benefits payable	59,664	141,960
Accrued compensation time	16,181	-
Unearned revenue	98,061	47,623
Security deposits payable	7,350	7,350
Settlement payable	-	79,536
Accrued interest payable	-	1,099
Current portion of long-term obligations	63,820	-
Post-closure costs payable - current portion	138,301	104,277
Total current liabilities	<u>962,568</u>	<u>1,282,796</u>
Noncurrent liabilities:		
Noncurrent portion of long-term obligations:		
Accrued compensated absences	255,279	373,347
Post-closure costs payable - noncurrent portion	378,379	349,258
Total noncurrent liabilities	<u>633,658</u>	<u>722,605</u>
TOTAL LIABILITIES	<u>1,596,226</u>	<u>2,005,401</u>
NET POSITION		
Net investment in capital assets	13,708,004	13,723,045
Restricted	288,849	221,879
Unrestricted	15,931,452	11,847,907
TOTAL NET POSITION	<u>29,928,305</u>	<u>25,792,831</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 31,524,531</u>	<u>\$ 27,798,232</u>

See accompanying independent auditor's report and notes to financial statements.

CHITTENDEN SOLID WASTE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
OPERATING REVENUES		
Tipping fees	\$ 7,567,356	\$ 7,772,544
Solid waste management fees	3,409,238	3,263,750
Sale of materials	4,820,322	3,039,401
License fees	15,834	15,917
Miscellaneous	517	1,843
Product stewardship and reimbursement	213,029	252,321
TOTAL OPERATING REVENUES	16,026,296	14,345,776
OPERATING EXPENSES		
Materials recovery facility	2,180,265	3,134,724
Outreach and communications	918,473	797,537
Organics diversion facility	1,108,926	1,076,749
Drop-off centers	3,081,371	2,907,470
Hazardous waste program	796,617	644,617
Biosolids program	1,278,154	1,187,806
Special projects	188,911	166,545
Future project development	125,872	141,801
Finance	584,973	442,969
Administration and unclassified	856,181	376,577
Enforcement	168,291	130,517
Property management and unallocated maintenance	64,211	65,118
Change in estimated future landfill post-closure costs	63,145	(60,267)
Depreciation	1,006,251	956,316
TOTAL OPERATING EXPENSES	12,421,641	11,968,479
OPERATING INCOME (LOSS)	3,604,655	2,377,297
NONOPERATING REVENUES (EXPENSES)		
Rental income	71,400	74,183
Investment income	12,719	16,855
Interest expense	-	(23)
Grant income	277,801	661,336
Net gain (loss) on disposal of assets	168,899	9,749
TOTAL NONOPERATING REVENUES (EXPENSES)	530,819	762,100
CHANGE IN NET POSITION	4,135,474	3,139,397
NET POSITION - JULY 1, RESTATED	25,792,831	22,653,434
NET POSITION - JUNE 30	\$ 29,928,305	\$ 25,792,831

See accompanying independent auditor's report and notes to financial statements.

CHITTENDEN SOLID WASTE DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 16,202,714	\$ 14,174,174
Payments for wages and benefits	(4,591,184)	(3,983,554)
Payments for goods and services	(7,064,365)	(7,637,620)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,547,165	2,553,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of interest and dividends	12,719	16,855
Net proceeds (purchases) of investments	(369)	(811)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	12,350	16,044
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on notes payable	-	(8,850)
Interest paid on notes payable	-	(23)
Proceeds from sale of capital assets	224,238	9,749
(Purchase) of capital assets	(1,046,549)	(1,938,185)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(822,311)	(1,937,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants	277,801	661,336
Rental income	71,400	74,183
Return of security deposit	-	(100)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	349,201	735,419
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,086,405	1,367,154
CASH AND CASH EQUIVALENTS - JULY 1	11,230,023	9,862,869
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 15,316,428	\$ 11,230,023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 3,604,655	\$ 2,377,297
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	1,006,251	956,316
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	125,980	(188,537)
(Increase) decrease in inventories	67,515	(236,010)
(Increase) decrease in prepaid items	151,939	(53,811)
Increase (decrease) in accounts payable	(359,154)	(198,700)
Increase (decrease) in accrued expenses	37,394	-
Increase (decrease) in accrued payroll and benefits payable	(82,296)	98,627
Increase (decrease) in accrued compensation time	16,181	-
Increase (decrease) in unearned revenue	50,438	16,935
Increase (decrease) in settlement payable	(79,536)	(320,857)
Increase (decrease) in interest payable	(1,099)	-
Increase (decrease) in accrued compensated absences	(54,248)	162,007
Increase (decrease) in post-closure costs payable	63,145	(60,267)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,547,165	\$ 2,553,000

See accompanying independent auditor's report and notes to financial statements.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Chittenden Solid Waste District (the "District") is a union municipal district in Chittenden County, Vermont, chartered under the laws of the State of Vermont. The District, which had its inception March 6, 1987, was created for the purpose of providing for the efficient, economical and environmentally sound management of solid waste generated by member municipalities and their residents.

The District's governing board (the "Board") is comprised of one representative appointed by the elected governing body of each of the 18 member municipalities. The Board meets monthly to set policy and make major decisions for the District.

The accounting policies adopted by the District conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the standard-setting body for accounting and financial reporting principles for governmental units. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

Reporting Entity

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The District's combined financial statements include all accounts and all operations of the District. We have determined that the District has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 92 "Omnibus 2020". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 "Replacement of Interbank Offered Rates (paragraphs 13-14)". The primary objectives of paragraphs 13-14 concern provisions of lease contracts that are amended while the contract is in effect. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

Measurement Focus - Basic Financial Statements

1. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the enterprise activity. Nonoperating revenues are any revenues which are generated outside of the general enterprise activity, i.e. interest income. The following is a description of the enterprise funds of the District:

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Budget

The District follows these procedures in establishing its budget:

The General Manager submits a proposed preliminary operating budget each December for the fiscal year commencing the following July 1 to the Board, for the purpose of determining whether member assessments will be levied. The operating budget includes proposed expenditures and the means of financing them.

During the period of January through April of each year, District staff, together with the Board's Finance Committee, prepares a detailed operating and capital budget for the coming fiscal year. The budget is then considered and adopted by the Board at a meeting typically in April or May. Within 45 days of the approval of the budget by the District's Board, the legislative body of each of the member municipalities shall act to approve or disapprove the budget. A legislative body that disapproves the budget must file with the Board a written statement of objections identifying the specific items to be changed. A legislative body that fails to take action on the budget within the forty-five day period is deemed to have approved the budget. Unless a petition for a vote on the question of disapproving the budget signed by at least 5 percent of the qualified voters of the District is filed pursuant to the District Charter, the budget becomes effective 45 days after its adoption by the Board.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The General Manager has the authority to modify line items within the approved budget but may not change the overall total approved budget amount.

The budget of the District is generally prepared on the accrual basis - that is, revenue is budgeted when it is expected to be earned and expenses are budgeted when expected to be incurred - except that changes in inventories, capital asset depreciation, and gains/losses on the disposal of assets are not budgeted, and changes in noncurrent assets and liabilities (for example, acquisition of capital assets and payments on long-term obligations) are budgeted as current year expenditures or revenues.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investment Committee: The Investment Committee, comprised of the Board's appointed Finance Committee, the Board Chair, the General Manager, and the Director of Finance, is responsible for periodic review and re-allocation of investments as needed to meet stated objectives.

Permitted Investments: "Permitted Investments" include the following securities, if and to the extent the same are at the time legal for investment of District funds:

1. Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States: (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.
2. Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association or (d) senior obligations of the Student Loan Marketing Association.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. SEC-registered money market mutual funds conforming to Rule 2a-7 that invest primarily in direct obligations issued by the United States Treasury and repurchase agreements backed by those obligations rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.
4. Certificates of deposit of any bank trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation or any other similar United States governmental deposit insurance program.
5. Commercial paper rated, at the time of purchase, P-1 or better by Moody's Investors Service and A-1+ or better by Standard & Poor's Corporation.
6. Equity Securities
 - a. Diversification: The equity portfolio should be well diversified to avoid undue exposure to any single economic sector, industry group, or individual security. No more than 10% of the entire District investment portfolio shall be invested in equities securities.
 - b. Quality and Marketability. The equity portion of the portfolio shall be invested in well diversified Mutual Funds or Managed Accounts with an investment record of at least 5 years.
 - c. Concentration by Issuer:
 - i. No more than 5% of the equity portfolio, at cost, shall be invested in the securities of anyone issuing corporation at the time of purchase.
 - ii. Investments in any corporation may not exceed 5% of the outstanding shares of the corporation.
7. Corporate Fixed Income Securities Purchase of investments in this category shall be limited to those securities that are classified in one of the top four rating categories by Standard & Poor's or Moody's Investor's Services. No purchases shall be made which would cause holdings of any one issue to exceed 5% on a cost basis or 7½ % on a market value basis of the total funds under management.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District may invest any funds that are held and pledged to secure outstanding bonds or similar debt instruments of the District in accordance with the bond resolution or similar approving documents that authorized and established the terms for the issuance of such bonds or debt obligations.

Prohibitions: The District is prohibited from investing in commodities, private placements, letter stock, and real estate or engaging in short sales. The Investment Committee may, from time to time, further direct that the Investment Manager not invest in any securities or investments of specific companies or issuers where the investment presents the potential for a conflict of interest (or apparent conflict of interest), or where the company or issuer engages in business practices or activities that are inconsistent with the goals and purpose of the District.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$1,479 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$1,962,949 for the year ended June 30, 2022.

