

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

April 22, 2013

George L. Gordon Government Center
Board of Supervisor Chambers

Meeting Convened. A special meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 3:32 P.M., Monday, April 22, 2013 at the George L. Gordon Government Center, Board of Supervisor Chambers.

Roll Call. The following members were present: Paul V. Milde, III, Chairman; Frederic N. Howe, III, Vice Chairman; Beverley R. Cameron; George Solley; Gary Snellings and Anthony J. Romanello.

Also in attendance were: Bill Hefty, Esq., R-Board Attorney; Robert L. Hundley, Resource International, Ltd.; Keith Dayton, Landfill Director; Doug Martinski, Landfill Superintendent; Joe Yavorski, Managing Partner EEP,LLC; Laura Rudy, Stafford County Treasurer; Diane L. Jones, and Julie May, R-Board Staff.

Mr. Howe motioned, seconded by Mr. Solley, to approve the March 20, 2013 minutes.

By voice, the vote was:

Yea:	(5)	Cameron, Howe, Milde, Solley, Romanello
Abstain:	(1)	Snellings

Presentation by the Public: There were no presentations by the public.

Report on Finances: Mr. Dayton presented the financial summary and customer account status reports through March 31, 2013. He noted that there were no significant expenditure or revenue changes since the reports through February provided at the March meeting. Revenues continue to track below budgeted amounts. Staff is monitoring expenses closely to offset lower revenues. The customer account status report also shows no significant changes. He noted that our larger accounts tend to lag their payments about 60-days behind.

Unfinished Business: Mr. Dayton noted that he, Mr. Yavorski and Mr. Hefty had developed the waste to energy agreement. They believe it is consistent with the R-Board resolution RB13-01 passed in March. Mr. Yavorski was present to discuss latest development in obtaining funding for the project. Once, executed, EEP will have 45-days to demonstrate proof of funds and make the \$1 million advance payment. Both City and County should move forward for authorization of the lease agreement for construction of the facility, so that when the 45 day period is passed and proof of funds are demonstrated, the proposal can go forward. A discussion ensued regarding whether the \$1 million payment must be refunded should the City and County choose to not go forward after the payment was made. It was generally agreed that the \$1 million would be refunded if, through no fault of EEP, the City and County elected not to pursue the waste to

energy facility. Mr. Howe asked Mr. Hefty to provide a letter of understanding that compliments the contract, spelling out the provisions clearly as to funds being refundable versus non-refundable.

Mr. Romanello and Mr. Cameron agreed that the BOS and City Council could be approached in early June. The resolution to approve a waste to energy landfill agreement was approved at last meeting so it is ready to be signed. Mr. Dayton recommended that the agreement be signed after the meeting.

FY2014 Budget Discussion: Mr. Dayton presented the updated draft budget for FY 2014. For the expenditure budget, the significant change was incorporating the latest proposed salary and benefits changes under consideration for Stafford County employees. These include a 2% pay for performance raise an additional 1% cost of living raise. The Stafford County budget has not yet adopted so this is still in draft. This increased expenditures by \$114,000 over the draft budget provided in March. The revenue budget has been adjusted down by \$120,000 due to lower projection for interdepartmental revenues. We will have to rely on additional reserves of \$860,000 up from the \$700,000 provided in the draft budget last month. Neither revenues nor expenditures reflect any effects from the possible waste to energy agreement, due to the uncertainty of operation prior to the end of FY2014. The revenue budget includes \$40,000 from Stafford County and \$56,000 from the City of Fredericksburg, consistent with the FY2013 adopted budget. The adoption of the FY2014 budget is scheduled for the May 15 meeting. Mr. Dayton noted that this is still open for discussion pending the approval of the County and City budget.

Cell F Stockpile Progress Update: Substantial progress has been made to address the erosion problem created by the Cell F stockpile as follows:

1. Design of E & S measures is complete.
2. A sediment containment berm is complete around the stockpile area.
3. A berm is also installed around the top of the pile to prevent concentration of runoff.
4. Sediment traps have been constructed.
5. Approximately 2/3 of the stockpile slopes have been re-graded and tracked in ready for seeding.
6. Soil testing is complete There is a serious problem with acidic soils requiring large quantities of lime to neutralize. Required lime amounts average 7 tons per acre. Soil conditioning and seeding activities are scheduled to begin soon. Due to soil conditioning required, this activity will continue for approximately two weeks.
7. We have completed an environmental assessment of the impacts of soil migration beyond the stockpile area. Resource International is preparing a draft mitigation plan which we will then discuss with regulatory agencies. This is scheduled for next week. It appears the problem was contained on R-Board property.

Mr. Cameron asked for an estimated cost of remediation. Mr. Dayton responded that the cost is estimated at \$80,000. Mr. Howe asked if the amount included any fines. Mr. Dayton stated that since we are self-reporting he hopes that the immediate and aggressive remediation work will alleviate any fines. He would be reporting to the Army Corp of

Engineers and the Department of Conservation and Recreation. He also said Stafford County's Environmental Manager, Steve Hubble, would be involved.

Mr. Milde asked what the overall budget from cash reserves for Cell F construction is estimated to be. Mr. Hundley said the amount is estimated at \$3.4 million. The bid amount included a fair amount of costs for under drain design that was never installed so the actual construction of cell F is more around 3.2 million. There is contingency funding built in.

New Business:

Landfill Amendment: There was a suggestion made to modify the operational agreement for the landfill between the City and County as a result of the opportunity presented by the proposed waste to energy facility. The amendment could be considered by the two municipalities concurrently with the lease. Key elements are as follows:

1. Extend the operational agreement by 30 years. The current agreement expires in 2024, so the amendment would extend the agreement to 2054.
2. The \$1 million payment to the R-Board by EEP would be transferred to the County and designated solely for improvements to Eskimo Hill Road. The County would receive these funds upon award of a contract for the improvements and have 10 years to award a contract.

If the County doesn't execute the contract in 10 years the money would be given to the R-Board to be utilized for their operations or distributed to the County and the City. Mr. Howe asked that if in the event of default, would the money still be held for the Eskimo Hill construction. Mr. Dayton said it would be held for the road improvement. Mr. Hefty noted that if the funds are distributed to the County and City the appropriated amounts would be 68% to the County and 32% for the City. Mr. Howe asked to look at appropriating these funds to the County to be able to match any federal funds available.

Mr. Snelling asked if we project that the R-Board reserve funds will be depleted. Mr. Dayton said that we do not project this to happen. Much of the R-Board reserves have been set aside for post closure responsibility. We are certainly drawing into it at present but we are looking at operational strategies to eliminate this trend.

Mr. Romanello asked if action should be taken on this item at this time. Mr. Hefty said the R-Board needed to look at whether they want to recommend approval of the lease execution to the County Board and City Council. This could be taken care of at their May meeting. Discussion for a motion versus action item ensued. It was decided action would be taken at the May meeting. Mr. Milde asked that the infrastructure committee be advised of the possible funds for the Eskimo Hill Road project.

Future Session: The next regular meeting will be May 15, 2013, at the George L. Gordon Government Center, Board of Supervisors Chambers, 1:30 P.M.

Adjournment: Mr. Milde motioned, seconded by Mr. Howe to adjourn the meeting at 4:07 P.M.

Paul V. Milde, III, Chairman

Frederic N. Howe, III, Vice Chairman

Diane L. Jones, Interim Clerk