

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

Wednesday, October 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 3:30 p.m. on October 21st 2015, at the George L. Gordon Government Center, Board of Supervisors Chambers.

Roll Call: The following members were present: Mathew Kelly; Mr. Mark Whitley for Beverly R. Cameron; Gary Snellings; William C. Withers, Jr; and Anthony Romanello. Paul V. Milde, III arrived after the roll call.

Also in attendance were: 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, R-Board Staff;

Approval of minutes of prior meeting: Mr. Snellings motioned, seconded by Mr. Kelly, to approve the minutes for the August 19, 2015 meeting.

By voice, the vote was:

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

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

Presentations by the R-Board: No members of the R-Board wished to speak.

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

Cell F-2 Construction Status Mr. Pauley provided some pictures of the cell construction and spoke about the progress since July in spite of rain delays.

He stated that the completion time is scheduled to be 2nd week of November, but noted that the construction company did just file a request for time extension due to weather.

Belman Road Compactors

Compactors are operational today and ready for customers use. Two compactors are set up, one for household garbage and the other for recycling. Some site dress up still needs to be completed. The new gatehouse building will be on the right, not on the left as the current one is, resulting in minor changes to the traffic pattern.

Cell F1 Filling Status

The current fill rate indicates that there is a little less than 2 months month or 40,000 cubic yards or airspace remaining in cell F1. We have started to utilize the airspace remaining on the eastern slope of Cell E, which connects to Cell F1. The combined airspace of Cell E and F-1 should provide airspace through the end of January 2016.

MSW Ash Disposal

At the last meeting, staff was requested to contact COVANTA to discuss options for the disposal of ash produced at their Lorton facility. Mr. Pauley reported that COVANTA has a disposal agreement with Fairfax to receive all of the ash the facility produces. In addition, the incinerator and current ash disposal facility are located adjacent to each other, allowing them to haul the ash to the disposal area with their own off-road trucks. After taking these factors into consideration, COVANTA informed us that the costs associated with hauling ash to our facility, combined with a tipping fee, would not be cost effective at this time.

Report of Staff: Mr. Dayton reported on R-Board staffing:

Currently the R-Board is authorized for 34, but staffed at 29. We are recruiting for one heavy equipment operator and one part-time gate attendant. Staff hopes to recruit for two litter crew workers soon. We will be holding one landfill maintenance worker position open.

Environmental Compliance Report: Ms. Williams-Daves reported on the following:

SWP #589 – Compliance Inspection

The DEQ conducted its third quarter solid waste inspection on September 22 and found the R-Board to be in compliance with all of the applicable solid waste regulations.

Groundwater – Area #74

Staff continues to work through the property purchase with VDOT. Staff is working with Resource International to submit a formal proposal for a “presumptive remedy” and a petition to move the compliance point further away from the edge of the landfill. In the meantime, groundwater is still being monitored regularly to ensure that the previous remediation efforts remain successful.

Landfill Gas Extraction System – Area #74

Draper Aden Associates repaired two broken joints in piping of the landfill gas collection system that are likely due to settlement and were allowing oxygen into the system.

Staff continues to keep DEQ apprised of the landfill gas migration at GP-7 and the vent trench connection to the landfill gas system. Ms. Williams-Daves showed photos of the installation of the trench and the project at completion.

At the time of the R-Board meeting, the DEQ had conducted an air inspection and staff was awaiting their report.

Wetland Impacts - WP4-09-0644

Staff is working with the DEQ to address some sediment that reached a wetland area outside the construction zone during the recent rain.

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

Permit No. 589 (Cell F-2 Construction QA/QC)

Resource is working with R-Board staff and the construction contractor to coordinate construction progress meetings. Resource is also overseeing the construction QA/QC and to date, the testing has been in conformance with all the design specifications.

Fredericksburg Landfill

Resource obtained three consecutive "clean" weekly LFG sampling reports and had planned to revert back to monthly sampling. However, the sampling results from October were above compliance limits, so we will return to weekly sampling.

