

## Vernon County Solid Waste/Recycling Committee

### Meeting Minutes

Wednesday, April 9, 2014

The meeting was called to order by Chairman Richardson at 9:30am. Those present included: Brian Richardson, Dennis Brault, John Mitchell, Geoffrey Banta, Hooshang Zeyghami, Bill Meeks, and Gene Edwards. Motion by Banta, with a second from Mitchell, to excuse Ole Yttri from the meeting. Motion carried.

Proper Public Meeting Notice was confirmed.

Motion by Brault, with a second by Mitchell, to approve minutes of the March 12<sup>th</sup> meeting. Motion carried.

#### March Material Volume/Revenue Report

The report was distributed at the meeting. Waste volumes recovered nicely during March—MSW was up 13% above last year and C/D waste was up by 23%. Year to date MSW is now 1% above last year but C/D waste is still down by 15%. Edwards expected C/D waste would catch up with last year's volume in the next couple of months.

Recycling continues to be slower than expected; at least partly due to payments for shipped materials being slower than usual (the Department has shipped five loads that have not been paid for yet).

Leachate numbers were high for March due to snow melt and due to the larger than normal amount of open landfill area. Costs were also higher than usual because the Department had not been able to haul much of the leachate (both equipment and personnel issues).

Following discussion, a motion was made by Mitchell, with a second by Banta, to approve the report. Motion approved.

#### EREF Grant Application

Michele Engh and Edwards, with some assistance from Dr. Roll, had completed the Environmental Research and Education Foundation grant application—it will be submitted on April 10<sup>th</sup>. Although our Leachate Project fits well with the EREF grant application request, Edwards was not especially optimistic about being offered a grant (\$500,000.00 had been requested). It is a very competitive grant program with much of the past funding going to university level research projects.

If a grant is offered, the Committee and County will still need to carefully consider whether or not to accept it. The County would need to contribute between \$50,000.00 and \$100,000.00 (both cash and in-kind services) to the project. Depending on the report from Johnson Block today regarding Department finances, the Department may not be able to afford to go forward with the Project even with the grant. It will be at least a month before we hear anything from EREF.

#### DEA Drug Take-Back Program

The County Sheriff's Department will participate in this Program again this year. It will be held on Saturday, April 26<sup>th</sup> between 10:00am and 2:00pm. Residents can drop-off medications free of charge at the following locations: Genoa Fire Department and the Viroqua, Westby, Hillsboro, Coon Valley, Ontario, and Readstown Police Departments. The primary focus is on controlled substances but almost any type of drugs will be accepted (excluding sharps).

The Drug Enforcement Agency has also proposed new legislation that should make it much easier for

local law enforcement agencies to collect and properly dispose of prescription drugs on an on—going basis. Edwards was not familiar with specifics of the legislation or when it might become effective.

#### 2014 State Recycling Grant Notification

The Department received notice of its 2014 State Recycling Grant Award last week. This year's grant will be \$142,358.00, which is about \$50 less than last year. The grant checks will be sent out in early June.

#### Baler Reline Project

Edwards had ordered the new blades (or shear knives) and hardware for the baler work in March and they had just arrived this week. All other parts needed would be fabricated and installed by PT Welding. The baler work is tentatively scheduled for the third or fourth week of May but PT Welding is doing a major project for Quik Trip Corporation which may cause our project to be rescheduled. The baler project will likely take 4 or 5 days to complete. While the work is being done, all garbage will be disposed in the construction/demolition site.

#### Review/Approve Vouchers

Vouchers totaling \$41,713.74 were presented for review. The largest bill was to WDNR for payment of first quarter landfill fees (\$20,041.) Other major bills included \$4985 to Southwest Sanitation for March leachate hauling; Recovery Systems for purchase of new baler blades (\$2,825.); Premier Coop for diesel fuel and propane (\$3,960.); Vernon Electric for utility cost (\$1,619.); and Liberty Tire for waste tire recycling (\$1,714.).

Following discussion, a motion was made by Banta, with a second by Brault, to approve paying the vouchers. Motion carried.

March Financial Reports were not available in time for the meeting.

#### Department Update

Edwards indicated that 2014 had gotten off to a pretty rough start. Vehicle and equipment repair and maintenance costs had been higher than usual and the crew has had two separate medical situations that have lost almost a month of man-hours. The baler conveyor had broken down this morning but Nick, Danny, and Mike were doing repairs and should have it operating before noon. Hopefully, with winter almost over, things will improve.

Edwards has been conducting more of the landfill/recycling tours this year, partly to save money on the Education Contract and partly because he enjoys doing the tours.

Edwards would also be taking 3 or 4 days of vacation the following week for a fishing trip to southern Missouri. The trip also serves as a family reunion because his siblings and their families would be there.

The next Solid Waste/Recycling Committee meeting will be held on Wednesday, May 14<sup>th</sup> at 9:30am.

Two representatives from Johnson Block (firm that performs the Department's annual audits) were on hand to provide an overview of the 2012 audit (as well as a preview of the 2013 audit) and to answer questions Edwards and the Committee had regarding the Department's financial condition. Handouts provided by Johnson Block (attachments A through E) are attached to the meeting minutes maintained in Department files.

On a cash basis, the Department had performed well in 2012—the net change in cash was a positive \$132,354. But when non-cash adjustments (primarily depreciation and landfill closure liability) were taken into account, the Department appears to have ended the year in the red by about \$16,000.

Despite the extensive discussion of Department finances that took place, Edwards indicated he was still not completely clear on how Department finances were handled. Most of the confusion seems to result from the fact that the Department operates on a cash budget basis (in accordance with County Policy)

but the annual audit is based on accrual accounting. Although the auditors repeatedly stated that the non-cash transactions they make to the Department's budget at the end of the year do not have any impact on the Department's cash budget, these transactions show up on the budget as expenses when the budget is closed out. That appears to be why the Department takes in between \$100,000 and \$200,000 more cash each year than it spends but still ends up in the red every year.

The accrual accounting process is understandable in dealing with capital expenditures and depreciation. We spend cash to buy equipment, or develop landfill space, and pay for those expenses in the following years (based on the useful life of the purchased items) through depreciation. But it is much more difficult to understand how this same type of process applies to Accrued Liability for Landfill Closure. We have not yet spent any money on landfill closure but as of 12/31/2013, more than \$2.9 million has been listed as expenses on Department budgets.

The Committee thanked Johnson Block representatives for their presentation but took no action on Department finances.

A motion was made by Brault, with a second by Mitchell, to adjourn the meeting at approximately 10:45am. Motion approved.