Inventories

Inventory quantities are determined by physical count and are valued at the lower of cost or market, using the FIFO method. Inventories consist of compost products, containers and recyclable materials held for resale.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more and a estimated useful life greater than one (1) year are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Land improvements	5 - 20 years
Buildings and improvements	15 - 30 years
Vehicles, machinery and equipment	5 - 20 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from business-type resources are reported as liabilities in the financial statements. The long-term obligations consist of accrued compensated absences and post-closure costs payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue reported is comprised of proceeds from grants and permit fee revenues received in advance of eligible expenses.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The District utilizes encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the District's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The District's investment policies, which follow state statutes, authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all District funds.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District does not have a policy covering custodial credit risk. However, the District maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF.

At June 30, 2022, the District's cash balance amounting to \$15,316,428 were comprised of bank deposits of \$11,481,501. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the District's cash balance. The deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

<u>Account type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 11,481,501</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the District does not have a policy for custodial credit risk for investments. The District's investment in certificates of deposit for \$54,592 were covered by the NCUSIF.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$54,592 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2022, the District invested \$54,592 in a certificate of deposit.

Credit risk - Statutes for the State of Vermont authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The District does not have an investment policy on credit risk. Generally, the District invests excess funds in various savings accounts and certificates of deposit.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance, 7/1/21 (Restated)	Additions	Disposals	Balance, 6/30/22
Non-depreciated assets:				
Land	\$ 5,290,801	\$ -	\$ -	\$ 5,290,801
Construction in progress	161,218	245,896	(93,174)	313,940
	<u>5,452,019</u>	<u>245,896</u>	<u>(93,174)</u>	<u>5,604,741</u>
Depreciated assets:				
Land improvements	4,196,388	45,619	(233,956)	4,008,051
Building and improvements	7,163,946	226,283	(214,058)	7,176,171
Vehicles, machinery and equipment	9,995,492	528,751	(586,922)	9,937,321
Software	-	93,174	-	93,174
	<u>21,355,826</u>	<u>893,827</u>	<u>(1,034,936)</u>	<u>21,214,717</u>
Less: accumulated depreciation:				
Land improvements	(2,276,093)	(130,271)	232,115	(2,174,249)
Building and improvements	(5,162,513)	(270,497)	205,743	(5,227,267)
Vehicles, machinery and equipment	(5,646,194)	(594,835)	541,739	(5,699,290)
Software	-	(10,648)	-	(10,648)
	<u>(13,084,800)</u>	<u>(1,006,251)</u>	<u>979,597</u>	<u>(13,111,454)</u>
Net depreciated capital assets	<u>8,271,026</u>	<u>(112,424)</u>	<u>(55,339)</u>	<u>8,103,263</u>
Net capital assets	<u>\$ 13,723,045</u>	<u>\$ 133,472</u>	<u>\$ (148,513)</u>	<u>\$ 13,708,004</u>

NOTE 4 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2022 is as follows:

	Balances 7/1/21	Additions	Reductions	Balances 6/30/22	Current Portion
Accrued compensated absences	\$ 373,347	\$ -	\$ (54,248)	\$ 319,099	\$ 63,820
Post-closure costs payable	453,535	63,145	-	516,680	138,301
	<u>\$ 826,882</u>	<u>\$ 63,145</u>	<u>\$ (54,248)</u>	<u>\$ 835,779</u>	<u>\$ 202,121</u>

Please see Notes 5 and 6 for detailed information on each of the other long-term obligations.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 5 - ACCRUED COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and compensatory time, up to specified limits established in the policy. The District records a liability for the total value of these vested accumulated leave hours, based on current pay rates. The liability for these compensated absences is recorded as long-term obligations in the financial statements. As of June 30, 2022, the District's liability for compensated absences is \$319,099.

NOTE 6 - ACCRUED POST-CLOSURE COSTS

State and federal laws and regulations required the District to place a final cover on the closed Phase I, II and III landfill sites and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Phase I and II were closed subsequent to the District's opening of Phase III on December 22, 1992. Phase III stopped accepting waste on August 19, 1995. As of June 30, 2020, the District has estimated that it will cost \$516,680 for the remaining post-closure costs of the Phase I, II and III landfills, through the year 2025, which is the end of the required 30-year period. The District has expended \$2,627,955 in closure and post-closure costs for the fiscal years ended June 30, 1996 through June 30, 2022. The \$516,680 and \$453,535 reported as accrued post-closure costs liability at June 30, 2022 and 2021, respectively, represent the present value of the estimate.

These amounts are based on actual costs to date and engineering estimates of what it will cost to perform all post-closure maintenance for the required period. The District's engineer reviews and updates the projected estimates no less frequently than annually. Actual costs may vary due to changes in cost of living, changes in technology, changes in regulations, or variances between actual and estimated costs.

The District expects that future inflation costs will be paid from interest earnings on funds set aside for this purpose. However, if interest earnings are inadequate or additional post-closure requirements arise (due to changes in technology or applicable laws or regulations, for example) these unanticipated costs may need to be covered through deposits from future District revenues.

The District provides an annual update to the State of Vermont on both the historical and prospective costs to maintain the closed Phase I, II and III landfills, in compliance with State regulations. The District also maintains a separate cash reserve designated for the purpose of meeting the current and future obligations associated with long-term post-closure costs.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 6 - ACCRUED POST-CLOSURE COSTS (CONTINUED)

The post-closure costs estimates and the balances in the designated Landfill Post-closure Reserve account as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total post-closure costs estimated for the 30-year period ending in 2025 (including projection for inflation)	\$ 3,173,317	\$ 2,953,791
Total of actual post-closure costs paid through June 30	<u>(2,627,955)</u>	<u>(2,493,027)</u>
Remaining Balance of post-closure costs estimated expected to be incurred through 2025, including 2.5% inflation factor	<u>\$ 545,362</u>	<u>\$ 460,764</u>
Present value of estimate, discounted at 2.5%	\$ 516,680	\$ 453,535
Net position in designated reserve account at June 30	<u>\$ 541,943</u>	<u>\$ 675,414</u>
Surplus (deficit) in reserve balance as of June 30	<u>\$ 25,263</u>	<u>\$ 221,879</u>

NOTE 7 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the new investment in capital assets at June 30, 2022:

Invested in capital assets	\$ 26,819,458
Accumulated depreciation	<u>(13,111,454)</u>
	<u>\$ 13,708,004</u>

NOTE 8 - RESTRICTED NET POSITION

The District's restricted net position at June 30, 2022 was as follows:

Capital improvement - biosolids program	\$ 288,849
Landfill post-closure reserve (in excess of liability)	25,263
Total restricted	<u>\$ 314,112</u>

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 9 - UNRESTRICTED NET POSITION

The District's unrestricted net position at June 30, 2022 was as follows:

	<u>2022</u>	<u>2021</u>
Unrestricted net position:		
Designated for capital items:		
Materials recovery facility (MRF)	\$ -	\$ 2,178,882
Special waste facility	-	218,687
Drop-off centers	-	2,030,284
Environmental depot	-	193,908
Biosolids program	-	226,837
Property management and administration	-	175,836
Maintenance	-	16,588
Capital improvements - general	4,814,185	-
Total designated for capital items	<u>4,814,185</u>	<u>5,041,022</u>
Designated for other purposes:		
Facilities closure reserve	1,464,178	549,365
Community cleanup fund	95,000	68,890
Drop-off center rate stabilization reserve	-	263,535
SWMF rate stabilization reserve	<u>1,000,000</u>	<u>2,970,836</u>
Total designated for other purposes	<u>2,559,178</u>	<u>3,852,626</u>
Total designated	<u>7,373,363</u>	<u>8,893,648</u>
Undesignated	<u>8,558,089</u>	<u>2,954,259</u>
Total unrestricted net position	<u><u>\$ 15,931,452</u></u>	<u><u>\$ 11,847,907</u></u>

NOTE 10 - CONTINGENT LIABILITIES

The District entered into a Memorandum of Understanding (MOU) with the City of Burlington in September 2016 concerning a potential lease-purchase arrangement for 0.91 acres and a three-unit commercial building as well as 2.87 undeveloped acres on Flynn Avenue. The MOU outlines a potential lease-purchase agreement where the District would apply annual rental payments of \$25,000 for a period of 25 years towards the City of Burlington's purchase of the properties. A formal lease-purchase agreement has not yet been executed as of the date of this report. The City of Burlington has made payments of \$83,335 to the District in accordance with this MOU as part of the option to enter into a lease-purchase agreement, which the District has classified as unearned revenues.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 11 - DEFERRED COMPENSATION PLANS

The District maintains a defined contribution retirement plan under Internal Revenue Code Section 457 for employees, through MissionSquare. To be eligible to participate, the employee must be at least twenty-one (21) years of age, work at least a regular 30-hour per week schedule (0.75 FTE), and have at least one (1) year of service. The District contributes 6% of each eligible employee's base wages to the plan. In addition, employees are permitted to defer a portion of their wages on a tax-sheltered basis until future years, up to IRS-mandated limits. Deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee. Total salaries for the years ended June 30, 2022, 2021, 2020, 2019 and 2018 were \$3,163,688, \$3,068,147, \$2,629,595, \$2,847,840, and \$2,762,347, while covered salaries for the retirement plan were \$2,682,878, \$2,375,917, \$2,364,143, \$2,265,767, and \$1,948,818, respectively. Contributions of \$160,973, \$142,555, \$141,849, \$136,453, and \$116,929 were paid by the District for the years ended June 30, 2022, 2021, 2020, 2019 and 2018, respectively.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District either carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Vermont League of Cities and Towns (VLCT). Based on the coverage provided by the insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2022. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

The District is a member of VLCT and utilizes two of their established insurance trusts: the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 12 - RISK MANAGEMENT (CONTINUED)

practices liability. Members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the program will be terminated with each member assessed their proportionate share of the deficit.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the program will be terminated with each member assessed their proportionate share of the deficit.

