



**LOPEZ SOLID WASTE
DISPOSAL DISTRICT**
WORKING TOWARD ZERO WASTE

2017 ANNUAL REPORT

LSWDD
2419 Fisherman Bay Road
Lopez Island, WA 98261

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Summary

The Lopez Solid Waste Disposal District celebrated its fifth birthday on January 1, 2018 and is excited to look back on 2017 – a year that was bursting at the seams with recycling activity both on-site and off.

Since LSWDD opened its doors in 2013, we have managed to run a cost-effective system that is clean, efficient, and maximizes the use of all resources. This is possible thanks to our experienced staff, all current and past board members, and many dozens of talented and generous volunteers.

Our 2017 fiscal snapshot shows LSWDD standing on solid ground. The volume of materials handled again took a big leap upward this year. Meanwhile, recycling markets worldwide spun into a freefall when China stopped accepting recycling imports from across the globe.

2017 showed us that the Take-It-Or-Leave-It is as vibrant and vital as ever; international recycling markets are in a major state of flux; and that Lopez Island continues to stand out in the industry as a leader in our pursuit of materials management ingenuity and integrity.

Operations

The total annual volume of nearly every material type received at the Dump continued to increase significantly in 2017. Interesting numbers to note include:

- A record 534 tons of garbage,
- 290 total tons of recyclables,
- Estimated 22% increase in tons received and reused through TIOLI.

A summary of annual material handling tonnages is shown here:

| LSWDD Annual Receipt of Recycling and Garbage (tons) | | | | | | |
|---|-------------|-------------|-------------|--------------|--------------|-----------------------------------|
| Material Type | 2013 | 2014 | 2015 | 2016 | 2017 | % Increase 2016 - 2017 |
| Recycling | | | | | | |
| Aluminum Cans | 3 | 3 | 3 | 4 | 5 | 13% |
| Cardboard | 48 | 53 | 62 | 67 | 73 | 9% |
| Commingled Recyclables | 15 | 12 | 11 | 4 | | |
| E-Cycle | 5 | 7 | 7 | 8 | 5 | -33% |
| Ferrous Metals | 31 | 52 | 40 | 61 | 73 | 19% |
| Glass | 96 | - | - | - | - | |
| Mixed Paper/Newsprint | 82 | 119 | 89 | 98 | 89 | -9% |
| Non-Ferrous Metals | 1 | 3 | 3 | 3 | 3 | 1% |
| Other | 5 | 11 | 14 | 15 | 21 | 42% |
| Plastics | 14 | 23 | 20 | 22 | 21 | -1% |
| Recycle Subtotal | 298 | 284 | 248 | 282 | 290 | 3% |
| TIOLI (net) | - | 47 | 122 | 132 | 161 | 22% |
| Glass (reclamation project) | 15 | 96 | 118 | 123 | 127 | 4% |
| Garbage | 425 | 471 | 466 | 498 | 534 | 7% |
| Total Volume of Materials | 738 | 898 | 953 | 1,035 | 1,112 | 8% |

Capital Improvements

Our site benefited from a modest expansion to the bailer shed in 2017. The expansion provides covered roof space necessary to keep certain materials under cover and not pose a storm water runoff risk.

Financials

LSWDD continues to balance the books in the best interests of the Dump and the community. Financial record keeping is performed both by LSWDD's Financial Officer and the San Juan County Auditor's Office.

Auditing

As of this writing, we have already successfully completed an early Spring 2018 State Audit covering years 2015-2017. The State Auditor's Office complemented LSWDD on an efficient process that showed sufficient financials procedures in place. Audit results can be found online by clicking [here](#).

We are on a 3-year audit cycle with the State Auditor's office. A clean audit previously took place in 2015 for fiscal years 2012-2014.

Revenue

Garbage and other fees continue to be held at the same rates implemented at the time of Dump startup in 2013. Garbage revenue was up by 14%, from \$156,037 in 2016 to \$167,802 in 2017. While that's good news for our revenue, it's more money gone to waste, so to speak. We look forward to finding more ways to reduce landfilled garbage for all Lopezians.

