

2015 Annual Report

OPERATIONS

A glance at 2015 through numbers:

- 3,265 hours of on-site volunteer hours – that is over 62 hours a week on average!
- 465.9 tons of garbage actually hauled to the Skagit County Transfer Station, a reduction of 5.1 tons from 2014.

Annual in Tons	2013	2014	2015	Change in Tons 2014-2015
Aluminum Cans	2.7	3.5	3.2	(0.3)
Cardboard	48.0	53.5	62.5	9.0
Commingled Recyclables	14.5	12.2	11.1	(1.1)
E-Cycle	5.0	7.3	6.8	(0.5)
Ferrous Metals	30.5	51.9	39.6	(12.3)
Glass	95.8	-	-	
Mixed Paper/Newsprint	81.5	119.2	88.8	(30.4)
Non-Ferrous Metals	1.4	3.1	2.6	(0.5)
Other ^{*1}	4.9	10.5	13.6	3.1
Plastics	14.0	22.7	20.0	(2.7)
TIOLI Intake ^{*2}	-	47.4	125.1	77.7
TIOLI Discards ^{*3}	-	-	(3.4)	3.4
Total Recycle	298.3	331.3	369.9	38.6
Glass - used for gravel pit reclamation	15.0	96.0	117.9	21.9
Garbage	425.0	471.0	465.9	(5.1)
Total Glass/Garbage	440.0	567.0	583.8	16.8

Total Recycle and Glass/Garbage	738.3	898.3	953.7	55.4
Recycle Rate	40%	33%	39%	

*1 Includes textiles, oil, refrigerated appliances, batteries, tires, and non-E-Cycle electronics

*2 2014 TIOLI is for ½ year. 2015 is for a full year. Weights are approximate based on sampling.

*3 TIOLI Discards are items that come into the TIOLI and are not taken so are discarded into the garbage stream, so that tonnage is included with garbage. No discard data was collected in 2014 and only for 11 months in 2015.

The Washington State Recycling Association Awards (WSRA) Committee awarded the Lopez Solid Waste Disposal District the WSRA 2015 Nonprofit Recycler of the Year Award. Facilities Manager David Zapalac and Training, Education and Outreach Coordinator Nikyta Palmisani accepted the award at the WSRA Annual Meeting in Spokane, where there was considerable interest in what we have accomplished on Lopez thanks to a supportive community and fabulous volunteers.

In 2015 we replaced the badly damaged asphalt pavement in front of the z-wall with 3 concrete pads. Not only has this reduced the dust and eliminated the potholes at the z-wall but it also improved the quality of the stormwater runoff.

In January 2015 we began our new “by the numbers” plastic sorting. Larger, easier-to-read signage was added making self-sorting easier. Thanks to all of our customers for being so willing to sort by numbers.

An employee and volunteer parking area was designated on the east end of the facility, and parking spaces were painted below the z-wall and on the approach apron at the Take It Or Leave It. This was an effort to better organize traffic flow through the facility and to reduce parking on Fisherman Bay Road, which has become increasingly congested.

Skagit River Steel & Recycling, the purchaser of most of our recyclables, loaned us a vertical baler so that we could bale our clamshells and molded plastics. Clamshells and molded plastics have a low density and large volume, and when compressed have a tendency to spring back into shape once compression is removed. We simply did not have enough onsite space and bins to store the volume of clamshells it would take to make a full bale. With the vertical baler we can now store them in the vertical baler by compressing them each day.

FINANCIALS

This Junior District of ours celebrated its third birthday on January 1, 2016, and what a relief it is to have those toddler years behind us. No more teething or learning to walk for our Lopez Island Dump. We are up and running, steady and strong.

Over the past three years we've maintained a positive cash flow, paid all bills before due, and built up reserve capital equal to 3 or more months of expenditures. We have paid the first three (of five) annual payments on our only debt—the \$46,500 loan we received from three generous Lopezians to pay for our Peterbilt roll-off truck. And we now have the funds to pay for capital projects such as restoring the lower lot and z-wall area, an area that has endured “deferred maintenance” for long enough.

