

Rappahannock Regional Solid Waste Management Board

Wednesday, March 5, 2014

Stafford County Administration Center

Board of Supervisors Chambers

Meeting Convened. A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 1:30 P.M., Wednesday March 5, 2014, at the Stafford County Administration Center, Board of Supervisors Chambers.

Roll Call. The following members were present: Frederic N. Howe, III, Vice Chairman; Beverley R. Cameron; George Solley; Gary Snellings; Anthony J. Romanello; Absent: Paul V. Milde, Chairman, who arrived at 1:46 p.m.

Also in attendance were: Brendan Hefty, Esq., Hefty and Wiley, P.C.; R-Board Attorney; Robert L. Hundley, Resource International, Ltd., Consulting Engineer; Keith C. Dayton, Director & Deputy County Administrator; Jason Pauley, R-Board Superintendent; Diane Jones, Recycling Coordinator; Julie May, Environmental Manager; Tim Lee, Business Development Manager for Tidewater Fiber Corporation.

Others in attendance were Lisa Butler, Landfill Maintenance Worker; Mickey Kwiatkowski, Accounting Manager; Lisa Haaf, Accounting Technician.

Mr. Cameron motioned, seconded by Mr. Solley, to approve the November 20, 2013 minutes.

By voice, the vote was:

Yea:	(5)	Cameron, Howe, Romanello, Solley, Snellings,
Nay:	(0)	
Absent:	(1)	Milde

Presentation by the Public: Mrs. Ruth Carlone of 300 Mount Olive Road asked the R-Board to drop the RFP for the Waste to Energy facility because she is concerned about the airborne pollutants in regards to the proximity of where the facility would be to the hospital. She also expressed concern about the lack of history for this kind of facility in the US. She suggested that Eskimo Hill Road be upgraded before approving a Waste to Energy facility. She would like the R-Board to also consider the storage of toxic/raw materials from this facility, disposal of ash and residue, and the runoff contamination of toxic/raw materials into the surrounding streams. She stated that the Stafford Board of Supervisors ignored acid sulfate during the discussion of the construction of the facility. Mrs. Carlone suggested that Mr. Milde resign from the R-Board.

Report of the R-Board Attorney: Mr. Hefty reported that the General Assembly in Richmond is still trying to pass the budget. No new litigations have been filed against the R-Board.

Report of Staff: Mr. Dayton reported the current status of staffing. The landfill is currently authorized for 34 positions, 28 positions are currently filled with 6 vacant positions. He reported that the R-Board is currently recruiting for a Maintenance Worker 1 position.

Permit Report: Ms. May reported on the following:

- In regards to our air permit, DEQ issued a minor permit amendment clarifying that the flare does not have to operate when AMERESCO's power plant is running, as the engine operation will destroy landfill gasses.
- She stated that the last Solid Waste Compliance Inspection was in November. We received a warning letter to address certain compliance matters. Staff met with DEQ in January to explain compliance actions and was subsequently issued a "Return to Compliance" letter.
- She stated that DEQ has a new policy where there will be no more 'surprise' inspections; that DEQ will give a day's notice before an inspection.
- Area 74 Groundwater monitoring; we did receive a notice from DEQ that we have had some groundwater exceedances. R-Board staff is working with Resource to identify the appropriate corrective action. There's a possibility we will have to install a groundwater monitoring well on VDOT property.
- We had a 300 gallon diesel spill caused by accidental equipment contact with a fuel storage tank. Ms. May noted that the R-Board staff responded to the accident appropriately and followed all the protocols in reporting and cleaning up the site after the incident. A report was filed with DEQ and the contaminated soil will be disposed of next week.
- Staff will be submitting for the annual E3 report and application for recertification in March. Ms. May will be working with Resource to do the SWIA (Solid Waste Information and Assessment).

Mr. Hundley discussed Permit 589 and the completion of the annual emissions update regarding the landfill gas flare to be submitted to DEQ in March. Resource and the R-Board Superintendent are working closely with the landfill gas system contractor to complete repairs on the extraction system. The aerial survey of the landfill has been completed. This survey will provide the Superintendent with accurate compaction rates for the recently placed waste as well as site life projections for future disposal cell development planning. Mr. Hundley stated that because of the snowfall the Fredericksburg's landfill monitoring will have to be submitted in March not February.