The District provides health insurance and other employee insurance benefits to eligible employees by purchasing private coverage through various providers.

NOTE 13 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the District's financial position.

NOTE 14 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 15 - CONCENTRATION

Accounts receivable from one customer accounted for approximately 43%, 61%, 43% and 46% of the total accounts receivable balance reported as of June 30, 2022, 2021, 2020 and 2019, respectively.

CHITTENDEN SOLID WASTE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 16 - SUBSEQUENT EVENT

On November 16, 2022 the District entered into a lease agreement with the City of South Burlington for office space for annual rental of \$100,200 (adjusted annually) to be paid monthly starting February 15, 2023. The lease term is for five years and three months with an option to extend for five additional years.

NOTE 17 - RESTATEMENT

During fiscal year 2022, the District determined that certain transactions were incorrectly posted or omitted. This resulted in the restatement of the capital assets and accumulated depreciation beginning balances and the beginning net position for business-type activities. The net capital assets beginning balance increased by \$705,527 from \$13,017,518 to \$13,723,045. The current liabilities increased by \$65,344 and reduced net position by the same amount.

The impact of these restatements on the business-type activities net position was an increase of \$640,183 from \$25,152,648 to \$25,792,831.



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Chittenden Solid Waste District
Williston, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Chittenden Solid Waste District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Chittenden Solid Waste District's basic financial statements and have issued our report thereon dated May 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chittenden Solid Waste District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chittenden Solid Waste District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chittenden Solid Waste District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chittenden Solid Waste District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Chittenden Solid Waste District in a separate letter dated April 3, 2023.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
May 15, 2023

To: Board of Commissioners
From: Nola Ricci, Director of Finance
Date: June 8, 2023
RE: Fiscal Year 2023 July-March Financials (Q3)

In Fiscal Year 2023, Managers are working to divide their budgets month-to-month rather than spread expenses across the total annual budget to better reflect actual or anticipated spends. This is helping Management continue to improve our processes and provide a more realistic budget to actual performance each quarter. As we analyze and compare budget to actual throughout the fiscal year, we will consider modifying the quarterly view of the budget to become more aligned with monthly expectations. There will always be some discrepancy in variance reporting, as not all activities occur within the expected month and not all invoices (payables) are received in a timely fashion. CSWD's practice is to pay invoices within 15 days of receipt upon confirmation of the budget manager. Our policy states that we pay net30.

SOURCE OF REVENUE REVIEW

Revenue for Chittenden Solid Waste District is derived from three primary and several ancillary sources. The largest source of income is Tipping Fees, named for when haulers literally tip their material out of their trucks at the Material Recovery Facility or the Organics Diversion Facility. Tip fees also encompass fees paid by customers for the material collected and managed at the Drop Off Centers. We have begun to segregate revenue associated with Special Waste (tires, construction, scrap metal, textiles) and internally report it as a subset of DOC tipping fees to better highlight tip fees from "everyday" materials like bagged trash, recycling, and food scraps. This will aid us in our analysis of DOC fees to ensure that we are covering the operating and capital costs of the program through the fees generated.

Another significant source of income is from the Solid Waste Management Fee. As established by the Solid Waste Management Ordinance the Chittenden Solid Waste District imposes a fee of \$27/ton on trash generated in Chittenden County and disposed at the landfill in Coventry. This revenue supports District administrative functions as well as supporting, and at times subsidizing, the costs of regulating, licensing and enforcing the permissible management of solid waste within the district.

A third primary source of income is through the Sale of Material which includes MRF sorted recycled material, compost and compost products, and recycled paint as associated with our

inventory. Other materials sold include scrap metal, batteries, bins and containers and other miscellaneous material.

Additional ancillary revenue sources are generated through the contracted management of biosolids, license fees, hazardous waste collection, rent, product stewardship reimbursements, grants and interest as generated through cash management.

Q3 HIGHLIGHTS

Revenue

Based on the actual net income from the first, second and third quarter of fiscal year 2023, CSWD is meeting budgetary goals. Income is currently with higher than expectations. Recycled material sales are budgeted monthly at the expected average commodity revenue (ACR). By the end of the second quarter, sales were just below budget at 93.10%. Throughout the year, the ACR fluctuates with market demand and routinely begins to decrease by the second quarter, before picking up again mid-way into Q3.

Expenses

Expenses are costs associated with the operation, communication, and administration of CSWD.

Cost of Goods Sold are commodities directly related to the sale of material from recycled material, compost, paint and bins & containers (an example is the sand we purchase to add to our compost to produce topsoil). Often these materials are purchased in advance of sales and held at their corresponding facility. At the end of each fiscal year these sellable items are counted and included in the inventory totals as listed on the balance sheet. At the end of fiscal year 2022, CSWD had just over \$400k in material held for sale. As seasonal production winds down and inventory continues to be available, CSWD typically sees a reduction in the purchases of cost of good sold as inventory already available for sale is used in place of new purchases. Organics has begun purchasing goods for production and expected to continue through Q4 as supply demands.

Payroll Expenses include both wages and benefits paid to staff. At the end of Q3 payroll expenses were as expected. Travel & Training, Administrative Costs, and Professional Fees are all under the expected value by approximately 50%. Travel & Training and expected to increase in Q4. Equipment & Fleet and Supplies are below expectation and will be evaluated in Q4 to ensure CSWD property is properly maintained and equipped. Materials Management and

Property Management are approximately at expected values and will remain through Q4. Promotion & Education is expected to increase in the last fiscal quarter. Community Support is significantly under budget, but this typically sees seasonal increases in the fourth quarter of the fiscal year.

Balance Sheet

The Balance Sheet includes CSWD Assets, Liabilities and Equity.

Cash & Cash Equivalents include monies in checking and money market accounts. These are currently in excess of our daily operational needs and may be available for short-term investments. Finance staff is conducting a cash needs analysis to provide the Investment Committee with additional information regarding short-term investments. CSWD staff encourages Commissioners interested in this topic attend Investment Committee meetings.

Accounts Receivable are monies outstanding on account by customers and expected to be received within 60 days. Thanks to the efforts of our Accounts Receivable Specialist, delinquent accounts are not ordinary, and most customers pay within 30 days. Other current assets include prepaid expenses (costs paid in advance), inventory (as discussed above), and the security deposit. The Paint Depot has completed their transition back into the Environmental Depot building and we have received the return of the security deposit.

Fixed Assets include both assets in use and those in progress (or under construction).

Current Liabilities are costs to be paid within one year, most include those associated with bills, payroll taxes, benefits due, and sales tax. Post Closure Payable-Current, the amount expected to be due to the Closed Landfill within the year, will be adjusted upon discussion with the auditors. Unearned Revenue is primarily the amount received for the MOU with the City of Burlington. As some of the funds were issued as income in previous years (approximately \$34,000), we expect this to be adjusted upon discussion with the auditors.

Long Term Liabilities include any liability whose due date exceeds one year, including the Post Closure noncurrent Payable and Compensated Absences Payable (CAP). The CAP is a calculation of paid time off that is available for use now or in future fiscal years.



ADMINISTRATIVE OFFICE

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Equity includes the balances of our Reserve accounts and our Investment in Capital Assets. As presented to the Board in previous meetings, the Landfill Post Closure Reserve and Biosolids Reserve have been redesignated as Restricted Funds. With the exception of the Undesignated Fund, all other reserves are designated and not restricted.

CSWD continues to practice within the approved budget and maintains a positive going concern by preserving the resources needed to continue operating. Cash & Cash Equivalents remain in excess of current liabilities. Reserve accounts are designated appropriately to secure future financing needs.

Chittenden Solid Waste District

Budget vs. Actual

From Jul 2022 to Mar 2023

	Actual Amount	Budget Amount	Amount Over Budget	% of Budget
Income				
Tipping Fees	\$4,363,701.39	\$4,733,232.44	(\$369,531.05)	92.19%
Special Materials	\$52,229.84	\$44,250.00	\$7,979.84	118.03%
Hazardous Waste	\$67,579.50	\$51,000.03	\$16,579.47	132.51%
Biosolids	\$985,807.38	\$959,577.75	\$26,229.63	102.73%
Solid Waste Management	\$2,538,431.22	\$2,536,312.50	\$2,118.72	100.08%
Sale of Materials	\$1,395,217.51	\$1,632,578.59	(\$237,361.08)	85.46%
License Fees, Fines & Penalties	\$15,077.80	\$14,910.00	\$167.80	101.13%
Rental	\$54,750.00	\$53,550.00	\$1,200.00	102.24%
Product Stewardship & Reimbursement	\$128,592.51	\$142,899.97	(\$14,307.46)	89.99%
Interest, Dividends	\$113,659.68	\$1,500.03	\$112,159.65	7,577.16%
Equipment Sale/Trade	\$4,735.98	\$0.00	\$4,735.98	0.00%
Other Income	\$162.03	\$0.00	\$162.03	0.00%
Total Income	\$9,719,944.84	\$10,169,811.31	(\$449,866.47)	95.58%
Cost Of Goods				
Organics Cost of Goods Sold	\$89,468.42	\$94,667.06	(\$5,198.64)	94.51%
Bins & Containers	\$0.00	\$14,600.25	(\$14,600.25)	0.00%
Paint	\$12,695.00	\$14,000.00	(\$1,305.00)	90.68%
Total Cost Of Goods	\$102,163.42	\$123,267.31	(\$21,103.89)	82.88%
Gross Profit	\$9,617,781.42	\$10,046,544.00	(\$428,762.58)	95.73%
Expense				
Payroll Expense				
Salaries & Wages	\$2,349,112.35	\$2,512,686.58	(\$163,574.23)	93.49%
Benefits	\$982,197.22	\$1,112,708.31	(\$130,511.09)	88.27%
Total Payroll Expense	\$3,331,309.57	\$3,625,394.89	(\$294,085.32)	91.89%
Travel & Training	\$36,934.21	\$80,912.78	(\$43,978.57)	45.65%
Administrative Costs	\$28,611.11	\$90,506.48	(\$61,895.37)	31.61%
Professional Fees	\$93,406.88	\$275,741.22	(\$182,334.34)	33.87%
Equipment & Fleet	\$461,710.25	\$586,412.37	(\$124,702.12)	78.73%
Supplies	\$54,442.20	\$97,117.28	(\$42,675.08)	56.06%
Materials Management	\$4,152,384.51	\$4,564,153.98	(\$411,769.47)	90.98%
Property Management	\$420,799.69	\$384,662.27	\$36,137.42	109.39%
Promotion & Education	\$24,122.29	\$169,851.47	(\$145,729.18)	14.20%
Community Support	\$11,873.38	\$84,837.47	(\$72,964.09)	14.00%
Maintenance & Roll Off to Departments	\$385,162.62	\$530,395.35	(\$145,232.73)	72.62%
Total Expense	\$9,000,756.71	\$10,489,985.56	(\$1,489,228.85)	85.80%
Net Ordinary Income	\$617,024.71	(\$443,441.56)	\$1,060,466.27	-139.14%
Other Income and Expenses				
Maintenance Expense Distributed	\$385,162.62	\$0.00	\$385,162.62	0.00%
Transfer Community Clean Up Reserve	(\$11,335.13)	\$71,250.00	(\$82,585.13)	-15.91%
Net Other Income	\$396,497.75	(\$71,250.00)	\$467,747.75	-556.49%
Net Income	\$1,013,522.46	(\$514,691.56)	\$1,528,214.02	-196.92%