Operations Update: Mrs. Jones reported on the following:

Single Stream Recycling Changes

The R-Board was advised at the August meeting about changes in the single stream recyclable material market which would result in a dramatic decline in revenue. Mrs. Jones reported that since then, the R-Board is proceeding with site modifications necessary to meet the RFP operational specifications. These modifications came in just below anticipated cost. In the July RFP, it was suggested that the Board could anticipate a \$20 per ton payment for the material. Staff advised the Board that this price may drop below \$20. The per-ton value is based on indexing of market prices which have declined further. To date \$3,200 has been expended to transport materials to market. A contract with Tidewater Fibre Corporation is near completion. Once a contract is executed, there will be an additional 90 day period to install the compaction system.

Household Hazardous Waste Collection Day

Staff reported that the fall collection for Household Hazardous Waste will be held this Saturday, October 24th from 9:00 A.M. to 3:00 P.M. at the City Public Works facility located at 1000 Tyler Street. Ms. Jones commended City efforts for assisting R-Board staff to offer this new location. The program has grown and the Belman site no longer can handle the increase in customers.

Cooperative Electronics Collection Program Rappahannock Goodwill

Fredericksburg Public Works and R-Board staff have also coordinated a joint effort with Goodwill Industries. Goodwill Industries staff will manage an Electronics Recycling Day for E-Waste in conjunction with the Hazardous Waste Day program in the City. Goodwill will also have the E-Waste collection opportunity at the Stafford County Government Center parking lot at the same date and time.

Ms. Jones also commended the City for their newly amended litter ordinance. The ordinance now offers the option to assign offenders a mandatory minimum 10 hours of community service in litter abatement activities.

Report on Finances: Mr. Dayton reported on the following:
Financial Summary; FY2016 through September 30, 2015

The last 2 months saw a drop in commercial account collections and recycling, with the current forecast indicating a shortfall in revenues. Staff and consultant efforts have reduced our \$1 million corrective action liability down to \$123,000. Mr. Milde questioned whether that would increase the unrestricted reserves by a corresponding amount. Mr. Dayton replied that this would not be the case if the auditors had not previously recognized this liability in the unrestricted reserve calculation.

Weight & Material Analysis; FY2016 through September 30, 2015

We continue to experience a decline in our commercial accounts, particularly residential customers. Recycling tonnage is down compared to this time last year, but C & D remains strong.

Unfinished Business:

Resident Fee Update

There has been little change since the August report. We are averaging \$30,000 per month in one-time pass and coupon sales. Staff is preparing for 2016 annual pass sales to begin on November 16, with credit card payment available online and at the R-Board & both Treasurers Offices. Landfill pass sales will be transitioning to the residential side. This change is tentatively scheduled for the end of November. Staff will begin developing public notification materials immediately, and will coordinate our notification efforts with the City and County.

Mr. Dayton noted that we currently estimate spending \$15,000 in one-time building and technology costs for the addition of credit card payments, along with the transfer of pass sales to the residential side. We also expect about \$80,000 in additional labor costs to support the residential fee program. This is within the \$100,000 in the approved FY2016 budget.

A graphic was provided in the R-Board materials to illustrate traffic changes to accommodate the transfer of pass sales to the residential side. Mr. Snellings asked about traffic flow and how customers will turn around. Mr. Dayton explained that there will be ample room for customers to make a U-turn just after the new gate attendant building.

Flow Control Update

Mr. Dayton reported that both localities have advanced their respective flow control ordinance processes, with public hearings planned for November. As drafted, the R-Board would have the responsibility to designate the location for municipal solid waste disposal, and the effective date for implementation. Implementation is contingent upon the completion of Cell F-2, which is still expected to be available in November, pending approval by DEQ. City and County staff have scheduled a meeting for next Monday to coordinate language in the two ordinances, and the final draft versions may differ.

