

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

April 20, 2016

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 8:32 a.m. on April 20, 2016 at the George L. Gordon Government Center, Board of Supervisors Chambers.

Roll Call: The following members were present: Paul V. Milde, III, Chairman; Mathew Kelly, Vice-chairman; Beverly R. Cameron; Jack Cavalier; William C. Withers, Jr.; and Anthony J. Romanello

Also in attendance were: William 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; Diane Jones, Julie Williams-Daves, and Christina Morgan.

Approval of minutes of prior meeting: Mr. Kelly motioned, seconded by Mr. Withers, to approve the minutes for the February 17, 2016 meeting.

By voice, the vote was:

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

Presentations by the Public: No members of the public wished to speak.

Presentations by the R-Board:

Mr. Kelly reiterated the need for a retreat to discuss the future of the landfill and the budget. Mr. Milde suggested the end of summer as a timeframe. Mr. Kelly suggested starting with a broad agenda and working into the details. Staff was directed to follow up with Mr. Kelly to further define the details of how the R-Board would address consideration of future landfill operations.

Report of the R-Board Superintendent: Mr. Jason Pauley reported on the following:

Cells B-C-D Closure Update

Staff received draft construction plans and specifications on April 5th, and is currently reviewing them for completeness and accuracy. It is anticipated that we will have the documents ready to bid in time for R-Board consideration at the June meeting. Cells B through D have been filled and are no longer in service, and therefore are required to be permanently capped as part of our closure procedures. Staff, working with our consultant, has been developing closure plans for Cells B, C, and D as a result. The closure of Cells E and F1 will occur after filling of Cell F2 in several years, as there is still useable airspace in both these cells that will be utilized as filling of Cell F2 progresses.

Recycling Building Compactor

Fabrication of the compactor and the specialized semi-truck trailers is proceeding. The manufacturer's

delivery schedule has been pushed back two weeks to May 16th. The one to two day installation process is anticipated to begin once both the trailers and the compaction equipment are delivered to the site. All electrical upgrades necessary for installation of the compactors have been completed.

Cell F2 Operations

Filling of Cell F2 continues, with installation of the first layer (fluff layer) placed over approximately 2/3 of the impermeable liner, and used approximately 60,000 cubic yards (~3%) of available airspace. We have been receiving large quantities of construction debris from the school demolition project.

Mr. Kelly asked if the life span for the cell had changed since the cell opening given the increase in trash receipts in the last few months. Mr. Pauley stated that we are on target at this point and have two surveys conducted per year, the next one occurring in July. Mr. Dayton noted that the expected life of the landfill is 2067 based on recent analysis, and once the July survey is complete we will have more complete picture of the Cell F2 filling status.

Staffing

Mr. Pauley reported that we are currently staffed at 27 and recruiting for three part-time employees. Two full-time maintenance workers and have recently been hired for the litter crew. We are leaving one full-time position open for now and considering the best time to fill that position.

Environmental Compliance Report: Ms. Julie Williams-Daves reported on the highlights of her staff report:

SWP #589 – Compliance Inspection

The DEQ found no deficiencies in our last inspection and we are expecting the second inspection of the year any time.

Groundwater – Area #74

Staff is working with Resource to move the presumptive remedy forward and is planning to hold a public hearing at the next regular R-Board meeting.

Landfill Gas Collection System

All of the perimeter gas probes were in compliance during the last monthly monitoring event. We have reverted back to a quarterly monitoring schedule.

Ms. Williams-Daves added that the sediment related to the unpermitted wetlands impact associated with the 9/29/15 rain event has been removed and DEQ will be inspecting the impacted areas next Tuesday. She also informed the R-Board that the current contract with Resource International is ending this fiscal year and staff is reviewing proposals submitted in response to an RFP released in March. Staff will bring a recommendation to the R-Board at their June meeting.