Chittenden Solid Waste District

Balance Sheet

Q3 2023 compared to Q4 2022

	As of Mar 2023	As of Jun 2022	Variance	% Variance
ASSETS				
Current Assets				
CASH & CASH EQUIVALENT				
Checking	\$6,086,370.57	\$10,966,041.16	(\$4,879,670.59)	-44.50%
Cash on Hand	\$2,500.00	\$2,550.00	(\$50.00)	-1.96%
Savings & Money Market	\$4,376,722.35	\$4,347,836.52	\$28,885.83	0.66%
Investment	\$4,262,081.56	\$54,591.96	\$4,207,489.60	7,707.16%
Total CASH & CASH EQUIVALENT	\$14,727,674.48	\$15,371,019.64	(\$643,345.16)	-4.19%
Accounts Receivable	\$1,389,276.29	\$1,962,949.71	(\$573,673.42)	-29.23%
Other Current Asset				
Prepaid Assets	\$62,064.59	\$76,325.08	(\$14,260.49)	-18.68%
Inventory	\$404,233.63	\$404,233.63	\$0.00	0.00%
Security Deposit	\$0.00	\$2,000.00	(\$2,000.00)	-100.00%
Total Other Current Asset	\$466,298.22	\$482,558.71	(\$16,260.49)	-3.37%
Total Current Assets	\$16,583,248.99	\$17,816,528.06	(\$1,233,279.07)	-6.92%
Fixed Assets				
Capital Assets	\$26,505,517.63	\$26,505,517.63	\$0.00	0.00%
Accumulated Depreciation	(\$13,111,455.32)	(\$13,111,455.32)	\$0.00	0.00%
Total CAPITAL ASSETS	\$13,394,062.31	\$13,394,062.31	\$0.00	0.00%
Capital Assets in Progress	\$2,834,343.94	\$313,939.62	\$2,520,404.32	802.83%
Total Fixed Assets	\$16,228,406.25	\$13,708,001.93	\$2,520,404.32	18.39%
Total ASSETS	\$32,811,655.24	\$31,524,529.99	\$1,287,125.25	4.08%
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$918,788.26	\$532,327.60	\$386,460.66	72.60%
Credit Card	\$7,177.08	\$4,203.88	\$2,973.20	70.73%
Other Current Liability				
Paint Care Fees	\$69.34	\$0.00	\$69.34	0.00%
Accrued Taxes	\$34.83	\$4,507.77	(\$4,472.94)	-99.23%
Accrued Benefits	\$416.55	\$13,121.95	(\$12,705.40)	-96.83%
Accrued Expenses	\$23,530.53	\$108,224.11	(\$84,693.58)	-78.26%
Current Long Term Liability	\$138,300.58	\$138,300.58	\$0.00	0.00%
UNEARNED REVENUE	\$101,787.84	\$98,060.84	\$3,727.00	3.80%
Total Other Current Liability	\$264,139.67	\$362,215.25	(\$98,075.58)	-27.08%
Total Current Liabilities	\$1,190,105.01	\$898,746.73	\$291,358.28	32.42%
Long Term Liabilities				
Post Closure Payable - noncurrent	\$378,379.37	\$378,379.37	\$0.00	0.00%
Total LONG TERM LIABILITY	\$378,379.37	\$378,379.37	\$0.00	0.00%
23611 - Compensated Absences Payable	\$319,099.14	\$319,099.14	\$0.00	0.00%
Total Long Term Liabilities	\$697,478.51	\$697,478.51	\$0.00	0.00%
Equity				
Investment in Capital Assets	\$13,394,062.31	\$13,394,062.31	\$0.00	0.00%
Facilities Closure Reserve	\$1,464,178.31	\$1,464,178.31	\$0.00	0.00%
Solid Waste Management Reserve	\$1,000,000.00	\$1,000,000.00	\$0.00	0.00%
Operating Reserve	\$1,750,000.00	\$1,750,000.00	\$0.00	0.00%
Designated for Capital	\$10,490,751.09	\$10,490,751.09	\$0.00	0.00%
Landfill Post Closure Reserve	\$556,943.36	\$541,943.36	\$15,000.00	2.77%
Biosolids Reserve	\$288,848.68	\$288,848.68	\$0.00	0.00%
Community Cleanup Reserve	\$83,664.87	\$95,000.00	(\$11,335.13)	-11.93%
Undesignated	\$921,855.00	\$936,855.00	(\$15,000.00)	-1.60%
Prior Year Adjustment	(\$39,754.36)	(\$33,334.00)	(\$6,420.36)	19.26%
Net Income	\$1,013,522.46	\$0.00	\$1,013,522.46	0.00%
Total Equity	\$30,924,071.72	\$29,928,304.75	\$995,766.97	3.33%
Total Liabilities & Equity	\$32,811,655.24	\$31,524,529.99	\$1,287,125.25	4.08%

To: CSWD Board of Commissioners
From: Josh Estey, Director of Compliance and Hazardous Waste
Date: June 22, 2023
RE: Environmental Depot Lease Agreement

On Monday, June 19, 2023, the South Burlington City Council voted, as part of their consent agenda, to authorize the City Manager to execute two amended agreements with CSWD. Those two agreements are as follows:

- 1) Environmental Depot land lease agreement - The original Environmental Depot lease was entered into between the City of South Burlington and CSWD in 2003 and it expired on December 31, 2022. The lease allows CSWD to operate the Environmental Depot on city owned property at 1011 Airport Parkway. The renewed lease would continue the term of the lease to December 31, 2028 and CSWD would hold the option to extend the lease for four successive periods of five years each. The lease terms including the payment of rent and PILOT remain essentially unchanged from the original lease entered into in 2003. Rent will continue to increase annually on July 1 based on the percentage of CPI each year and the PILOT will be based on the annual tax rate.
- 2) Pump Station lease agreement - The Pump Station lease was originally entered into between the City of South Burlington and CSWD in 2004. The lease relates to a sewage pump station and associated equipment owned by CSWD and installed for the purpose of servicing the Environmental Depot. The city leases the pump station in order to maintain it and to access its electrical service so the city can provide power to an adjacent city-owned drain and pump station servicing the adjacent landfill. Pursuant to the lease, the city has access to the electrical service, will maintain the pump station, will pay for electrical usage, and pay \$1.00 to CSWD annually. With the extension, the term will be extended to December 31, 2028 and the city will have the option of extending the term for four successive period of five years each. All other terms of the original lease will remain in effect.

BE IT RESOLVED that the Board of Commissioners hereby authorizes the Executive Director to execute both of the above-mentioned agreements with the City of South Burlington on behalf of CSWD.

AMENDED AND RESTATED LEASE AGREEMENT

This AMENDED AND RESTATED LEASE AGREEMENT (“Lease”) made effective as of the 1st day of June, 2023 (the “Effective Date”), is by and between the CHITTENDEN SOLID WASTE DISTRICT, a union municipal district duly organized under the laws of Vermont, having an address of 19 Gregory Drive, Suite 204, South Burlington, Vermont 05403 (“District”) and the CITY OF SOUTH BURLINGTON, a municipal corporation duly organized under the laws of the State of Vermont, having an address of 180 Market Street, South Burlington, Vermont 05403 (the “City” or “South Burlington”).

WHEREAS, South Burlington and the District entered into a lease agreement dated April 19, 1993, whereby South Burlington leased the District land for the purpose of constructing and operating a Biosolids Processing Facility.

WHEREAS, the Biosolids Processing Facility was constructed and operated for a period of time before being shut down and permanently closed, leaving the District with an unused building located on the land leased from South Burlington;

WHEREAS, the District and the City terminated such prior lease for the Biosolids Processing Facility and simultaneously entered into a new Lease Agreement dated as of January 1, 2003, and amended by Amendment to Lease Agreement dated on or about May 1, 2015, to allow the District to operate a collection and waste management processing facility, primarily to collect and manage household hazardous waste;

WHEREAS, such Lease Agreement has terminated and the District and the City desire to amend and restate such lease to extend the term of such Lease Agreement and make other modifications to such lease.