About revenue: we held garbage and other fees at the reduced rates that we implemented when we took over from the county, and we have continued to expand no-fee recycling options. Garbage revenue was up, from \$131,400 in 2014 to \$149,177 in 2015. That's both good news for revenue and a reminder that we need to keep working on ways to make it easy and viable for Lopezians to reduce waste. We held the 2016 property tax levy to the same \$115,000 as for 2015 and 2014, and it was approved with more than 80% support. Our partner organization, Solid Waste Alternatives Program (SWAP) provided us with crucial support in education and outreach, generous donations, and—for those who enjoyed the Trashion-Fashion Show—substantial fun and production of a wonderful Trashion-Fashion calendar.

About expenses: as a whole we held these well below budget. Our Income Statement (below) summarizes our 27 expense accounts. Further details are available upon request.

We are on a 3-year audit cycle with the State Auditor's office. In 2015 we had the distinction of undergoing our first audit, for fiscal years 2012-2014. The auditors said it was “a very clean audit.” The full audit report can be viewed at: <http://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1015882&isFinding=false&sp=false>.

We continue to run a clean and efficient operation thanks to our hard-working and dedicated part-time staff, the dozens of talented and generous volunteers who educate and assist patrons during facility hours or work after hours in support of our programs and administration, and our loyal customers. The Take It Or Leave It continues to be an important community asset, both for those who leave things and those who take things. And while there is always more work to do and more improvements to make sure our operations, logistics, and administrative systems are working well.

Our main source of revenue is garbage fees. Yet, our main goal is to reduce garbage volumes; i.e., to move towards zero waste. One might say that our long-term funding model is paradoxical. It certainly presents a challenge whenever the District's Managing Board explores ways to expand recycling or reuse programs. One thing seems clear as we look ahead: having a community that so strongly values and supports our Lopez Island Dump is a fundamental part of its viability and success.

NOTES to Income Statement Jan. 1 - Dec. 31, 2015

This statement has not been subjected to outside review or audit. However, each of the revenue and expenditure lines and totals has been reconciled with financial records maintained by San Juan County. The following explains the annotated lines on the income statement.

1. More than 90% of these cash donations were received from our partner organization Solid Waste Alternatives Program, SWAP, as a result of their programs. In addition to the donations reported here, SWAP also donated in-kind: \$3,747 worth of materials, web support, and levy campaign support; plus, many hours toward recruitment and support of volunteers and other District needs.
2. Not reflected in this statement are the 3,265 volunteer hours logged on site; or volunteer labor by board members, staff, SWAP, and other community members.
3. This is our annual fee paid to the county for administration, and for legacy costs of county solid waste operations including payments for old bonds, and monitoring and testing of landfill sites.
4. Of this amount, \$22,669 was for addition of four concrete slabs at the z-wall.
5. As of Dec. 31, 2015, in addition to cash we had an Accounts Receivable balance of \$2,502. This amount was not recorded as 2015 revenue because we are on a cash-basis. There were no inventories or Accounts Payable as of year-end. A list of assets is available upon request.

Personnel

Nikyta Palmisani's temporary position for education and public outreach that was part of a Department of Ecology grant was made permanent in July. Nikyta continues to have a positive impact within the community by promoting educational and entertaining events furthering our goal to reduce waste by expanding recycling and reuse at the facility.

Outlook

In 2016 we will continue to improve the Lopez Island Dump experience.

- Our plan is to repave the hill exiting the Recycle Plaza and the area in front of

the TIOLI and z-wall. We will also patch the worn areas of pavement inside the TIOLI.

- We plan to improve the baler shed by extending its roof.
- We plan to replace most of the temporary poster board signs with easy to read metal signs.
- We plan to install better lighting inside the TIOLI.
- 2015 saw a dramatic drop in the prices paid for all recyclables with our market price for some plastics reduced to zero. This situation is predicted to continue through 2016. We will continue to look for ways to make our onsite handling and transport of recyclables to the mainland as efficient as possible.

Even though there are too many to name, we could not do what we do without our committed and hard-working volunteers. We thank them for the tremendous work they do and the professionalism and fun they bring to the Lopez Island Dump.

Please feel free to contact us with questions and/or comments.

Lopez Solid Waste Disposal District Managing Board of Directors
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