

## MINUTES

### RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

February 9, 2015

George L. Gordon Government Center

Board of Supervisors Chambers

**Meeting Convened:** A special meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 2:30pm on Monday, February 9, 2015, at the George L. Gordon Government Center in the Board of Supervisors Chambers.

**Roll Call:** The following members were present: Matthew Kelly, Chairman; Paul V. Milde, III, Vice-chairman; Gary Snellings; William C. Withers; Beverly R. Cameron; Anthony J. Romanello.

Also in attendance were: Bill Hefty, Esq., R-Board Attorney; Robert L. Hundley, Resource International, Ltd., Consulting Engineer; Keith C. Dayton, Director & Deputy County Administrator; Jason Pauley, R-Board Superintendent; and Christina Morgan, Julie Williams-Daves, R-Board staff.

Mr. Kelly added a Public Comment period to the agenda and moved the Closed Session to the end of the meeting.

Mr. Romanello motioned, seconded by Mr. Milde, to approve the minutes for January 21, 2015.

By voice, the vote was:

Yea:	(6)	Milde, Kelly, Cameron, Snellings, Romanello, Withers
Nay:	(0)	
absent:	(0)	

**Presentations by the Public:** The following members of the public desired to speak:

**Glen Trimmer:** expressed the following points: Civil War Trust is contributing \$150,000 for the Stafford Civil War Park, and suggests those funds could be used by the R-Board. Mr. Trimmer also feels strongly that the Civil War Park needs to be protected, and hopes that future expansion activities at the Landfill will ensure the Park is not impacted.

**Bill Johnson:** Expressed the Following points: Suggested converting the landfill to a transfer station like Belman Road and recycling and reusing more following the Urban Ore model. He would like to see more composting and require restaurants to compost their food waste like other counties. He noted that flow control is unconstitutional. Privatizing the landfill is a poor choice. He expressed concern about corporate track records and the resulting environmental issues, along with increased prices due to lack of competition. Recommended we stop discounting tipping fees to commercial waste companies. He believes that the resident use fees are insane and there should be a separate gate to pay with cash.

**Tim Rudy:** Expressed the Following points: He is not a fan of the fees and feels like the tiered fee system is a nickel and dime proposition. He prefers a flat rate for waste disposal.

**Unfinished Business:** Mr. Dayton, Director and Deputy County Administrator, reported on the following:  
**Residential Fee Update**

Mr. Dayton summarized the R- Board's decision at their January 21, 2015 meeting and briefly reviewed the staff report, dated January 19, 2015. The R-Board adopted resident user fees consistent with the recommendations provided by the staff. The user fees are scheduled to go into effect on March 2, 2015 for customers using the convince centers at Belman Road and Eskimo Hill. The adopted policy included a tiered structure wherein residents wishing to pay with cash could be charged an escalating fee of up to \$12 depending on the type of waste material brought into the convenience centers. Following the approval of the tiered structure staff has heard concerns that tiered policy will be cumbersome to administer, and potentially aggravate traffic backups at our facilities. Mr. Dayton suggested that the R- Board may wish to rescind the tiered fee provision of the adopted policy, leaving in place a fee structure, which charges residents a maximum of \$4 per visit regardless of the volume of waste materials. The current policy limiting trailers to 8 feet in length and 8 tires per year would still remain in effect.

Mr. Milde agreed to vote for this as an improvement over the last fee structure, but he noted that his vote did not indicate his support for charging for use of the landfill. Mr. Withers agreed to vote affirmatively, although reluctantly, for the motion as a means to work towards more comprehensive solutions to solve the landfill's financial problems. He doesn't see any solution other than subsidizing landfill operations by the City and County. Mr. Milde pointed out the use of the term incineration as being incorrect in reference to previously proposed waste to energy alternatives at the landfill. He stated that the R-Board refused to change their business model in the face of a changing market and that "for profit" private operation is the way to go. Mr. Kelly stated that adjusting the fee schedule and charging residential fees won't get the R-Board where it needs to be. The tiered option was equitable, and most families would only pay \$2 or \$3 per visit. He acknowledged that Pay-As-You-Throw-programs are not a new process. He noted that trash from the small private haulers is needed. Under the current agreement, the City and County need to pay their portions.