New Business:

Financing Agreement

Stafford County and the City of Fredericksburg have authorized the debt necessary to finance construction of Cell F-2. The Virginia Resources Authority (VRA) is managing the sale of bonds which will be the source for this funding. Sale of the bonds is scheduled for the end of October, and the funds

should be available in early November.

The R-Board had previously pledged tipping fee revenues to pay the debt service for this financing, making it party to the agreements that were developed to define the relationships and responsibilities of the various parties. VRA has requested the R-Board authorize execution of three instruments prepared for the sale of the bonds; the Local Bond Sale and Financing Agreement between VRA, the City, and the R-Board; the Local Bond Sale and Financing Agreement between VRA, the County, and the R-Board; and the Revenue Pledge Agreement between the City, County, and the R-Board.

Staff recommends approval of RB15-13. Mr. Kelly motioned, seconded by Mr. Romanello, to approve RB15-13.

By voice, the vote was:

Yea:	(6)	Milde, Kelly, Snellings, Romanello, Whitley, Withers
Nay:	(0)	
Absent:	(0)	

As written:

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 Chamber, Stafford County Administration Center, Stafford, Virginia on the 21st day of October, 2015;

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

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

**A RESOLUTION TO AUTHORIZE EXECUTION OF AGREEMENTS WITH THE VIRGINIA RESOURCES
AUTHORITY RELATED TO FINANCING FOR CONSTRUCTION OF CELL F-2**

WHEREAS, the R-Board has previously authorized the use of tipping fee revenues to pay debt service on the estimated \$4,500,000 in loan proceeds and financing expenses necessary to fund construction of Cell F-2; and

WHEREAS, Stafford County (County) and the City of Fredericksburg (City) have authorized the issuance of debt to fund Cell F-2; and

WHEREAS, the Virginia Resources Authority (VRA) is managing the sale of bonds which will be the source of these funds; and

WHEREAS, to evidence the obligations of the County, the City, the R-Board and VRA regarding the debt, VRA has proposed that VRA enter into the following arrangements (1) a Local Bond Sale and Financing Agreement between the County, the R-Board and VRA, (2) a Local Bond Sale and Financing Agreement between the City, the R-Board and VRA and (3) a Revenue Pledge Agreement between the City, the County, the R-Board and VRA (the "Documents"); and

WHEREAS, the R-Board desires to authorize the Chairman, the Vice Chairman and such officers as may be delegated the authority to act on behalf of the R-Board as described below (each a "Delegate") to take such actions as may be necessary or advisable in connection with the Documents and the financing of Cell F-2;

NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Regional Solid Waste Management Board on this the 21st day of October, 2015, that

1. The Documents are approved in substantially the form on file with the R-Board, with such changes, insertions or omissions as may be approved by the Chairman or any Delegate, either of whom may act, whose approval shall be evidenced conclusively by the execution and delivery of the Documents on the R-Board's behalf. The Chairman and each Delegate, any of whom may act, are authorized to execute and deliver the Documents and such other documents and certificates as such officer may consider necessary in connection therewith.
2. The actions of the Chairman and each Delegate in determining the final terms and conditions of the Documents shall be conclusive, and no further action shall be necessary on the part of the R-Board.
3. The Chairman and each Delegate, any of whom may act, are authorized to execute one or more Non arbitrage Certificate and Tax Compliance Agreements or any related document (the "Tax Documents") setting forth the expected use and investment of the proceeds of the financings and containing such covenants as may be required by VRA to ensure compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The R-Board covenants that the proceeds from the issuance and sale of the financing will be invested and expended as set forth in the Tax Documents and that the R-Board shall comply with the other covenants and representations contained therein.
4. All officers and agents of the R-Board are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the financing, and the execution, delivery and performance of the Documents, including the execution and delivery of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the financing are ratified and confirmed. Any authorization of the Chairman may be carried out by the Vice Chairman, in the absence or unavailability of the Chairman.
5. The R-Board hereby appoints Keith C. Dayton, Director, as a "Delegate" with the authority to execute documents on behalf of the R-Board as authorized hereby. The R-Board may appoint future "Delegates" under this Resolution by subsequent resolution.
6. Effective Date. This Resolution shall take effect immediately.