Expenses

As a whole, expenses were held below budget by roughly 6%. A detailed list of the District's expense accounts is provided in the Income Statement and further details are available upon request.

Income Statement January 1 – December 31, 2017

| | Jan - Dec 17 | Budget |
|-----------------------------|-----------------|------------|
| Income | | |
| Tax Levy Revenue | 82,220.60 | 80,000.00 |
| Timber Harvest Tax Revenue | 7.99 | |
| Excise Tax Revenue | 65,591.16 | 56,600.00 |
| Garbage Tip Fee Revenue | 167,802.80 | 147,490.00 |
| Recyclables Sales Revenue | 14,135.07 | 12,000.00 |
| Recyclables Tip Fee Revenue | 9,032.87 | 7,500.00 |
| Investment Interest, LGIP | 1,819.48 | |
| Donations | 805.61 | 751.00 |
| Cash Over (Short) | 10.96 | |
| Refuse Tax | 6,047.33 | 5,310.00 |
| Total Income | 347,473.87 | 309,651.00 |

| | | |
|---------------------------------|-------------------|-------------------|
| Expense | | |
| Wages | 144,799.96 | 150,910.00 |
| Overtime | 85.35 | |
| FICA | 11,083.89 | 11,540.00 |
| L&I | 6,527.84 | 8,450.00 |
| Retirement | 13,981.37 | 16,600.00 |
| Personnel Benefits | 141.64 | 500.00 |
| Office & Operating Supplies | 3,556.36 | 3,500.00 |
| Fuel | 3,080.80 | 4,000.00 |
| Small Tools & Equipment | 3,220.16 | 7,500.00 |
| Accounting and Professional | 382.00 | 4,000.00 |
| Advertising and Public Outreach | 943.30 | 1,200.00 |
| SJC Admin. and Legacy Fees | 33,366.98 | 31,750.00 |
| Communications | 2,186.14 | 1,800.00 |
| Taxes, Other | 2,085.01 | 2,320.00 |
| Rentals and Leases | 2,100.00 | 2,400.00 |
| Insurance | 12,440.46 | 14,500.00 |
| Utility Services | 784.11 | 1,000.00 |
| Garbage Tip Fees Paid | 51,561.10 | 46,550.00 |
| Garbage Transportation Exp. | 10,241.50 | 9,500.00 |
| Recyclables Tip Fees Paid | 0.00 | 640.00 |
| Recyclables Transportation Exp. | 9,583.55 | 8,500.00 |
| Reclamation-Disposal Fees Paid | 4,108.85 | 4,550.00 |
| Repairs and Maintenance | 6,574.62 | 15,000.00 |
| Fees & Dues | 275.00 | 200.00 |
| Hazardous Waste Exp. Allowance | 898.00 | 250.00 |
| Permits and Licenses | 1,367.00 | 2,200.00 |
| Refuse Tax Payment | 4,729.73 | 5,310.00 |
| Debt service, Principal | 9,570.64 | 9,750.00 |
| Interest Expense | 584.34 | 580.00 |
| Facility Improvements | 29,559.55 | 28,500.00 |
| Computer and Software Exp. | 529.60 | 996.00 |
| Total Expense | <u>370,348.85</u> | <u>394,496.00</u> |
| Net Income | <u>-22,874.98</u> | <u>-84,845.00</u> |

*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.

Outlook

2018 is shaping up to be another formative year for the Dump. Some key challenges will include:

- Recycling paper and plastics - dealing with a global recycling market in flux,
- Continuing to operate a safe, clean site with limited space and increasing material-handling volumes,
- Maintaining and increasing volunteerism.

Thank you Lopezians – you're the best!

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

Lopez Solid Waste Disposal District Managing Board of Directors:

Clark Johnson, Chair
Rhea Miller, Vice Chair
Judy Meyer, Secretary
Larry Bailey
Clay Smith