



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

2016 ANNUAL REPORT

LSWDD
2419 Fisherman Bay Road
Lopez Island, WA 98261

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Summary

The Lopez Solid Waste Disposal District celebrated a huge fourth birthday on January 1, 2017 and is excited to look back on 2016 – a year resulting in further improvement to the long-term viability of our operation and again benefitting from the tremendous involvement from our dedicated community.

Since LSWDD opened its doors on January 1, 2013, it has transitioned from a bootstrap initiative among committed citizens to a financially sound and reputable agency. We continue to run a cost-effective system that is clean, efficient, and maximizes the use of all resources. Our experienced staff, all current and past board members, and many dozens of talented and generous volunteers are to be thanked.

The Take-It-Or-Leave-It is as vibrant and vital as ever. Our community [gives and] takes full advantage of the open exchange that has literally become a national model. And while there is always more work to do and more improvements to make, our operations, logistics, and administrative systems are running smoothly and are the envy of many small communities.

Our fiscal snapshot shows LSWDD standing on solid ground. The volume of materials handled continues to creep upward, yet these same materials are being sorted more rigorously and processed more efficiently by customers and a hardworking ground crew. The result is that our community as a whole is paying even less for recycling and for garbage, the cost of a “can” is still 8 bucks.

This year is a special year for honoring our volunteers. At the core of LSWDD’s evolution to date are unmistakably the people who have helped every inch and mile of the way. 2016 marks tenure’s end for the last three of LSWDD’s founding board members – to them and to all of you who have helped, we would like to make an extra effort to say thanks for helping this community achieve truly remarkable results.

Community Contributions

Fond farewell to the founding board members

Words cannot express the commitments of time, effort and goodwill provided by all board members to date to help steer this district's founding and critical growth. 2016 led to the bittersweet end of terms for three of the five original founding board members, including Sandy Bishop, Dan Post and Bruce Creps (who enjoyed a slightly extended term through February of 2017).

The founding board members included:

- Page Read
- Sandy Bishop
- Bruce Creps
- Larry Eppenbach
- Dan Post

Other board members to recognize in 2016:

- Jim Lombard
- David Williams

We know that all board members who have served will continue to support the district in so many ways. The Dump is happy, however, to finally be able to provide you some leave from providing this support on a daily, or even hourly basis.

SWAP

Our partner organization, Solid Waste Alternatives Program (SWAP) again provided us with a tremendous show of financial and in-kind support for education, outreach, and fun (think Trashion Fashion). SWAP contributions help LSWDD go beyond "business as usual" by supporting community engagement efforts, recognition events, and some of the most creative fundraisers out there. The fruits of SWAPs labor are the gifts that just keep on giving, like the famous "Buy-the-Backhoe" program of 2013!

Volunteerism

Volunteerism in 2016 was down slightly from previous years but continues to stay above 3,000 volunteer hours per year! That's 60 hours every week that our community is showing up to help keep useful materials out of the waste stream and repurposed in meaningful ways. And this effort *shows*: from the artistic signage and neatly organized goods to the friendly faces supporting a bustling recycling plaza. It's even behind the scenes: from a mini IT department to volunteer coordinators and other committee members. If you're out there reading this, you know if you have helped. Please accept our gratitude.

Education and Outreach

This year we partnered with many local groups and organizations to learn about the issues and opportunities associated with handling “garbage” on the island. At Lopez School, an all-girls student team paired with expert community mentors and created an island original - the “ReMake” Lab. The ReMake lab will include two custom-built machines, a shredder and an extruder, which will transform #1 PETE bottles into 3D printer filament.

The machines are being built by Page Read and Brad Buchanan, who have donated countless hours of their skills and expertise to the Remake lab project. SWAP has provided funding to purchase parts and materials for the construction of the two machines, as well as funding to purchase a new 3D printer for the lab. With completion of the technology trifecta projected in 2017, we are excited to source our own local shredded plastic for these manufacturing and design projects!

Also in 2016, the 5th grade class participated in a thorough recycling and waste education program, developing a mathematics curriculum in the process that will serve for future 5th grade classes.

A collaboration was done with the Enchanted Quilters to make the 6 paneled Textile Mural used for community education about textile recycling.

Presentations and trainings at the Lions Club and the Lopez Thrift Store resulted in increasing recycling and diversion of items headed to the landfill.

Community events included the Great Islands Clean Up, Lopez School Earth Day assemblies and two Volunteer Appreciation events.

Operations

With the exception of commingled recyclables, the annual volume of every material type received at the Dump continued to increase in 2016. Interesting numbers to note include:

- A 60% decrease in commingled recyclables. This is a great sign that our education and training efforts are paying off and that people realize the value of free recycling.
- 282 total tons of recyclables.
- 498 tons of garbage.

A chart and summary of annual material handling tonnages is below.