Operations Update: Mr. Jason Pauley, R-Board Superintendent reported on the following:

- **Landfill gas collection system:** Worked with the Utilities Department who provided a video camera to inspect the collection system to determine the exact location and extent of damage to collection system piping. This allowed our repair operations to be far more efficient and productive, reducing the time and cost of recent repairs.
 - To date 800 linear feet of 8" header pipe, 400 linear feet of 6" header pipe, and 300 linear feet of 4" lateral piping have been replaced.
 - Since replacing the piping AMERESCO started up one of their engines on January 31, 2014. As of February 3, 2014, Ameresco was able to have both their engines continuously running and producing electricity.
 - With the system repairs, we are providing better control of off-site odors related to landfill gas, and improving our environmental compliance performance.
- **Landfill Space Optimization Efforts:** Staff has re-evaluated our landfill utilization practices, allowing us to use landfill air space more efficiently. Recent operational changes include:
 - Instructing operators at the landfill on methods to increase landfill compaction
 - Reduce the daily working face area to increase efficiency and reduce daily cover material
 - Made improvements to the leachate collection system
 - Improving management of surface water throughout the facility
 - Regular aerial site surveys, to document compaction efficiency and assess air space usage for capital planning purposes
 - Improve interaction of the residential gate attendants with the public.
 - Re-emphasize the importance of regulatory compliance to the staff.

Mr. Snellings expressed his concerns about the new tire policy. He stated that he found 15 tires at Abel Lake. He asked the R-Board staff to contact Fairfax to learn more about their tire incineration facility, air pollution, and any health concerns. Mr. Dayton responded that he has spoken with representatives from DEQ in respect of the Waste to Energy plant in Fairfax and they have no issues and are in compliance with their permits.

Report on Finances: Mr. Keith Dayton reported on the following:

- **Financial Summary through January 31, 2014:** Revenues have leveled off during the holidays and the harsh winter, however we are still slightly ahead for the year. We expect a rebound as the weather warms up. Expenses are running below budgeted levels (47% expended vs. 59% of the year expired) and we continue to monitor our expenses very closely. Added was a summary table indicating that we expect to use only 15% of the budgeted fund balance. This may reduce to zero by the end of the fiscal year if revenues pick up in the spring and early summer.

- Customer Account Status through January 31, 2014: Overall delinquencies are down nearly \$200,000 from the November report.
- Weight and Material Analysis: We have continued to show some rebound in the commercial, we are up 25% in our major billable item for the year. We are showing a steep drop off in January collections. We have made a correction to the way we have been calculating the Stafford non-billable collections, we changed the auditing procedures in accounting for Stafford billable, so reported values are much closer to actual values.
- Audit report: Mr. Dayton reported that the R-Board received a clean audit. The report indicates that operating expenses exceeded operating revenues by \$698,000, when depreciation in the amount of \$829,655 is factored in. Our overall net position has decreased by \$656,271. Our unrestricted fund balance is now \$13,071. Our financial statement does not include the liability for \$1,000,000 of additional reserves required as a result of the detection of a constituent in excess of limits in the groundwater monitoring system.

Mr. Cameron asked the R-Board to go to page 11 of the audit and addressed the final sentence of the third paragraph from the bottom of the page. "The County's and the City's equity interest as of June 30, 2013 was \$4,458,166 and \$3,376,318, respectively." He questioned how the allocation was determined. Mr. Dayton answered the distribution of any asset is based upon the tonnage of the respective localities and it's close to 60/40 County/City.

(Addendum to the Minutes: Mr. Dayton provided a clarification to Mr. Cameron's question as to the origin of the values mentioned in the audit report by e-mail dated March 12, 2014. It is included in the minutes as follows:

"Members of the R-Board:

Mr. Cameron asked a question during the R-Board meeting as follows:

What is the source of the equity amounts listed on page 11 of the FY2013 Financial Statements (audit) provided with the meeting materials? The sentence out of the report is as follows: "The County's and the City's equity interest as of June 30, 2013 was \$4,458,166 and \$3,376,318, respectively."

Following research, the derivation of these values begins with Table 1 and Table 2 (pages 4 & 5) in the audit report. The R-Board net position is listed at \$7,834,484. Subtracted from this value is \$928,102 the County contributed to the startup costs of the landfill, and reflected in the January 2000 amended agreement, and a value of \$153,746 for the 30 acres the County owned before the joint landfill agreement was executed. The balance, \$6,752,636, divided by 2, represents the City's share of the equity position, or \$3,376,318. Stafford's equity position starts with the \$3,376,318 and adds back the \$928,102 and \$153,746, for a total of \$4,458,166."