NOW THEREFORE, the District and South Burlington, for good and valuable consideration, the receipt and sufficiency of which are both hereby acknowledged, agree as follows:

1. Agreement to Lease. South Burlington hereby leases to the District, and the District hereby takes and rents from South Burlington, the Leased Premises (as such term is defined herein), upon, in accordance with, and subject to the terms and conditions hereinafter set forth.

2. Leased Premises. The Leased Premises consist of approximately 3.2 acres of land located behind the existing South Burlington Wastewater Treatment Plant and adjacent to South Burlington’s existing landfill, at Airport Parkway, South Burlington, Vermont, being depicted on the site plan attached hereto as Attachment A and made a part hereof, together with all easement rights and rights-of-way over adjacent lands of South Burlington for purposes including, but not limited to, access, water, sewer, and other utility easements and rights of-way.

3. Facility Description. CSWD will operate an Environmental Depot (“Depot”) on the Leased Premises. This program will accept hazardous waste from households and very small quantity generators (VSQGs, and also known as conditionally exempt generators or CEG).

The definition of VSQGS:

A Very Small Quantity Generator (VSQGs) is a business that:

- (1) generates less than 220 pounds of hazardous waste in a calendar month; and
- (2) generates less than 2.2 pounds of acutely hazardous waste in a calendar month;
and
- (3) generates less than 220 pounds of any residue or contaminated soil, waste, or other debris resulting from the cleanup of a discharge of any acutely hazardous waste in a calendar month; and
- (4) accumulate less than 2,200 pounds of hazardous waste, 2.2 pounds of acutely hazardous waste, or 220 pounds of any residue or contaminated soil, waste, or other debris resulting from the cleanup of a discharge of any acutely hazardous waste at any time.

CSWD will collect the material, sort it according to the physical properties/chemical characteristics, store it in appropriate containers in an approved facility, pack the material for transport, and have material transported to approved reuse, recycling, or disposal facilities. The District will operate the Environmental Depot as stated in the “Environmental Depot Operations Manual” (EDOM) - Appendix 1. The District will immediately notify in writing both the Vermont Department of Environmental Conservation (DEC) and the South Burlington City Manager of any changes to the EDOM. The changes will take effect thirty (30) days after notification unless the changes are disapproved by either the Vermont DEC or by the South Burlington City Manager or his/her designee.

CSWD may also accept at the Depot architectural paint, electronics covered in the CSWD E-cycles program, and mercury-containing bulbs (such as fluorescent light bulbs).

4. Materials Accepted. CSWD will only accept those materials at the Environmental Depot that are listed in the Vermont Agency of Natural Resources (ANR) Solid Waste Management Certification for the Depot (sometimes referred to as a Vermont Act 78 Permit), Attachment B as amended. The specific material types, the total weight of each material type, and the maximum number of containers permitted under this agreement are found in Appendix 2 “Materials Collected.” Appendix 2 shall be the controlling document as to the materials permitted. CSWD will not knowingly accept explosives, radioactive materials, sharps, or needles or any medical waste at the Depot.

Any changes to the “Materials Collected” list will not occur unless preapproved by both the Vermont DEC, if approval is required under applicable permits, and the South Burlington City Manager.

5. Initial Term. The initial term of this Lease commenced on January 1, 2003 (“Commencement Date”) and, after several extension, terminated on December 31, 2022, with the parties continuing such Lease term through the Effective Date (the “First Term”). The District and South Burlington hereby extend the term of the Lease to December 31, 2028 (the “Term”).

6. Extensions of Term. The District may, at its sole option, extend the Term of this Lease for a minimum of four successive periods of five years each. The option to extend shall be exercised automatically unless the District gives written notice to South Burlington not more than twelve (12) months and not less than three (3) months prior to the expiration of the then existing term that it no longer desires to extend and continue this Lease. Each extended term shall be upon the same terms, covenants, and conditions, as provided in this Lease for the initial term with the exception of rents and fees noted in section 7(a).

7. Rent and Fees.

(a) The District has paid rent through June 30, 2023. During the Term, the District shall pay to South Burlington an annual fixed rent (“Rent”) at the rate of \$16,367.08 per year, payable in equal quarterly installments in the amount of \$4,091.77, commencing as of the Effective Date and continuing quarter-annually thereafter. Quarterly payments shall be due September 1 (for the period July through September), November 1 (for the period October through December), January 1 (for the period January through March), and April 1 (for the period April through June).

The annual fixed rent will change annually on July 1 of each year that this Agreement is in effect by the percentage increase in the annualized average (ending with the month of May) of the Consumer Price Index for All Urban Consumers (CPI-U) all items, “Northeast Urban, Size B/C”, published by the United States Department of Labor, Bureau of Labor Statistics.

(b) During the First Term, the District has paid to South Burlington an annual Payment in Lieu of Taxes (“PILOT”), payable in advance on the same dates that Rent is due, in equal quarterly installments, calculated annually as \$3,000 multiplied by the South Burlington combined City and School tax rate. Commencing on the Effective Date, the District shall continue to make such PILOT to South Burlington, payable in advance on the same dates that Rent is due, in equal quarterly installments, calculated annually as \$3,000 multiplied by the South Burlington combined City and State Education tax rate. As of the Effective Date, such tax rate is \$1.9176 resulting in current quarterly payments of \$1,438.20, to be paid with the quarterly installments of Rent.

8. Permits.

(a) The District will obtain and maintain all permits and approvals required for the construction and operation of all improvements and modifications to the Leased Premises as required by law.

(b) The District shall pay all permit application fees and applicable fees levied by South Burlington in their normal course of business.

(c) South Burlington shall assist and support the District in obtaining permits and approvals required for the construction and operation of all improvements and modifications to the Leased Premises in compliance with permitted uses. If necessary, South Burlington, as the land owner, shall be the applicant on applications for permits, and the District shall be co-applicant. CSWD shall bear any and all permit application costs.

9. Traffic. Except as provided below, traffic at the facility will be limited to a 30-day monthly average of forty (40) customer visits/day and one hundred thirty (130) customer visits maximum per day. If either limit is exceeded, the District will notify the City. The City shall have the option following its receipt of said notification to allow such increase in the traffic limits or to request that the District make changes to the operations of the Environmental Depot to alleviate traffic. The parties contemplate that such changes might include, by way of example only, an alteration in operating hours, an increase in the use of the Rover or any other change that will reduce the traffic. If the City requests changes to alleviate traffic, the District shall file a plan with the City within sixty (60) days of receiving the request for changes. If the City does not consent to the changes, which consent shall not be unreasonably withheld, the parties shall submit the disputed traffic issues to an impartial arbitrator agreed to by the parties. If the parties cannot agree to an arbitrator, they each shall choose an arbitrator and these arbitrators shall choose a third arbitrator. These three arbitrators shall then hear the dispute. The parties shall split the cost of arbitration. Prior to the arbitration hearing, the parties shall each notify the other of a proposed plan to alleviate traffic. If the dispute is not resolved prior to the hearing, the parties shall present their respective plans to the arbitrator or arbitration panel. The arbitrator or arbitration panel shall be required to select the plan submitted by one of the parties, without modification. The arbitrator or arbitration panel shall make such selection based on the following criteria:

(a) The traffic limits established in this agreement and the impact of such traffic on highway traffic existing at the commencement of this agreement;

(b) The extent to which traffic generated by the Depot at the time of the arbitration has imposed an increased burden on highway traffic beyond that existing at the commencement of this agreement; and

(c) The extent to which the plans submitted by the parties reduce the burden on highway traffic created by the Depot to levels comparable to that existing at the commencement of this agreement.

At each extension of term, the district may request that the traffic limits be increased in direct proportion to the population in Chittenden County if the District can demonstrate that the increased traffic will have no significant impact on adjacent neighborhoods streets. Upon upgrade of the weight limitations on the Lime Kiln bridge, all trucks greater than 24,000 gross vehicle weight will use that route as the sole route both to and from the Environmental Depot.

10. Repairs and Maintenance. The District shall, at its own cost and expense, at all times maintain the Leased Premises in good order, repair, and condition; damage by fire or casualty only exempted.

11 Property. All of the District's buildings, structures, improvements, equipment, fixtures, and other personal property of every kind in or upon the Leased Premises ("Property") shall remain the property of the District during the term of this Lease. At the end of the useful life of the Property or upon termination or expiration of the Lease, the District may sell, remove, or dispose of all Property from the Leased Premises unless other suitable arrangements are made with South Burlington. At this time, upon request of South Burlington, the District shall return the property to conditions that existed prior to the construction of the Biosolids Processing Facility; reasonable wear and tear excepted.

12. Subletting and Assignment. Without South Burlington's prior consent, the District shall not assign or sublease its rights to the Leased Premises.

13. RESERVED.

14. Quiet Enjoyment. The District shall quietly have and enjoy the Leased Premises during the term of this Lease.

15. Indemnification. The District indemnifies and holds South Burlington harmless from and against all loss, cost, damage, liability, and expense, including reasonable attorneys' fees, arising from injury or death of any person or damage to property resulting from or attributable to the District's use of the Leased Premises, including but not limited to injury or death of any person or damage to property caused by environmental contamination, except for loss, cost, damage, liability, or expense which results from negligent acts or omissions or willful misconduct of South Burlington officers, employees, or agents. This indemnification shall survive the termination of this Lease.