On motion of Mr. Romanello, seconded by Mr. Milde, the R-Board voted in favor of RB15-01.

By roll call, the vote for RB15-01 was:

Yea:	(5)	Cameron, Milde, Romanello, Snellings, Withers
Nay	(1)	Kelly
Absent	(0)	

**Resolution RB15-01 reads as follows:**

**A RESOLUTION REMOVING TIERED RESIDENT USER FEES**

**WHEREAS, the R-Board adopted user rates for residents of the County and City bringing their waste to the convenience centers at Belman Road and Eskimo Hill Road at their January 21, 2015, meeting; and**

**WHEREAS, these rates included increased charges for residents bringing larger quantities of waste and selected waste materials; and**

**WHEREAS, the R-Board has determined that a policy of tiered rates is not desirable at this time; and**

**WHEREAS, the R-Board is committed to re-examining the resident fee rates periodically;**

**NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 9th day of February, 2015, that the resident user rate schedule be capped at a maximum four dollars (\$4) per visit, provided resident waste loads are within the restrictions for maximum size currently in force; and**

**BE IT STILL FURTHER RESOLVED that the R-Board will re-examine this rate schedule during each annual budget deliberation.**

**New Business: Mr. Dayton reminded the R-Board with an update on the Cell F-1 filling status, the bid results for Cell F-2 construction, and noted the timing concerns at the January 21, 2015, meeting. Mr. Dayton then provided some long-term operational strategies for the landfill, noting that each of the options could have multiple variations and would need further input from the R-Board, City, and County. He emphasized that the briefing was only an overview of some long-term options identified for further consideration. The available options were summarized as follows:**

- 1. Continue current operations: Under this scenario, the R-Board would proceed with construction of Cell F-2 and continue landfill operations with their own staff much in the same manner as in prior years. Every effort would be made to construct and finance Cell F-2 prior to December of 2015 to ensure that we can continue operations without interruption.**

**He then identified some funding options to secure the \$5,161,449 necessary to construct Cell F-2, including requesting the Stafford County Board of Supervisors and Fredericksburg City Council to issue debt on behalf of the R-Board. Approximately \$2.58 million in debt from each locality would be necessary to fully fund expected costs. Financing for municipal landfill construction is available from the Virginia Resource Authority (VRA) at very low rates. However, authorization to borrow would**

have to come following a public hearing at both jurisdictions, and an affirmative vote by both Stafford County Board of Supervisors and the Fredericksburg City Council.

The R-Board could elect to self-fund all, or a portion, of the construction costs for Cell F-2 with the reserve funds. The R-Board would draw on a portion of the nearly \$6 million in investments available to it. However, reliance on the reserve funds would result in a liquid fund balance equal to only a couple of months of operating expenses. Financing a portion of the construction cost would allow for a larger reserve fund balance. He noted that depletion of the reserve fund would shift greater liability for closure, post-closure, and corrective action to the localities. This additional liability could affect their respective bond ratings.