Mr. Howe addressed the operational agreements. He stated that we need to take time to read through the agreements. He stated that in the beginning everything was split 50/50 and it's clearly defined about the property. He asked for legal counsel to clarify some "gray areas" in the agreements, stating some amounts are ambiguous. Mr. Howe would like clarification and bring the issue to a close before he leaves office in June. He stated he didn't remember anything about tonnage. Mr. Milde suggested that staff write up a list of questions to work on while working on the operational agreements. Mr. Milde and Mr. Howe both questioned long term liabilities and the cost of closing the entire landfill. Mr. Dayton stated that we can do this and we will have information for the May 21st meeting. Mr. Milde suggested doing a Special meeting in April.

Unfinished Business:

- **Recycling Market Conditions:** Mrs. Jones introduced Mr. Timothy Lee from Tidewater Fiber Corporation, the primary recycled material processor used by the R-Board. Mr. Lee showed a PowerPoint presentation on the recycling market conditions. He voiced his appreciation for Mrs. Jones and Ms. May. His presentation provided information about China's "Green Fence", as well as the impact of this on the global recycle market. The presentation provided recent market trends for recyclable items. Mr. Lee explained that the U.S. recycling rate remains about 35% of total waste produced.
- **Update on Environmental Monitoring and Gas Installation Contracting:** Ms. Julie May reported on the following:
 - The R-Board solicited proposals for the monitoring and maintenance of the landfill gas collection system. Staff received five proposals, after evaluation, staff interviewed three of the firms. Draper Aden was selected as the most responsive and best qualified to conduct the monitoring and maintenance of the gas collection system.
 - Ms. May introduced resolution RB14-01 to authorize Draper Aden as the firm to provide professional services related to monitoring and maintenance of the landfill gas collection system.

Mr. Romanello motioned, seconded by Mr. Howe, to approve proposed Resolution RB14-01.

By voice, the vote was:

Yea: (6) Milde, Howe, Romanello, Snellings, Cameron, Solley
Nay: (0)

Proposed Resolution RB14-01 reads as follows:

A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR TO
EXECUTE A CONTRACT FOR PROFESSIONAL SERVICES RELATED TO THE
MONITORING AND MAINTENANCE OF THE LANDFILL GAS COLLECTION SYSTEM

WHEREAS, the Rappahannock Regional Solid Waste Management Board (R-Board) requires the services of a firm to provide monitoring and maintenance of the landfill gas system to ensure compliance with our operating permit, and

WHEREAS, the R-Board publicly solicited proposals from firm interested in providing these services; and

WHEREAS, 5 firms responded to this solicitation and staff evaluated these proposals, and

WHEREAS, the R-Board determined Draper Aden Associates to be the most responsive and best qualified of the respondents; and

WHEREAS, these services would begin upon execution of the contract, and could be extended up to four (4) additional fiscal years.

RFP for SCS Field Services for landfill gas extraction well installation

Ms. May advised the Board of recent efforts to prepare bid documents to solicit competitive bids for installation of the gas well extraction system for Cell E as required by our permit. She noted that we received 6 bids, with the bid provided by SCS Field Services being the lowest responsive, responsible bidder. Ms. May mentioned that SCS Field Services had completed much of the gas extraction system at the landfill, and were known by R-Board staff to perform quality work. Furthermore, the bid amount was approximately \$90,000 less than the amount authorized for this work in the FY2014 budget.

Mr. Romanello motioned, seconded by Mr. Howe, to authorize a contract with SCS Field Services in the amount of \$159,000 for landfill gas extraction well installation for Cell E.

Yea: (6) Milde, Howe, Romanello, Snellings, Cameron, Solley
Nay: (0)

Alternative Solids Handling Process Proposal Update: Mr. Dayton reported that the R-Board staff developed the RFP and solicited proposals for return on February 17. Six proposals were received and they are currently under evaluation. A short list of proposals is currently being developed to conduct interviews. Selection should be completed in April, and staff will proceed to contract with the firm determined to be most qualified.

