

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

January 21, 2015

George L. Gordon Government Center
Board of Supervisors Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 1:33pm on Wednesday, January 21, 2015, at the George L. Gordon Government Center, 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; Mr. Romanello was absent and Mr. Dayton announced that he would be serving as Mr. Romanello's alternate.

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; Julie Williams-Daves and Christina Morgan, R-Board Staff.

Mr. Cameron motioned, seconded by Mr. Snellings, to approve the minutes for November 19th 2014.

By voice, the vote was:

Yea:	(6)	Milde, Kelly, Cameron, Snellings, Dayton, Withers
Nay:	(0)	
Absent:	(0)	

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

Sam Hutchens expressed the following points: wanted to plant a seed about a public outdoor gun range. Stafford County has over 9,500 concealed carry permits. He was told to contact the R-Board due to the range at the Landfill. From a public safety policy he thinks it is great that guns are being bought and used and thinks there ought to be a place for people to go and shoot. There are only three ranges in the County and they either do handguns or rifles, but not both. A number of private ranges exist, but a person must know someone, wait on a list, or be a member. He is asking for a simple outdoor range with 20 unsupervised lines with no guns to loan out.

Statement from the Board Members: Mr. Milde said he could not support a gun range due to noise and stray bullets. He acknowledged that there had been another range in the Aquia District that that had closed due to many complaints. He does not expect the Board of Supervisors would support another shooting range.

Report of the R-Board Attorney: Mr. Hefty advised that he had nothing to report, aside from the General Assembly convening in Richmond.

Report of Staff: Mr. Dayton, Director & Deputy County Administrator, reported on the following:
Personnel Status: R-Board currently has 28 of 34 position filled. The R-Board is searching for a full time

Maintenance Worker, a full time Heavy Equipment Operator, and part time maintenance workers to supplement our gatehouse attendants if the R-Board implements the residential user fee.

Environmental Compliance Report: Ms. Williams-Daves, Environmental Manager, advised that on November 20, 2014, the DEQ found the Regional Landfill to be in compliance with the applicable environmental regulations for the fourth quarter of 2014. Groundwater sampling results from December and January indicate that the interim measures have been successful in bringing the constituent of concern below compliance levels. R-Board staff held a productive meeting with DEQ earlier this month and discussed the recent groundwater quality improvements and other issues. A cutoff trench similar to that installed near GP-4 was recently installed near GP-7. The gas probe will continue to be sampled weekly until the readings return to compliance levels.

Mr. Hundley reported that Resource had been working with R-Board staff for approval of the Infrastructure Plan process in December for approval of the F-2 disposal cell construction. Resource and the R-Board Superintendent completed the construction drawings and specifications for Cell F-2 for advertisement to bid in December. The Fredericksburg Landfill's landfill gas readings were found above compliance levels in December following a flare malfunction. An igniter and transformer for the flare had to be replaced. Weekly sampling has resumed following the exceedances. Sampling will revert to monthly and then quarterly after three consecutive weekly/monthly sampling events are achieved.

Operations Update: Mr. Pauley, R-Board Superintendent, reported on the following: The Belman Road compactors are to be delivered to the landfill site by the end of January. R-Board staff consulted with City of Fredericksburg Public Works staff, and is incorporating their input into the layout. The options under consideration will provide for vehicle stacking to minimize stopped traffic on Belman Road while maintaining current service levels.

A ground survey was completed in December to assess the filling status of Cell F-1. About 62% of the available airspace in Cell F-1 has been used. F-1 current data shows that we are on schedule to have airspace remaining into the fall of 2015, based on the current average daily waste receipts.

Report on Finances: Mr. Dayton reported on the decline in commercial tonnage and explained how that translates into an estimated \$350,000 shortfall. He noted that the half-year report indicates a 51% decline in billable residential waste and an increase in recycling revenue, as a result of the new contract, when compared to the same period in FY2014. He stated that staff is controlling expenses. Mr. Dayton noted a change in the audited unrestricted fund balance to a negative \$820,000. This revised amount is a combination of our operating shortfall in the last fiscal year and the increase in post closure liability for filling F-1.

A discussion regarding the operation shortfall and the decrease in commercial business ensued. Board members asked staff about potential operational savings from staff reductions, increasing waste quantities from commercial customers, and the results of previous increases to the tipping fees.

Unfinished Business: Mr. Dayton provided an update on the Residential Fee Implementation. At the Board's direction, staff refined the recommended program. Staff provided samples of the window stickers and coupon books and Mr. Dayton explained the proposed tiered fee structure.

Mr. Milde expressed his displeasure at the idea of a proposed \$9 fee saying this is not the program he voted for earlier in the year. He thinks we are going to upset many people unnecessarily. He acknowledged the budget numbers and questioned the projected \$350,000 deficit for this year. Mr. Dayton referred to the budget sheet and explained that the recycling performance helps offset the commercial decline.

