



April 20, 2018 Board of Directors Meeting

HIGHLIGHTS



Small Planet News: Recognition of Local Environmental Leaders Making a Difference. Recognition was given to Donna Shore for her work in making the annual Jewish Food Festival a “greener” event. She began by implementing recycling and forming a Green Team. Eight years later, the event now recycles or composts 95% of the material generated. The congregation is working to be zero waste year-round. The Board also recognized Laurie Eavey for drawing attention to the impact of plastic straws in the Marine environment and her work in developing and promoting “No Straw November” which made straws available upon request and choosing paper over plastic. Both were applauded for their efforts.

Preview of Budget for Fiscal Year 2018/19. Director of Finance & Administration Peter Skinner provided the Board with a preview of the budget for FY 2018/19 in an effort provide the Board more time to consider the assumptions and changes prior to the request to approve the Preliminary Budget at the May Board meeting. He provided information on historic and proposed operating metrics, budgeted tonnage, historical tons and fees, and rationale for proposing to increase rates for refuse, yard waste, food waste, and sewage sludge. Even with the increases, the District will continue to have the lowest rates for all materials and would raise the monthly bill by an average monthly rate change of \$0.53. The draft budget projects a positive net income. However, cash flow generated from operations will not cover capital needs and staff is proposing the issuance of \$10M in follow-on bond financing to cover a portion of the projected capital spending. Staff has identified \$16.3M in capital needs for FY18/19 and executing issuance of bonds is likely to result in interest rates at or below the 2015 issuance. Increased revenues from MRF product sales, disposal fees and surplus power sales provide an off-set to increasing costs. Total revenue is projected to increase 25% over last year’s budget to over \$34M. MRF operations are driving an overall Operating Expense increase of 23%. Personnel costs are projected to increase 13% mainly due to additional staffing at the MRF. Director of Finance & Administration stated that although \$10M in additional bonds has been identified in the preliminary budget, District financial advisor believes the District has the potential to be able to secure up to \$30M. Staff would like to explore options and requested Board consensus in pursuing those options. It was recommended that the financial advisor provide information to the Finance Committee on the ability, capability, and feasibility of issuing additional bonds.

Report on Employee Injuries and Property Loss Incidents for Calendar 2017. Safety and Risk Manager Kacey Christie provided the Board with a presentation on the employee injuries and property loss incidents for 2017. Zero injuries. Continued progress was made in 2017 to the District’s Safety Program as part of a continual improvement process towards building & maintaining a high-performance safety-orientated culture supporting the District’s *Pillars of Sustainability*.

Report on Materials Recovery Facility Startup. Director of Operations Tim Brownell provided a brief summary of MRF operations. He noted that initially staff believed the facility would be processing less material and the District was now receiving four times as much as anticipated. He said that the staffing budget has increased due largely to processing single stream materials, although higher revenues will be received. Staff is being trained to process more per minute. He expressed appreciation to staff for their efforts, from management, to HR, to the sorters. He stated that the first two shipments had been sent to China and commented on the material quality issues in light of the recent changes in the acceptance of material, which used to be up to 10% contamination and was now less than 1%.