New Business:

Relic Hunting Request: Mr. Dayton reported that staff received a request to hunt relics on R-Board property from individuals associated with Friends of Stafford Civil War Park. They further requested that they get to keep the relics found. This activity has not been permitted previously. Relics would technically be public property and disposition may require we follow a process. Mr. Milde and Mr. Howe expressed their appreciation to Mr. Glenn Trimmer for the construction of the Civil War Park at no cost to Stafford County. Mr. Howe is in favor in returning the relics to the public and supports relic hunting. He suggested that the relic hunters take the following steps:

- Giving one of every two relics found to the R-Board after cataloging the items in Stafford, especially unique items;
- Ensure that liability could be waived for people to be on the property; signing a risk waiver

Mr. Snellings followed in Mr. Milde and Mr. Howe's appreciation for Mr. Trimmer's work on the Civil War Park. Mr. Snellings questioned who are considered "selected individuals" and asked for specifics on exactly how many people that may include. Mr. Snellings stated that relic hunting is a big business. Mr. Solley expressed his concern that all items be cataloged, photographed, and displayed for the public when the archeological survey is done. Mr. Solley does not support "finder keepers" system. He requested that some system be put in place to catalogue these found relics. Mr. Bob Hundley noted that a portion of the Part A permit with DEQ required a Phase 1 study to include structural finds, but not relics. Mr. Glenn Trimmer spoke that he and two other individuals are the people who will be relic hunting on the R-Board property. He stated that there isn't anything of huge value on the site. He is most interested in the extent of the 11th Corps Road, Corduroy Road, 4th Fortification and Battery #3. Mr. Milde asked if relic hunting would be legal. Mr. Howe asked if it is not, how it can be made legal. Mr. Trimmer stated he would like a personal collection of items that is found. Mr. Trimmer stated upon his death he would have his collection turned over to the R-Board. Mr. Hefty stated that anyone who is going to hunt for relics need to have a permit to allow all individuals to relic hunt. The matter will be discussed further at the May 21st regular meeting after additional legal review.

Landfill Aging Discussion: Mr. Dayton reported on the following:

- The estimated life of Cell F-1 is 2.5 years. Filling began in July 2013, so we expect it to be filled at the end of 2015.
- Life of current permitted area is 50 plus years.
- Recently completed an aerial survey of Cell F. Found that our fill rate is close to the assumed rate. Our efforts at efficient compaction have been successful. We will continue aerial survey efforts.
- Based on this information, we need to have Cell F-2 out for bid this December and under construction early 2015. Design is underway

Financial Outlook/Preliminary FY2015 Budget Discussion: Mr. Dayton summarized the present financial condition of the Regional Landfill:

- **Financial Outlook:** Based on the FY2013 audit, we have virtually no unrestricted reserves.
 - Reserve depletion is largely the result of past unfunded depreciation, construction of Cell F-1 using cash reserves, and increased regulatory compliance costs.
 - We must initiate construction of Cell F-2 early in 2015 to ensure it is available when we exhaust capacity in Cell F-1. Estimated cost of Cell F-2 is approximately \$4,000,000.
 - Given our financial position, it is uncertain that we will be able to finance the construction of Cell F-2 and, if we could, we do not generate sufficient excess revenues to pay the \$585,000 to \$680,000 annual debt service cost.
 - Our recent cost to revenue analysis indicates that it costs the R-Board over \$47 per ton to landfill waste, while we generate revenue from landfill operations at \$31/ton.
 - C&D collections capture approximately 50% of the potential revenue from that source.
 - We collect revenues from Stafford and Fredericksburg residents at \$4/ton, significantly less than our cost.
 - A substantial increase in tipping fees for commercial MSW haulers will very likely result in a large diversion of our main revenue generator to other landfills.
- Staff recommends that the R-Board consider possibilities for enhanced revenues and/or service reductions to improve financial outlook.
- Possible actions are:

- Immediately eliminate the tipping fee cap for C&D material. This action could generate an additional \$150,000 in revenue, if waste wasn't diverted to other landfills.
- Increase the tipping fees effectively July 1, 2014, for monthly disposal quantities in excess of 1,500 tons from \$25 per ton to \$30 per ton. While not a significant revenue generator, it would bring the tipping fees more in line with landfill costs.
- Implement a \$25 per ton tipping fee for municipal waste brought to the landfill by the City of Fredericksburg Department of Public Works. This could bring in nearly \$190,000 in additional revenues.
- Eliminate free residential service at our convenience center. Staff would investigate methods to collect an effective rate of \$25 per ton from these customers in a manner which would not create undue inconvenience to our customers and staff.
- As an alternative to charging residents, the City of Fredericksburg and Stafford County could provide additional funding at a level sufficient to continue offering the service levels provided in the past. This would require \$345,000 from the County and \$247,000 from the City.
- Considerations for cost savings include service reductions related to the Belman Collection Center and the litter crew. Specifically, eliminating brush, appliance, tire and C&D collections at Belman could save approximately \$40,000, while returning litter control costs to the County would result in savings of approximately \$215,000 per year.
- Implementing all of these measures could generate \$1,000,000 per year in added revenue/expenditure reductions. This would get the R-Board back to sustainable operations.