16. Insurance. The District shall keep in force at its expense comprehensive liability insurance insuring the Leased Premises and the Property from an insurance company selected by the District. At the District's option, all or any part of such insurance may be maintained by the District under insurance policies covering multiple properties. As a minimum, the District shall provide, at its own cost and expense, throughout the term of this agreement, the following insurance with insurers recognized by the State of Vermont as "ADMITTED" NON-SURPLUS LINES insurers. Proof of coverage is to be provided by contract via industry standard certificates of insurance.

(a) Commercial General Liability insurance covering all premises and operations addressed within the Lease:

General Aggregate Limit	\$3,000,000
Products/Completed Operations	\$2,000,000
Personal Injury	\$2,000,000
Each Occurrence Limit	\$3,000,000
Fire Damage Liability	\$10,000,000

Medical Expense Limit

\$15,000

Liability coverage is to include (certification verification required):

- (i) contract liability
 - (ii) aggregate limits of insurance (per project)
- (b) Business Auto insurance covering all District owned, non-owned, and hired vehicles, with minimum limits of liability of \$2,000,000 combined single limit.
- (c) Workers' compensation insurance as required by Vermont statute.

17. Security. The District shall maintain all signs and gates, including the entrance gate. The District shall secure the entrance gate and all buildings during hours the facility is closed to the public. The District may use the scale located onsite for District business during times when the facility is not open to the public.

18. Facility Log. The District shall maintain a log of any unusual events or violations of procedures outlined in the Environmental Depot Operations Manual or the ANR Solid Waste Management Certification (Act 78 permit) for the Depot. Such log will be available, as required by law, for public inspection during normal business hours.

19. Events of Default. The following shall constitute Events of Default:

(a) The District fails to pay when due Rent or PILOT and such failure continues for a period of ten (10) days after the date the District receives a notice from South Burlington specifying such failure.

(b) The District fails to comply within thirty (30) days' notice with any of the District's obligations in this Lease including violations of the procedures set out in the Environmental Depot Operations Manual. If such default is susceptible to cure, the District may request reasonable additional time as may be necessary to cure the default. Four (4) such failures within any twelve-month period shall constitute immediate grounds for the default of this Lease.

(c) The District becomes insolvent or otherwise unable to pay its debts as they become due; or a receiver, trustee, or other officer shall be appointed to take charge of all or any substantial part of the assets of the District; or a petition is filed by or against the District under any bankruptcy, insolvency, or other law relating to the relief or adjustment of indebtedness of debtors and is not dismissed within ninety (90) days of the date of filing.

(d) The District is not in compliance with its Solid Waste Management Certification from ANR for the Environmental Depot or the Environmental Depot Operations Manual after receiving a "notice of alleged violation" and not rectifying the situation within thirty (30) days.

20. South Burlington Remedies. This Lease is made on the condition that if an Event of Default occurs, South Burlington may immediately or at any time thereafter exercise one or more of the following remedies, consecutively or simultaneously, without notice or demand:

(a) South Burlington may bring suit for damages or specific performance for the collection of unpaid Rent, the PILOT, or other fees (less any amounts South Burlington may receive upon reletting the Leased Premises) or the performance of any of the District's obligations, all either with or without entering into possession or terminating this Lease;

(b) For defaults listed in 19 (a), (b), or (c), South Burlington may give the District a notice terminating this Lease on a date not less than thirty (30) business days after South Burlington gives such notice, and upon such date this Lease shall terminate and all rights of the District shall cease without further notice or lapse of time. Upon termination of this Lease, the District shall surrender the Leased Premises to South Burlington. Upon surrender by the District, South Burlington shall use reasonable efforts to mitigate the District's losses.

(c) For default listed in 19 (b) or (d), South Burlington may have the District close the facility to the public and accept no further material until Default described in 19 (b) or (d) is rectified. Additionally, if the South Burlington Health Officer, within his or her professional judgment, determines that conditions exist at the Environmental Depot that puts the community at an unacceptable risk, then he or she may declare an emergency situation and have the District cease accepting materials and properly dispose of certain materials creating the unacceptable risk. The District shall have such rights of petition and appeal as provided under 18 V.S.A. § 127 and 128. The emergency order will be lifted when it is determined by the South Burlington Health Officer or South Burlington Board of Health that the situation causing the risk is corrected.

(d) South Burlington may exercise such other rights and remedies as it may have at law or in equity including, but not limited to, placing a lien on the Leased Premises and Property.

21. Miscellaneous

(a) The District and South Burlington hereby agree to take or cause to be taken such further actions and to execute, deliver, and record or cause to be executed, delivered, and recorded such further documents and instruments as may be reasonably requested by the other in order fully to effectuate the purposes, terms, and conditions of this Lease.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont and may be canceled, modified, or amended only by a written instrument executed by both the District and South Burlington.

(c) Any notice given hereunder shall be deemed duly given when mailed by registered or certified mail, return receipt requested, postage and registration or certification charges prepaid, addressed to the parties' respective addresses stated on the first page hereof, except that either party may by written notice to the other designate another address which shall thereupon become the effective address of such party for the purposes of this clause.

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) The headings for the various provisions of this Lease are used only as a matter of convenience for reference and are not to be considered a part of this Lease or to be used in determining the intent of the parties to this Lease.

(f) This Lease represents the entire agreement of the parties with respect to the Leased Premises, and all prior offers, negotiations, and representations not herein expressly contained shall be of no force and effect.

(g) This Lease shall be executed in recordable form and recorded, at the District's cost, in the City of South Burlington land records.

IN WITNESS WHEREOF, the parties hereto through their duly authorized agents have executed this Lease Agreement as of the day and year first written above.

IN WITNESS WHEREOF

CITY OF SOUTH BURLINGTON

By: _____
Jessie Baker, City Manager

IN WITNESS WHEREOF

CHITTENDEN SOLID WASTE DISTRICT

By: _____
Sarah Reeves, Executive Director

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At South Burlington, in said County and State, this ____ day pf _____, 2023, personally appeared Jessie Baker, duly Authorized Agent of the City of South Burlington, and she acknowledged this instrument by her signed to be her free act and deed and the free act and deed of said City of South Burlington.

Before me, _____
Notary Public
My commission expires:

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At South Burlington, in said County and State, this ____ day pf _____, 2023,
personally appeared Sarah Reeves, duly Authorized Agent of the Chittenden Solid Waste
District, and she acknowledged this instrument by him signed to be her free act and deed and the
free act and deed of said District.

Before me, _____
Notary Public
My commission expires:

List of Attachments

Attachment A	Site Plan
Attachment B	Solid Waste Management Certification (Act 78 Permit)
Appendix 1	Environmental Depot Operations Manual
Appendix 2	Materials Collected

EXTENSION OF PUMP STATION LEASE AGREEMENT

This Extension of Pump Station Lease Agreement (the “Agreement”) , entered into as of the ____ day of June, 2023 is by and between the CHITTENDEN SOLID WASTE DISTRICT, a union municipal district duly organized under the laws of Vermont, having an address of 19 Gregory Drive, Suite 204, South Burlington, Vermont 05403 (“District”) and the CITY OF SOUTH BURLINGTON, a municipal corporation duly organized under the laws of the State of Vermont, having an address of 180 Market Street , South Burlington, Vermont 05403 (“South Burlington”).

WHEREAS, the District and South Burlington entered into the Pump Station Lease Agreement dated as of December 21, 2004 (the “Pump Station Lease Agreement”);

WHEREAS, the Pump Station Lease Agreement provides for the leasing by the District to South Burlington of certain land and premises consisting of a curtain drain and pump station near the Environmental Depot owned and operated by the District at property the District leases from South Burlington at 1011 Airport Parkway, South Burlington Vermont;

WHEREAS, the District and South Burlington are simultaneously entering into an Amended and Restated Lease Agreement for the property used by the District for the Environmental Depot (the “Environmental Depot Lease”) for an extended term; and

WHEREAS, the District and South Burlington intend to continue the Pump Station Lease Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Extension and Continuation of Lease Term. The District and South Burlington agree to continue and extend the term of the Pump Station Lease Agreement on the same terms and conditions as in the original Pump Station Lease Agreement. The term is hereby extended to December 31, 2028 (the “Term”).

2. Extension of Term. South Burlington may, at its sole option, extend the Term for a minimum of four successive periods of five years each. The option to extend shall be exercised automatically unless South Burlington gives written notice to the District not more than twelve (12) months and not less than three (3) months prior to the expiration of the then existing term that it no longer desires to extend and continue the Term of the Pump Station Lease Agreement. Each extended term shall be upon the same terms, covenants, and conditions, as provided in the Pump Station Lease Agreement. Upon the expiration or termination of the Environmental Depot Lease, the Pump Station Lease Agreement shall terminate.

3. Rent and Covenants. Payment of rent and the covenants and obligations of South Burlington under the Pump Station Lease Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

CHITTENDEN SOLID WASTE DISTRICT

BY: _____
Executive Director

CITY OF SOUTH BURLINGTON

BY: _____
City Manager

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At South Burlington, in said County and State, this ____ day of _____, 2023, personally appeared Sarah Reeves, duly Authorized Agent of the Chittenden Solid Waste District, and she acknowledged this instrument by her signed to be her free act and deed and the free act and deed of said Chittenden Solid Waste District.

Before me, _____
Notary Public
My commission expires:
Commission No.: _____

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At South Burlington, in said County and State, this ____ day of _____, 2023, personally appeared Jessie Baker, duly Authorized Agent of the City of South Burlington, and she acknowledged this instrument by her signed to be her free act and deed and the free act and deed of said City of South Burlington.

Before me, _____
Notary Public
My commission expires:
Commission No.: _____

To: Board of Commissioners
From: Dan Goossen, Director of Organics Recycling
Date: June 28, 2023
RE: ORF Star Screener Procurement

The CSWD Organics Recovery Facility has shifted from a three-screener operation to a two screener operation in recent years. The Doppstadt trommel (barrel drum-type) screener handles our large film plastic removal during pre-screening as well as size reduction for some of the soil blend components. The primary screener for finished compost is a star-type screener which allows processing even during periods of wet weather and is capable of the large volume throughput required to stay ahead of the curve year-round. The 2012 Komptech L3 star screener was purchased as a 3-year old machine in 2015 and has performed well, but is due for replacement.