R-Board Engineering Consultant's Report: Mr. Bob Hundley Reported:

Permit No. 589

Resource continues to coordinate with the R-Board staff to assist with contractor punch list items and warranty work tasks to be completed by the contractor as well as assisting with the calculation of the appropriate retainage amount.

Resource and the Environmental Manager prepared and submitted the annual Green House Gas reporting data to the EPA on April 1st.

Resource and the Landfill Superintendent have worked together to produce draft bid drawings and specifications for the Closure of the Cells B/C/D area. Once the bid set is complete, the project will be advertised and bids received such that the closure project may occur during the summer of 2016.

Resource and the R-Board Superintendent are working to evaluate the potential for converting the leachate force main system within Cells A-E to a direct discharge force main that does not require use of the leachate storage tank.

Fredericksburg Landfill

Resource sampled all landfill gas probes at the Group Home in March. Unfortunately, there were two exceedances noted, therefore the facility must return to weekly sampling. Resource and the City met with DEQ officials at the landfill in March and discussed alternate points of compliance that may resolve the Group Home related exceedances. Resource has submitted a request for the DEQ to authorize alternate points of compliance closer to Cool Spring Road.

Operations Update: Mrs. Diane Jones reported on the following:

Litter Removal

Inclement weather and fewer daylight hours hampered our litter removal efforts over the winter and early spring. Our litter removal partners from the Rappahannock Regional Jail, Juvenile Detention Center, and probationers also cut back hours during this period. As a result, we have noted an increase in the number of litter complaints as we entered the spring season. While our efforts have been somewhat curtailed, we have been very active during this period, with over 194,000 pounds of litter collected in the first quarter of this calendar year.

Recycling

Staff submitted a 58% recycling rate for calendar year 2015 to the Department of Environmental Quality (DEQ) in conjunction with our required annual reporting. This percentage is significantly higher than that reported in recent years and can be attributed to high cardboard recycling numbers reported by Walmart throughout the state. Our report is subject to DEQ review and may be adjusted. Staff will report the approved recycling rate after it is finalized by DEQ.

Ms. Jones informed the R-Board that the recycling bin has been removed from Kaz Automotive. They are expanding business and will need all of their parking area. Staff is searching for another suitable location. We have alerted the public using multiple forums.

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

Financial Summary:

Commercial receipts remain strong, with March exceeding the target by \$70k. We are projecting annual collections \$400k above budgeted amounts from this source. Resident fee collections remain consistently strong, but will be ~\$130k below budgeted amounts. Mr. Dayton reminded the R-Board that staff was unable to rely on historical data to develop revenue projections for this new program. He

went on to mention that some of the revenue lost to the resident fee program is made back up when drop-off customers switch to curbside commercial service. Recycling revenues also remain below budgeted amounts and are projected to be down about ~130k. Metals prices are up, while single stream prices remain low. Expenditures are running under budgeted amounts, with the major initiatives planned for FY16 completed. We budgeted \$700k for debt service, but will need only about \$80 in FY2016.

Weight and Material Analysis:

Commercial hauler waste deliveries are now 35% higher than last year, with flow control scheduled to be fully in effect on May 1. We should see this number continue to rise. Belman waste quantities have stabilized when compared year to year, but remain down from last year since resident fees went into effect March 1, 2015. C&D waste is up considerably from last year. Recycling remains down overall from FY2015.

New Business:

Proposed FY2017 Budget: Mr. Dayton introduced the proposed FY2017 budget to the R-Board by noting the following points:

- The budget is proposed with no use of reserve funds for operational requirements.
- There will be no change in core services, and no direct local government subsidies.
- Each line item in the expenditure budget has been scrutinized for potential savings.
- R-Board employees will receive the same raises included in the Stafford County budget.
- We are proposing a modest decrease in non-personnel related operational costs to reflect completion of Cell F2 construction which reduced consulting expenses, and the completion of the site improvements necessary to support resident fees.
- Staff is proposing to fund capital costs for equipment rehabilitation and replacement that were deferred due to the previous negative financial outlook, and the uncertainty preceding the decision to construct Cell F2.
- Debt service of \$560,000 for Cell F2 construction is included. He noted that this amount is down from the original estimate of \$700,000 due to favorable interest rates.
- All user fees are unchanged from FY2016.
- Staff is proposing to fund closure of closed Cells B, C and D using the funds reserved for this purpose and without additional debt.
- This results in a proposed budget with slightly more than \$4.1 million in capital costs, of which \$3 million is proposed for closure of Cells B, C, & D.
- The revenue budget reflects current, but somewhat conservative, estimates of revenue from all sources, with no rate increases of any kind proposed.
- With the exception of the \$3 million in closure costs, staff believes the proposed budget can be funded from operating revenues. Closure costs would be funded from reserves if the budget is adopted as proposed.
- The use of reserves to fund closure costs will result in an approximately equal reduction in the unrestricted net assets calculation.

Mr. Dayton called attention to information on last year's budget, the FY2017 proposed budget, and the next five years of expenditure and revenue projections included with the meeting materials. The 5-year financial projections shows the R-Board replenishing reserves at a modest rate beginning in FY2018. He

went on to note that no rate increases were assumed with this analysis.

Mr. Dayton advised that in his opinion, the \$1,067,000 budgeted from reserves in the current fiscal year will not be necessary. The reduction in FY2016 debt service by \$620k, combined lower than budgeted expenditures, should allow these funds to remain in the reserve fund, although final FY2017 numbers won't be available until completion of the audit around the end of the year.

Mr. Dayton noted that the R-Board could choose to fund closure costs wholly or partially with funds secured from the participating localities (debt or cash) to maintain a higher reserve balance. He noted that staff had checked with the Virginia Resources Authority and received initial support, although Mr. Dayton pointed out that closure costs have no offsetting revenue source and the use of debt to fund this expense will require locality support.

Mr. Dayton then recommended approval of the proposed FY2016 budget of \$8,336,600, but noted that the decision on how to fund the closure costs could be deferred until the June meeting when the consideration to award a contract was scheduled.

Mr. Romello motioned to pass RB 16-02 with Mr. Cameron seconding the motion. Mr. Milde opened the floor for discussion, first asking for a clarification on the Unrestricted Reserve. Mr. Dayton advised that the present audited amount is -\$2,674,331. Mr. Romanello stated that spending \$3 million in cash reserves for cell closures makes him nervous and that perhaps some arrangements could be made with the localities to split the debt; He suggested \$1 million from Fredericksburg, \$1 million from Stafford, and \$1 million from the R-Board reserves. He further noted that the high up-front cost for construction equipment in the proposed budget could spread out through the use of lease-revenue financing or other mechanism.

Mr. Cameron expressed concern about issuing debt for the closure cost as there will be no revenue return. Also, he suggested that this would be a good time to consider extending the landfill agreement once again. Mr. Withers advised that he felt borrowing for closure costs was a good idea, but that it shouldn't be put off because the interest rates are low. Mr. Kelly noted that he was concerned that this action is treading water, and we need to look at the long term vision of the landfill and rebuilding the reserve.

Mr. Milde commented that he felt this is the best 5-year forecast he has seen in years, and that the R-Board should plan a meeting to discuss long term operational strategy and associated costs. Mr. Romanello stated that some of these long term planning issues would be good agenda items for FY17. Mr. Cavalier indicated that the localities could split at least 50% of the upfront funding for the closure costs.

Mr. Romanello then suggested that RB 16-02 be accepted with the following action items: the R-Board seek shared funding from the localities for closure costs, and that the R-Board staff seek heavy equipment purchasing information from Stafford County in an effort to reduce the use of reserve funds. The R-Board then passed the FY2017 budget on a 6-0 vote as proposed by R-Board staff.