Mr. Milde: restated that he does not want to charge residents \$10 a trip. He wants to find out what it takes to bring the commercial business back. Mr. Kelly noted that it take a lot of trash to get to \$9. He acknowledged that previous decisions left the R-Board in the financial situation it is currently in, and he wants to look at the long term organizational structure and the best option to handle trash because we are about to start a discussion for a very large expense for which there is no money.

Mr. Milde wants to keep the fees to a minimum. Mr. Cameron clarified that the \$100 annual pass equates to one \$2 landfill visit week. Mr. Milde responded that he does not want to purchase a \$100 pass because he does not go to the landfill each week. Mr. Snellings agreed with Mr. Milde and expressed further concern about illegal dumping, as he is already receiving complaints. He is also concerned about traffic backing up as people are stopped at the entrance.

Mr. Withers spoke about equity for people bringing less trash compared to a full truckload. Mr. Kelly expressed concern about the fundamental viability of the organization and the current dynamics of the local trash market. Mr. Withers suggested the possibility of a business analyst evaluating the situation.

Mr. Kelly opened the floor for a motion and a vote on the residential user fees recommended by staff. Mr. Cameron motioned for approval of the resident user fee program recommended by staff and Mr. Withers seconded. A roll call vote was taken.

By roll call, the vote was:

Yea:	(4)	Kelly, Cameron, Dayton, Withers
Nay:	(2)	Milde, Snellings
Absent:	(0)	

The vote was 4 to 2 for accepting the residential user fees program as recommended by staff.

A discussion regarding the effective date ensued. Mr. Dayton assured the R-Board that staff would be ready to implement the program on March 2. Preparation for that date will include a full publicity program. Mr. Kelly acknowledged that Mr. Milde and Mr. Snellings would have to leave the meeting early and moved the discussion of Cell F-2 funding up on the agenda.

New Business:

Funding for Cell F-2 construction: Mr. Dayton updated the R-Board on the remaining airspace as determined by the recent survey completed by Resource International. As of mid-December, 62% of the permitted airspace has been used. Using current solid waste delivery rates, staff believes that Cell F-1 will be filled no later than December 2015. This is consistent with earlier projections. Resource International has also been completing design and site plan approval efforts for Cell F-2 to allow completion of the new cell prior to running out of capacity later this year. The site plan was approved in mid-December and offered for public bids immediately thereafter. We received six (6) bids in response to the solicitation, ranging from \$5,062,968 to \$6,275,200. The apparent low bidder, T&K Construction, completed the Cell F-1 project. Although higher than Cell F-1 costs, Cell F-2 is modestly larger, and includes more extensive E&S and storm water management measures as required by county ordinance. Furthermore, part of the scope of work for Cell F-2 includes site work, which will benefit the construction of Cell F-3 and the G cells to be constructed later. When these factors are considered, the apparent low bid is believed to be comparable to the cost of Cell F-1. The bids are reasonable with the scope of work. Staff also bid 1.5 acres of wetlands mitigation credits, and received a low bid of \$98,481, leaving a total amount of \$5.16 million to fund for construction of Cell F-2.

One option is to go back to either locality with the funding request because the R-Board is not authorized to issue debt. If the localities split the difference, a public hearing and an affirmative vote from both governing bodies would be required. There are other funding options available. The R-Board has nearly \$6 million in investment assets and could potentially self-fund the construction. One option to consider would be to bond our closure/post-closure liability with a private bonding company, thereby potentially allowing the reserve fund to become unrestricted. A firm in Ohio has expressed an interest in bonding this liability and offer rates of 1.5% or 2.5% per year, depending upon the risk. The total would be a minimum of about \$120,000 per year in premiums. That would be an annual expense. The R-Board and both localities would be required to indemnify the company for completion of the closure, post closure, and corrective action activities. While risky in that this action would deplete the reserve fund, the R-Board would then have seven years to turn the finances around. The bonding agreement could be completed in about a month.

There was a brief discussion on the funding options for Cell F-2 and the remaining airspace in Cell F-1, given the recent decrease in commercial business. Mr. Dayton did not provide an action item for the R-Board since they just began discussing this funding option. Mr. Milde feels that landfills can be profitable if the tipping fee is set at the right level. Mr. Kelly suggested that since it is not likely the Stafford County Board of Supervisors would fund Cell F-2 construction and the City of Fredericksburg City Council would most likely follow suit, that a follow up meeting should be arranged within 30 days.

Future Session: Mr. Kelly tasked staff with scheduling a meeting within 30 days to further discuss funding for Cell F-2.

Adjournment: The meeting was adjourned at 2:32 by Mr. Kelly.

A handwritten signature in cursive script, reading "Keith C. Dayton", written over a horizontal line.

Keith C. Dayton, Director & Deputy County Administrator

A handwritten signature in cursive script, reading "Christina Morgan", written over a horizontal line.

Christina Morgan, Acting Clerk