LSWDD Annual Receipt of Recycling and Garbage (tons)					
Material Type	2013	2014	2015	2016	% Increase 2015 - 2016
Recycling					
Aluminum Cans	2.7	3.5	3.2	4.1	28%
Cardboard	48.0	53.4	62.5	66.5	6%
Commingled Recyclables	14.5	12.2	11.1	4.3	-62%
E-Cycle	5.0	7.3	6.8	7.9	18%
Ferrous Metals	30.5	51.9	39.6	61.0	54%
Glass	95.8				
Mixed Paper/Newsprint	81.5	119.2	88.8	98.4	11%
Non-Ferrous Metals	1.4	3.1	2.6	3.4	31%
Other	4.9	10.8	13.6	14.6	7%
Plastics	14.0	22.7	20.0	21.7	9%
Recycle Subtotal	298.3	284.0	248.2	282.0	14%
Take It or Leave It (net)		47.4	121.7	132.1	9%
Glass (reclamation project)	15.0	96.0	117.5	122.7	4%
Garbage	425.0	470.9	465.9	497.8	7%
Total Volume of Materials	738.3	898.3	953.3	1034.7	9%
Diversion Rate	42%	48%	51%	52%	1%

Capital Improvements

The Dump site took on several important capital projects in 2016, providing improved infrastructure, traffic flow, user safety and convenience.

After pouring new concrete slabs in the Z wall area in 2015, a full resurfacing of the deteriorating lot surrounding the slabs was completed before the summer rush in June of 2016. The new asphalt greatly improves the area's functionality, safety and even stormwater controls. Most importantly, the resurfacing also allowed for the addition of valuable parking stalls in the Z wall area, directly across from TIOLI. Coordinating the time-sensitive delivery and installation of fresh, hot asphalt with a ferry as the main source of transportation took a fantastic effort by Dump staff. The whole project was pulled off without any forced closures of the Dump.

In the theme of creating a safer and more efficient work environment for staff and patrons, more useable space was also carved out of the upper portion of the Dump site across from the pay booth. A large grass berm was reduced in size to create a gravel pad for parking and materials storage. A follow-up project is in the works to ultimately chip seal this gravel area in order to make it fully suitable for staging large containers and large materials out of the way of other activities.

With a few extra slivers of space carved out, and a collaborative conversation with the County, all Dump-related parking on Fisherman Bay Rd was finally eliminated in 2016. The LSWDD – San Juan County Interlocal Agreement was amended in 2016 to allow TIOLI users to park at the

County public works shop during Dump business hours. Car, bicycle and foot traffic on the frequently congested roadside was a long-standing safety concern. We are all grateful for the new off-street parking arrangements.

Operating Improvements

There were days in 2016 that the Dump site was bursting at the seams with activity. In response, the staff and board members extended operating hours by 1 hour per day starting in the Fall of 2016. The new Friday, Saturday, Sunday hours from 11-3 (instead of 12-3) proved helpful in steadying the flow of customers and maintaining a high level of efficiency and access for all.

Given the gradual but steady growth in business, a further increase in operating hours is set to take place in the summer of 2017. At that time, the Dump is planning to operate Friday-Monday from 11am-4pm – a 40% increase!

In 2016 we also signed a lease on a clean, small office space above Blossom Grocery. We are excited to have access to the conference room and a private work space for our staff, board, and volunteers to access.

Financials

LSWDD continues to balance the books in the best interests of the Dump and the community. In the past four years of operation, we have turned \$50,000 in debt (loaned by San Juan County) into \$200,000 in cash reserves and an award-winning waste management site. The cost per 32-gallon can of garbage has not increased above \$8. Because we have established cash reserves to maintain operations for several months if required to weather an economic downturn, the 2017 levy cost to the community has been drastically reduced – from \$115,000 to \$80,000 – a 30% reduction!

LSWDD continues to maintain a positive cash flow and pay all bills before due. We have paid four out of five annual payments on our only outstanding debt—the \$46,500 loan we received from three generous Lopezians to pay for our Peterbilt roll-off truck. In 2016 we used funds to pay for capital projects such as further improvements to the lower lot and z-wall area, an area that endured “deferred maintenance” for long enough.

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 5%, from \$149,177 in 2015 to \$156,037 in 2016. 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 13%. A detailed list of the District’s expense accounts is provided in the Income Statement and further details are available upon request.

We are on a 3-year audit cycle with the State Auditor’s office. “A very clean audit,” (as stated by the auditors) took place in 2015 for fiscal years 2012-2014. The next audit will take place in 2018 for years 2015-2017. An audit report can be viewed by clicking on this [link](#).