2. Cease landfill operations at Eskimo Hill, the convenience center at Belman Road, and all Litter Crew activities. Revenue would also cease at this point, along with the majority of expenses. The R-Board would be required to complete closure of the filled landfill cells and provide post closure monitoring for the next 30 years. Some level of continuing local government involvement would be necessary to coordinate these activities. The R-Board has approximately \$6 million in investments to fund closure and post-closure, along with equipment and other assets of value which could be disposed. The most recent financial statement places a deficit of \$820,000 to fund the liabilities, although that liability would then be extended over 30 years. If the R-Board chooses to close the landfill, there would be an immediate impact to the residents and business in Fredericksburg and Stafford.
3. Convert the landfill to a transfer station. The R-Board could construct a transfer station and ship waste offsite to a commercial landfill elsewhere in the state. The main landfill at Eskimo hill would be a logical location for a transfer station, although a specific site has yet to be identified. The basic components include a large building for receiving waste, and a loading area for the transfer of waste onto tractor trailers. Existing convenience centers operations could continue unchanged. Operational costs are unknown, and closure and post-closure costs would have to be funded as well. Planning, design and construction for a transfer facility will take over a year to complete, requiring interim measures after Cell F-1 is filled.
4. Solicit proposals from private firms to operate the landfill and the convenience centers, similar to the operation at two area landfills. There are a number of other municipal landfills which operate in this manner. The private firm would also be responsible for the compliance and monitoring of the landfill. Further research would be necessary to clarify details of the relationship and cost of this option.
5. Sell the landfill operation and assets, although it does not own the property on which it sits. This option is complex, given the presence of the law enforcement training facility on site, and the Stafford Civil War Park, the prior closure and post-closure liabilities assumed by each locality, and the status of permits issued for operation. Considerable investigation of this option would be

necessary prior to issuing a solicitation to sell the landfill. The schedule for a transfer is also a concern, requiring interim measures as Cell F-1 would be filled prior to completing a sale.

Discussion then ensued regarding these options. Mr. Cameron asked for clarification on the remaining air space in the Cell F-1 due to lower trash volumes. Mr. Dayton confirmed that between September and December 2015 it will be full, with the later date taking into account lower commercial waste volumes. Mr. Milde expressed strong concerns about privatization of the landfill. He stated that we would lose control with a privatized operation. He asked about the Public Private Education Act (PPEA) legislation and the possible application for the landfill. Mr. Hefty informed the R-Board that the legislation was passed in 2002 and included specific language to encourage waste to energy projects at landfills.

Mr. Snellings is concerned that charging residents \$4 a load is not going to make up the deficit, and since Stafford County won't subsidize, the landfill needs to be put on the market and sold. He recommends asking the Board of Supervisors to sell it outright.

Mr. Kelly asked the R-Board members to narrow the options for staff to research in greater depth.

Mr. Withers agreed with Mr. Snellings about there being no good options, but he has concerns about selling. Mr. Cameron stated he is also worried about selling and wondered if a buyer would still provide the same services to the residents. Mr. Kelly asked about the public-private arrangement in King George County. Mr. Kelly asked staff for financial statements from 2003-2014 before the meeting and after looking at them he stated that only 2 years resulted in surplus revenue. From 2009 on there was always a deficit. He questioned how to build the reserves back up if there is not a balanced budget.

Mr. Cameron asked about the transfer station alternative. Mr. Romanello agreed. He characterized the landfill as boutique, and stated it doesn't work in today's market. He suggested that if the landfill were sold, that the sale includes parameters to guarantee a certain level of service for residents.

Mr. Milde disagreed with modeling a public-private arrangement similar to the one in King George. He feels the cost is everyone's responsibility and noted that it is a solid organization.

The R-Board reached a consensus requesting staff to research and report additional information at the next meeting on financing and constructing Cell F-2, constructing a transfer station, and selling the landfill.

#### **Closed Session**

At 3:37p.m., the R-Board went into Closed Session upon a motion by Mr. Withers, and seconded by Mr. Snellings. The R-Board came out of closed session at 4:01pm upon a motion by Roll Call Vote, with nothing to report out. No further action was taken.

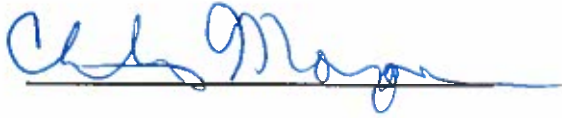
**Future Session:** The next meeting will be decided on and dates will be emailed out to all the R-Board members.

**Adjournment:** The meeting was adjourned at 4:03pm by Mr. Kelly.



Keith C. Dayton

Keith C. Dayton, Director & Deputy County Administrator



Christina Morgan

Christina Morgan, Clerk