Staff issued RFP No. 20230522 for a compost star screener. RFP No. 20230522 – ORF Star Screener Procurement was posted online to the VT Business Registry and was also emailed to three regional vendors:

- Timber Ridge Equipment, Ephrata, PA
- Simplicity Equipment and Service, Westfield, MA
- Ecoverse, Avon, OH

Vendor Name	Timber Ridge Equipment	Simplicity Equipment	Simplicity Equipment	Simplicity Equipment	Simplicity Equipment
Make/Model Proposed	2024 Eggersmann S60 Star Select	2023 Komptech XXL-2-KP	2022 Komptech XL3KP	2023 Komptech XL3KP	2022 Komptech XL3KP (Used, 300 hrs)
Total with trade-in	\$530,000	\$619,000	\$686,000	\$697,000	\$649,000
Bid Selection Score					
Total Score	9.2	7.5	6.1	5.6	6.6

The bid selection criteria were based on the following:

- Delivery Schedule
- Thoroughness of Proposal
- Quality of Service and Maintenance
- Total Bid Cost

Five total bids were received from two different vendors. Upon review of the bids, the Timber Ridge Equipment, Eggersmann Star Select S60 was the lowest cost and also achieved the highest rating due to all criteria with the exception of delivery schedule. Though CSWD has not previously purchased equipment from Timber Ridge Equipment, staff have visited the facility, met with the owners and technicians and have received many references citing exceptional service from other composters and

equipment manufacturers who have long-standing business with them. The Eggersmann lead time is March of 2024 pending completion of an order in July.

Staff is recommending the purchase of the Eggersmann Star Select S60 as all functional requirements are met with the bid, service is known to be superior, and for substantial cost savings compared to other received bids. The approved CSWD FY24 ORF Capital Budget has \$750,000 identified for the purchase of a star screener. Staff is requesting a purchase authorization of the Eggersmann Star Select S60 plus supporting options, equipment, and electrical installation for a total not to exceed \$615,000. The District will not pay for the equipment until received and inspected by staff in March of FY24, or in early FY24 in the case of the buckets and stacking conveyor.

Eggersmann Star Select S60 base machine	\$585,000
Trade-in value for 2012 Komptech L3 screener	(\$55,000)
Remote Control Option	\$8,000
Base price less trade-in plus remote	\$538,000
6cy Roll-out bucket	\$25,525
4cy bucket	\$12,575
Total loader buckets request	\$38,100
30"x40' pit portable radial stacking conveyor	\$26,050
Estimated electrical connections, wiring, cable	\$10,000
Grand Total	\$612,150

Multiple vendors were contacted for pricing on the supporting equipment included with the screener purchase. Staff requests the addition of the optional remote package to allow for uninterrupted processing and safer operations. A 6 cubic yard roll-out bucket is being added to enable loading the screener without the need for an incline ramp. This will facilitate simplified machine removal to facilitate regular maintenance. For further efficiency gains, staff would like to add a 4 cubic yard bucket for use by the loaders currently using 2.75 cubic yards. A 30" x 40' electrically driven stacking conveyor is requested for conveying the "mids" fraction coming off the new screen to allow for more efficient material handling. Finally, a small amount of additional electrical installation work will be required to wire in the new screener as well as the stacking conveyor.

Staff requests including the purchase of a 6 cubic yard roll-out bucket as well as a 4 cubic yard bucket from United Construction and Equipment of Williston, VT for a combined purchase price not to exceed \$38,100 as well as purchase authorization for a 30" x 40' stacking conveyor from Custom Conveyors & Fabrication of North Oxford, MA for an amount not to exceed \$26,050.

BE IT RESOLVED that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement for the purchase of an Eggersmann Star Select S60 compost screener with Timber Ridge Equipment, Ephrata, PA, for a total not to exceed \$538,000. Total project cost including installation and additional equipment shall not exceed \$615,000.

#5.1

To: Board of Commissioners
From: Sarah Reeves, Executive Director
Date: June 23, 2023
RE: MOU Extension, City of Burlington

In 2001, CSWD purchased two parcels of property in the south end of the City of Burlington, 195 and 201 Flynn Avenue, for the purpose of constructing a future Drop-Off Center. The plan at the time was to temporarily operate a DOC on city-owned property on Pine Street, and when Burlington completed the Champlain Parkway, CSWD would sell the Flynn Avenue property to the City of Burlington and would then construct a permanent DOC at the Flynn Ave location. The Champlain Parkway project is now underway, 22 years later.

In 2015, CSWD and the City of Burlington began discussions regarding the disposition of the Flynn Ave parcels. In 2016, the parties entered into a Memorandum of Understanding which outlined a process to develop a Lease-Purchase Agreement for the city to buy the parcels from CSWD. The MOU expired in 2019. A second MOU was authorized, expired in 2021, and was subsequently extended twice. The second extension of the second MOU expires June 30, 2023. The City has asked to extend the second MOU a third time, to September 30, 2023. The third extension is a "Restated" version of the MOU, which removes the option payments for the duration of the extension. The restated version is attached (6.2). The Burlington City Council approved the extension at their June 19, 2023 meeting.

As negotiations towards a Purchase and Sales Agreement have proceeded in good faith, I am recommending authorizing the third extension. For additional background information, please see the memo to the Burlington City Council and CSWD Board of Commissioners, dated November 11, 2022 (6.3, attached).

BE IT RESOLVED, The Board of Commissioners authorizes the Executive Director to extend the second Memorandum of Understanding with the City of Burlington for a third extension, to expire September 30, 2023.

**THIRD EXTENSION
TO THE
AMENDED AND RESTATED
SECOND MEMORANDUM OF UNDERSTANDING
BETWEEN
CHITTENDEN SOLID WASTE DISTRICT
AND
THE CITY OF BURLINGTON**

This Third Extension Agreement is made by and between the Chittenden Solid Waste District (“District”) and the City of Burlington (“Burlington”) (the District and Burlington are also referred to as the “Parties,” and each, a “Party”), and is effective as of June __, 2023.

The Parties entered into the Second Memorandum of Understanding in 2019 (the “2nd MOU”) with respect to the development by the District of a Drop-Off Center (DOC) in the City of Burlington, and the potential lease-purchase of parcels on Flynn Avenue identified collectively as the Premises. The District and Burlington have continued good faith discussions with respect to the development by the District of a DOC within the City of Burlington, and wish to further extend the term of the 2nd MOU in order to allow the District leave to obtain a professional assessment of the valuation of the Premises, in furtherance of agreement on a purchase price and other material terms for the outright sale of the Premises to Burlington by the District.

The discussions have and will continue to take into account the interests of the respective communities and constituents of the Parties, development on Flynn Avenue, the advancement of the Champlain Parkway, the Railroad Enterprise Project, as well as the current District DOC at 339 Pine Street.

In furtherance of these mutual goals and in a show of good faith, the Parties twice previously extended the term of the 2nd MOU, first through December 31, 2022 (“First Extension”) and again through June 30, 2023 (“Second Extension”). Now, as these discussions have continued, evolved, and progressed, the Parties agree to further extend the term of the 2nd MOU through September 30, 2023 (“Third Extension”).

The 2nd MOU currently provides for Burlington to make additional Option Payments of \$16,667 for each year of the extension of the 2nd MOU and affiliated Option. However, in a show of good faith towards negotiation of a purchase and sale agreement for the Premises, as of the Effective Date of this Third Extension through September 30, 2023, the District hereby agrees to waive and disclaim any further option payments that would otherwise be due under the terms of the 2nd MOU. This shall in no way impact Burlington’s compliance with the terms of the 2nd MOU or its ability to exercise the Option for lease-purchase of the Premises for the duration of the term of the 2nd MOU. The Parties agree that Burlington has made all Option Payments as necessary to preserve the lease-purchase option of the Premises through September 30, 2023.

The Parties agree that if the City purchases one or both of the parcels at 195-201 Flynn Avenue, all Option Payments received shall be credited to Burlington's purchase of any parcel of the Premises. In the event the Parties work towards development of 339 Pine Street as a new expanded drop-off center, the City will need land for displaced soil management activities and would need one of the Flynn Avenue parcels for such soil management.

Capitalized terms used herein have the respective meanings given in the 2nd MOU. Unless otherwise indicated in this Third Extension Agreement, all terms and conditions as written in the 2nd MOU remain in full force and effect.

In witness whereof, the parties have extended this Second Extension Agreement effective as of June 30, 2023.

-signature page to follow-

Chittenden Solid Waste District

By: _____
Sarah Reeves
Executive Director

City of Burlington

By: _____
Chapin Spencer
Director of Public Works



#5.3

MEMORANDUM:

TO: Chittenden Solid Waste District Board of Commissioners
Burlington City Council

FR: Sarah Reeves, CSWD General Manager
Chapin Spencer, DPW Director

CC: Lee Perry, DPW Division Director – Maintenance Division
Josh Tyler, CSWD Director of Operations

RE: **195-201 Flynn Avenue MOU and CSWD Drop-Off Center in Burlington**

DATE: November 11, 2022

PROVIDED AS BACKGROUND INFORMATION June 23, 2023

Request:

We are seeking general feedback at this time on a modified proposal to advance the development of a modern, full-service Chittenden Solid Waste District drop-off center in the City of Burlington. If favorably received, we plan to return to the respective bodies at your December 2022 meetings to seek a six month extension on the 2019 Memorandum of Understanding (MOU).