RB16-02 as written:

RB16-02

PROPOSED
RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD
RESOLUTION

At the regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Board of Supervisors Chambers, Stafford County Administration Center, 1300 Courthouse Rd., Stafford, Virginia, on the day 20th of April, 2016 :

<u>Members:</u>	<u>Vote:</u>
Paul V. Milde, III, Chairman	Yes
Mathew J. Kelly, Vice-chairman	Yes
Beverly R. Cameron	Yes
Jack R. Cavalier	Yes
Anthony J. Romanello	Yes
William C. Withers, Jr.	Yes

On motion of Mr. Romanello, seconded by Mr. Kelly, which carried by a vote of 6 to 0, the following was adopted:

A RESOLUTION ADOPTING THE FISCAL YEAR 2017 R-BOARD BUDGET

WHEREAS, the R-Board is committed to providing high quality solid waste services to the residents and businesses in the City of Fredericksburg and Stafford County; and

WHEREAS, the R-Board is also committed to operating the Rappahannock Regional Landfill in a cost effective, environmentally responsible manner; and

WHEREAS, the proposed budget addresses those goals in a fiscally responsible manner; and

WHEREAS, the proposed budget responds to the financial concerns of each locality, as well as our commercial solid waste partners, in an equitable manner;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 20th day of April, 2016, that the proposed budget presented herein and in the amount of Eight Million, Three Hundred Thirty-six Thousand and Six Hundred Dollars (\$8,336,600), be and it hereby is approved.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Commercial Business Requests for Resident Annual Pass

Staff advised that they have received ten requests from owners of commercially registered vehicles desiring exceptions to the residential user fee requirements.

Three requests, Intelligent Energy Management, Enterprise FM Trust, and Blessed Contracting, are similar to previous requests.

Two requests (Cropp Exteriors and Kyler's Catering) differ in that their vehicles are labeled with the business lettering on the side. This will cause them to be stopped each time they enter the resident facility, and may cause concerns from residents about business use of the convenience center.

One request (JnR Services) is for a business use of the resident facility, but they maintain the waste volume is low enough that the exception is warranted.

Four additional requests were received without explanation, and staff efforts to obtain additional information were unsuccessful.

Staff requested that the R-Board indicate its desire to grant exceptions to some or all of the requests above by motion, and we will contact the individuals accordingly.

Mr. Withers stated that he felt like the rules are no commercial trash at the resident facility, so the one exception should not be granted. He went on to note that lettering on vehicles is not permitted; so no exceptions for that should be allowed as well. Mr. Milde agreed.

Mr. Cavalier questioned why the "boots on the ground" employees could not handle this. Mr. Romanello responded that the R-Board staff is working very hard to avoid upset customers and keep the R-Board members' phones from ringing. He reminded the R-Board that there are many times when facility staff is dealing with a heavy volume of customers while trying to keep the lines moving, and that addressing exceptions creates additional pressure. He noted that he recently sent a customer a refund of \$20, when the staff was correct. Mr. Kelly advised that we need to hold the line with these requests and make very few exceptions. Mr. Withers stated that perhaps better signage at the landfill clarifying the rules would help, and asked the staff bring some examples of that to the next meeting. Mr. Kelly and Mr. Milde agreed. Also Mr. Cameron stated at the next meeting he wanted to discuss and clarify trailers.

On a motion by Mr. Withers, seconded by Mr. Milde, the R-Board approved on a 6-0 vote only the three requests consistent with previous requests for exceptions to the resident convenience center use policies by commercially registered, but unmarked vehicles. Staff will advise all persons requesting exceptions of this decision.

Adjournment: The meeting was adjourned at 9:30 A.M. by Mr. Milde.

Future Session: The next regular meeting is scheduled for June 15th at 8:30am in the George L. Gordon Government Center, Board of Supervisors Chambers.


Keith C. Dayton, Director & Deputy County Administrator


Christina Morgan, Clerk