Income Statement January 1 – December 31, 2016

	Jan - Dec 16	Budget	
Beginning Cash	229,129.51	196,000.00	
Revenue			
Tax Levy Revenue	113,693.96	115,000.00	1
Timber Harvest Tax Revenue	21.34		
Excise Tax Revenue	55,387.34	51,670.00	
Garbage Tip Fee Revenue	156,037.60	135,450.00	
Recyclables Sales Revenue	13,468.59	12,000.00	
Recyclables Tip Fee Revenue	8,317.50	7,500.00	
Donations	2,980.55	5,000.00	2
Cash Over (Short)	-0.81		
Late and NSF Fees, Penalties	21.00		
Refuse Tax	5,603.88	4,880.00	
Total Revenue	355,530.95	331,500.00	
Total Revenue and Beginning Cash	584,660.46	527,500.00	
Expenditures			
Wages	110,530.83	124,200.00	3
Overtime	170.20		
FICA	8,468.67	9,500.00	
L&I	5,675.30	6,960.00	
Retirement	10,879.75	11,180.00	
Personnel Benefits	143.91	1,200.00	
Office & Operating Supplies	2,221.16	5,000.00	
Fuel	2,332.63	4,500.00	
Small Tools & Equipment	3,456.01	7,500.00	
Accounting and Professional	2,825.11	5,000.00	
Advertising and Public Outreach	1,252.00	1,000.00	
SJC Admin. and Legacy Fees	30,852.83	29,000.00	4
Communications	1,837.36	2,000.00	
Taxes, Other	2,997.50	2,140.00	
Rentals and Leases	2,040.00		5
Insurance	20,059.26	17,500.00	
Utility Services	687.42	900.00	
Garbage Tip Fees Paid	47,366.05	42,750.00	
Garbage Transportation Exp.	8,790.30	10,000.00	
Recyclables Tip Fees Paid	684.31	10,200.00	
Recyclables Transportation Exp.	8,460.45	8,500.00	
Reclamation-Disposal Fees Paid	9,593.15		6
Repairs and Maintenance	84.86	12,000.00	
Fees & Dues	217.00	200.00	
Hazardous Waste Exp. Allowance	94.50	250.00	
Permits and Licenses	2,856.00	3,000.00	
Ballot and Levy Measures		1,000.00	
Refuse Tax Payment	6,829.74	4,880.00	
Debt service, Principal	9,291.89	9,292.00	
Interest Expense	861.60	862.00	
Facility Improvements	37,632.31	55,000.00	
Computer and Software Exp.	158.20		
Machinery and Equipment	2,156.60	5,000.00	
Total Expenditures	341,506.90	390,514.00	
Ending Cash	243,153.56	136,986.00	
Total Expenditures and Ending Cash	584,660.46	527,500.00	

Notes to Income Statement Jan. 1 - Dec. 31, 2016

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. Tax Levy Receivable (unpaid taxes) cumulative as of Dec. 31, 2016 was \$5,422.71.
2. About two thirds of 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 materials, web support, and levy campaign support; plus, many hours toward recruitment and support of volunteers and other District needs.
3. Not reflected in this statement are the 3,034 volunteer hours logged on site; or volunteer labor by board members, staff, SWAP, and other community members.
4. 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.
5. This reflects the lease of an un-budgeted office space that was much needed and available at a low cost.
6. A new account for glass reclamation expense was created mid-year, which results in a) Recyclables Tip Fees Paid expenses being well under budget and b) Reclamation-Disposal Fees Paid showing an unbudgeted \$9,593.15.

Additional Note: As of Dec. 31, 2016, in addition to cash we had an Accounts Receivable balance of \$2,984. This amount was not recorded as 2016 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

Steady growth and the departure of highly-involved board members is leading the District to modify its approach to staffing ongoing operations. In 2016 an additional part time employee, Eric Blaser, was welcomed to the Dump team as an operations assistant. Eric provides a consistent friendly face and knows the ropes around the Dump to help everything run smoothly. Eric will provide critical relief with current and future increases in the Dump's operating hours.

In addition, the board approved the creation of a half-time District Manager position that was posted in late 2016. District Manager duties will include the handling of all financial, reporting, permitting, personnel, and general management duties previously taken on by committed board members.

With the addition of these positions, the District will sustain the equivalent of 2.3 full-time employees (FTE).

Our amazing team of existing staff – David Zapalac, Nikyta Palmisani, Gary Lawrence, Ron Shively and Dan Post – provide an invaluable level of continuity, expertise, and community connectedness to make sure high levels of service are maintained throughout site updates and staffing transitions. We are extremely grateful to have these dedicated employees on staff.

Outlook

2017 is shaping up to be another formative year for the Dump. Some key challenges will include:

- continuing to operate a safe, clean site with limited space and increasing material-handling volumes,
- continued maintenance of machinery and infrastructure,
- integrating new staff seamlessly to accomplish critical tasks without compromising the culture of the Dump and its place within the Lopez community,
- maintaining or increasing volunteerism as the period of initially establishing and operating the Dump continues to wind down,
- responding to the impacts, if any, of significantly reduced levy revenues,
- continuing progress toward zero waste as commodity prices fluctuate and much of the low-hanging fruit has been picked.

With new challenges come new opportunities. Some of these that we are most excited about in 2017 include:

- modest site improvements including expanded roofing on the baler shed to store more materials under cover,
- enriched education programs for youth and the whole community through new technologies and approaches (like the 3D printer),
- leveraging the experience, knowledge and “newness” of new staff to foster creative ideas and fresh approaches,
- expanding the roster of board members and making the job of a board member easier through the support of the District Manager position,
- moving individuals *upstream* toward zero waste – reducing each of our personal material outputs by becoming more conscious about our material intake,
- maintaining our incredible local resource at the lowest possible cost and maximum benefit to Lopezians.

Board of Directors

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
Tytti Langford
Judy Meyer, Secretary