Mr. Milde requested staff to investigate residential charging procedures at other area landfills. Also, Mr. Milde requested that the County Administrator advise the Board of Supervisors of the financial condition of landfill operations during FY2015 budget deliberations.

Mr. Howe requested staff to prepare an analysis of operational savings resulting from lower quantities of MSW that might occur if rates were increased.

Mr. Cameron suggested that we move forward with the first three bullets. Mr. Milde concurred.

Mr. Milde noted that neither he nor Mr. Snellings wish to consider charging residents for landfill services.

- **Preliminary Budget Discussion:**
 - The FY2015 budget will be considered at the May 21, 2014 meeting, with no regular meetings scheduled before that date.
 - Given the budgetary challenges presented previously, staff feels it would be helpful to receive some guidance from the R-Board prior to crafting a draft budget.
 - Key budget considerations are:
 - Staff does not plan to recommend additional staff.
 - There will be no raises for staff included
 - We expect to level fund our operational expenses. We will monitor developments with the constituent migration in Permit area 74. We will be installing another monitoring well for data purposes.
 - We plan to include replacement costs for a 193 tractor used for slope mowing, along with a 1 ton dump truck and ¾ ton pickup, each with over 200,000 miles. Total costs for this equipment to be around \$120,000.
 - There is no major equipment replacements scheduled for FY2015.
 - Funding the \$4,000,000 Cell F-2 construction is our biggest budgetary challenge.

Mr. Romanello noted that we are “out of time and out of money”, and that present financial conditions are the result of drawing down reserves to cover operating losses. He noted that financing construction of Cell F-2 would count against Stafford’s debt capacity. He acknowledged that none of the options offered are good but we are out of options. Mr. Howe asked again about clarifying the partnership/lease of the City and County. Mr. Milde asked Mr. Dayton to schedule a budget meeting in early April.

(The item below was moved at the request of the Chairman and conducted after initial conversation on the financial outlook had begun.)

Conveyance of R-Board Property: Mr. Dayton reported that Stafford County recently rezoned property east of Route 1 between the Stafford Hospital and R-Board property for a mixed use development that includes a site for a future Germanna College campus. Germanna informed County staff that ten acres of additional area to the south of this site would be beneficial to the development of the campus. There is approximately eleven acres of buildable R-Board property immediately adjacent to the proposed campus. This property (Parcel 39-17B) has little use for future R-Board operations, and could be disposed of without negative effect. The County had the property appraised as the smaller ten acre piece and the entire parcel, the appraised value is \$400,000 and \$540,000 respectively. The R-Board is asked to consider endorsing the transfer

some or all of Parcel 39-17B to Stafford County for ultimate use as a Germanna Community College site. This property is jointly owned by the City and the County and both governmental bodies must act to allow this action to proceed.


Mr. Cameron noted that the Council considered this proposal and has asked for a 40 year extension to the R-Board agreement in exchange for giving the parcel of land to GCC. Mr. Howe expressed concern about why there is a lease agreement for the City's participation at the landfill. He requested eliminating the expiration date for the lease to reflect the partnership that exists for joint operation. He would like clarification on the lease concept. Mr. Milde asked the City of Fredericksburg to sell their half of the land to the County of Stafford. Mr. Milde said that the 40 year extension is not equal to the \$400,000 parcel. Mr. Solley noted that while he didn't have a comment on the lease agreement; he did want the City to get a fair exchange. Mr. Snellings suggested that legal counsel from the City, the County and R-Board work out the terms of the agreement and come back at the May 21st meeting. Mr. Howe requested that we pursue a schedule that allows resolution of this matter before he is no longer serving on the R-Board.

Future Meetings: Staff was directed to schedule a special meeting of the R-Board for early April, to allow further consideration of financial and budgetary matters in advance of the adoption of the City and County budgets. The next regular R-Board meeting is scheduled for May 21, 2014 at 1:30 P.M. in the Stafford County Administrative Center, Board of Supervisors Chambers

Adjournment: The Chairman adjourned the meeting at 3:48 P.M.



Keith Dayton, Director



Stephanie Persico, Clerk