Background:

For over two decades, the City of Burlington's Department of Public Works (DPW) and the Chittenden Solid Waste District (CSWD) have been attempting to resolve a protracted effort to construct a modern, safe, full-service drop off center (DOC) in the City. CSWD has operated a space-constrained and recently-limited DOC at 339 Pine Street for many years as a stop gap measure. In 2001, CSWD purchased 195-201 Flynn Avenue (two adjoining parcels) for the purpose of developing a modern, full-service DOC at that location. Due to uncertainty with the Champlain Parkway and other issues, the DOC development did not advance. In 2015, CSWD informed the City of plans to sell the Flynn Avenue parcels as the DOC development was not proceeding. The City, committed to the DOC concept but needing time to work through Champlain Parkway and other South End considerations, requested the sale of the property be delayed. So in 2016 and 2019, MOUs were approved that preserved an option for the City to purchase the parcels through a lease purchase agreement as long as annual option payments were made. The City has now paid \$100,001.32 in annual option payments.

Burlington DPW and CSWD Management have continued productive discussions regarding the development of a full-service drop off center in the City of Burlington since both parties agreed to

an extension of the second memorandum of understanding in April 2022. Through the dialogue, a modified proposal has emerged. This memorandum lays out the framework of the modified proposal and seeks to gauge the receptivity of the respective governing bodies and understand what key issues may need further consideration before further work is done.

In sum, the modified concept would be to:

- Enter into a purchase and sale agreement to have the City of Burlington purchase 195-201 Flynn Avenue parcel outright – instead of entering into a 20-year lease purchase agreement as contemplated in the 2016 and 2019 MOUs
- Execute a new MOU between the City and CSWD committing each party to make best efforts to locate a full-service CSWD DOC in Burlington, whether at 195-201 Flynn Avenue or 339 Pine Street.

The benefits of this new approach include:

- **Securing a long-term City site for soil and solid waste management.** The current constrained area for soil management at 339 Pine Street will be displaced, at least in part, by the Railyard Enterprise Project. Additionally, if the DOC is determined to be best located at 339 Pine Street, CSWD will be seeking additional space to improve safety and circulation at the site which will also displace soil management activities. The 2016 and 2019 MOUs contemplated scenarios whereby CSWD could revoke the lease purchase agreement (LPA) during the 20 year term – leaving the City with significant uncertainty as to where soil management activities could occur. Furthermore, if the City advances a municipally-operated consolidated collection service for solid waste in the future, it would need a site like this to accommodate the service.
- **Providing funds for the full purchase price up front to CSWD.** The MOU contemplated a 20 year lease purchase agreement with annual City payments to CSWD. City staff are already researching other various borrowing opportunities that would not require CSWD to finance the sale. Funds could therefore be used by CSWD right away for District priorities.
- **Simplifying the 195-201 Flynn Avenue property transfer – from a 20-year lease purchase with various contingencies to a straight forward fee simple transaction.** This approach would enable the parties to work together siting the DOC without directly tying the DOC development project to a complicated and extended land transfer arrangement.
- **Offering both parties flexibility to collectively pursue a DOC at either the 195-201 Flynn Avenue parcel or 339 Pine Street.** The 2016 and 2019 MOUs focused on developing a DOC at the Flynn Avenue site. Given the shifting considerations at both sites, and increased interest among CSWD staff to explore the concept of an expanded presence at 339 Pine Street, both CSWD and DPW management recommend a more flexible MOU going forward.

A pivotal item to be negotiated is the purchase price for 195-201 Flynn Avenue. We have heard from CSWD Commissioners that the proposed \$500,000 lease purchase agreement price in the 2016 and 2019 MOUs is now far below fair market value and is in need of recalibrating upwards. At the same time, we have heard from City leaders that a bargain sale is justified as CSWD's mission is

to support member communities in achieving solid waste management solutions and a number that covers CSWD's original purchase price and subsequent net carrying costs is reasonable - but not have a number that makes a profit at Burlington's expense. We understand these perspectives and believe that through further negotiations between executive staff, and conferring periodically with our respective governing bodies, we can present a proposed purchase and sale agreement for 195-201 Flynn Avenue along with a new proposed MOU for consideration within 6-8 months.

Next Steps:

If both parties indicate a general receptivity to the approach laid out above, we'd propose an additional six-month extension of the Second MOU to June 30, 2023 to give both parties the time to negotiate the terms of the property transfer and the new MOU. We would plan to return to both bodies at the respective December 2022 meetings to approve the six-month extension and provide direction to staff to negotiate terms similar to those described in this memo.

Feedback Welcome:

We hope this briefing and proposed road map is helpful. Feel free to reach out to us with any questions or feedback.

- Sarah Reeves, sreeves@cswd.net
- Chapin Spencer, cspencer@burlingtonvt.gov

TO: Board of Commissioners
 FROM: Sarah Reeves, Executive Director
 DATE: June 23, 2023
 RE: CSWD New Materials Recovery Facility – Equipment Procurement, Re-Award

On January 4, 2022 Staff issued RFP No. 20220104 Single Stream System Design which was posted to the VT Business Registry and sent to four national MRF equipment providers. Four vendors responded to the RFP:

- MachineX Technologies, Plessisville, QC and High Point, NC
- Van Dyk Recycling Solutions (VDRS), Norwalk, CT
- Bulk Handling Systems (BHS), Eugene, OR
- CP Group, San Diego, CA

The base-level system requested in the RFP was for a 25-ton per hour system capable of processing 50,000-70,000 annual tons of blue-bin recyclables using a combination of optical sorting technology, screens, ballistic separation, magnets, and eddy current separation. The RFP required reuse of the District's existing glass clean-up equipment as well as the baler purchased in 2018. Requirements for bale purity, process efficiency, and staffing efficiency were also included in the RFP. Bid Selection Criteria were based on experience of the respondent, understanding of and response to the RFP, and proposal costs.

RFP No. 20220104 Single Stream Design Bid Results				
Vendor	VDRS	BHS	MachineX Tech	CP Group
Total Score (out of 300)	284	254	248	241
Total Cost	\$16,160,000	\$15,560,982	\$17,885,000	\$17,554,548

Based on the scores above, a contingent award was made to Van Dyk Recycling Systems of Norwalk, CT. The equipment cost estimate provided by VDRS did not include air compressors, a critical component of the optical sorting system. The estimate for the system compressors was \$500,000, bringing the system cost to an estimated \$16,660,000. The award was contingent upon CSWD receiving approval from the voters of Chittenden County to finance a bond to pay for the project. Voter approval was received in November 2022. CSWD proceeded to apply to the Vt Municipal Bond Bank for funds, which were approved in March 2023. At that time, we sought to finalize a contract with VDRS and order the system equipment. In April 2023, we were informed by VDRS that the equipment pricing had increased significantly, by as much as \$3,000,000. Reasons given at the time for the increase included the high price of steel and ongoing supply-chain issues.

I instructed Josh Tyler, Director of Operations, to reach out to MachineX and BHS to learn if they were experiencing the same problems. They indicated that they were not, and so I decided to issue an addendum to the RFP, seeking updated pricing from the top three points receivers – VDRS, BHS, and MachineX. The addendum also simplified the scope of the project so that each system was comparable to the other and did not take Options into account. Addendum #2 was issued on May 26, 2023, with responses received June 7, 2023. The evaluation team generated questions for each respondent for additional clarification. Those responses were received June 20, 2023. The results of the evaluation are below:

RFP No. 20220104 Addendum #2 Single Stream Design Bid Results			
Vendor	BHS	VDRS	MachineX Tech
Total Score (out of 300)	299	293	280
Total Cost	\$16,836,383	\$16,898,408	\$16,954,777

Upon a comprehensive review of each revised bid, staff recommends awarding the contract to BHS. The initial response from BHS was the least costly, but the system design included a pneumatic conveyance system for containers, which the evaluation team felt presented too much of a departure from Northeastern MRF operations and we were concerned about the pressure the system would put on the air compressors. However, even give the reservations, the team nearly awarded the initial contract to BHS because the price was excellent, and BHS has an outstanding Artificial Intelligence (AI) system as a base-level component in their designs. The BHS visioning-system is the industry leader in technology. It “sees and learns” better than any competitor and can adapt to changing material mixes. This factor alone was nearly enough to award to BHS the first time around, however VDRS submitted a late (and significant) revision to their system cost which, combined with their local presence in the Northeast, their training facility in CT, the vast inventory of critical spare parts, good reputation, and local access to technicians, led the team to recommend them for award at that time.

The current evaluation team met with BHS in Vermont on June 16, 2023. The redesigned system removed the pneumatic conveyances and replaced them with standard conveyor belts. All other components remained as initially designed. The BHS team re-familiarized us with the visioning system, and we remembered and recognized not only current benefits but the potential for future flexibility as well. This system is the nimblest of the three, in that it is highly adaptable to changes in material mix. BHS has a manufacturing facility in Tennessee and a technician based in Philadelphia. The technician can remote-in to the system to perform diagnostics and troubleshooting. Service call response is comparable to both VDRS and MachineX. BHS’ anticipated installation time was the shortest of the three respondents and can meet CSWD’s desired timeline for facility commissioning.

The new system cost is approximately \$200,000 higher than the initial all-in cost from VDRS, however the revised BHS price is lower than the revised VDRS price. The system cost is still within the overall project estimate. Staff recommends that CSWD enters a contract with Bulk Handling Systems.

BE IT RESOLVED that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement with Bulk Handling Systems of Eugene, OR, for the purchase of a Materials Recovery Facility Single Stream Recycling System as described in their initial and subsequent responses to RFP No. 20220104, including the responses to Addendum #2, for an amount not to exceed \$16,840,000.