The LOCAL BOND SALE AND FINANCING AGREEMENT Between VIRGINIA RESOURCES AUTHORITY and CITY OF FREDERICKSBURG, VIRGINIA and RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD was also included with the R-Board meeting information.

Proposed Tipping Fee Rate Adjustments

Mr. Dayton reported that staff has analyzed tipping fee rates for the disposal of dirt at the landfill, and found that we averaged \$8.69 per ton in FY2014, and \$6.56 per ton in FY2015. The rate of return is well below the cost to dispose of this material, and about equals the capital cost for the airspace needed to dispose of it. Although there are operational savings associated with the use of clean offsite fill in our daily cover requirements, we are currently soil rich. Our current billing system for soil is volume based on the number of axles on the delivering vehicle. This is unlike all other fee schedules. Staff recommends adjusting the rate to a weight based system, and setting the rate at \$26 per ton. Although we expect very little earnings from this price structure, we will be appropriately compensated for what we do receive.

Staff has also examined the tipping fee structure for MSW received in excess of 1,500 tons per month (per company). This rate is currently set at \$32 per ton, and our over 1,500 tons per month collections have dropped dramatically since this rate was set. Staff has been advised that the \$26 per ton rate will result in attracting virtually all the MSW generated in the City and County to the landfill, amounting to about an additional 2,500 tons per month, and develop approximately \$750,000 in additional revenue. If the R-Board desires to modify the rates as recommended by staff, Mr. Dayton suggested an effective date of January 1st to allow companies time to adjust. RB15-14 would modify the tipping fee for dirt to a weight based system, and set the rate at \$26 per ton, and reduce the over 1,500 tons per month for MSW to \$26 per ton, and set the effective date for both rates at January 1, 2016.

A discussion ensued regarding working cooperatively with the primary trash hauling companies involved. Mr. Withers asked about obtaining a written agreement with the specific companies affected. Mr. Dayton explained that staff is working on two fronts: one to get the companies to voluntarily agree to bring material to us for an acceptable price, and also to further flow control measures that would force compliance if necessary. If the City and County move forward, flow control could be in place but postponed until needed. It is a measure to ensure that companies cooperate with the policy. Mr. Kelly added that he prefers setting up flow control and not waiting to put it in place.

Mr. Romanello motioned, seconded by Mr. Kelly, to approve RB15-14.

By voice, the vote was:

Yea:	(6)	Milde, Kelly, Snellings, Romanello, Whitley, Withers
Nay:	(0)	
Absent:	(0)	

As written:

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

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

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

A RESOLUTION TO AMEND THE RATE SCHEDULE FOR DIRT AND FOR MUNICIPAL SOLID WASTE DELIVERED AT QUANTITIES ABOVE FIFTEEN HUNDRED TONS PER MONTH

WHEREAS, the R-Board desires to establish fee schedules for solid waste services that maximize revenue, enhance operational efficiency, and are fair and competitive; and

WHEREAS, the R-Board recognizes that the obligation to fund debt service payments for construction of Cell F-2 require approximately \$700,000 in additional revenue; and

WHEREAS, the fee schedule for dirt delivered to the Regional Landfill (Landfill) is presently based on the capacity of the equipment delivering dirt rather than the weight; and

WHEREAS, the fee schedule has resulted in a rate of return for dirt less than the cost of providing landfill services; and

WHEREAS, the R-Board believes that a rate of \$26 per ton for dirt delivered to the Landfill is commensurate with the service provided by the Landfill; and

WHEREAS, the current rates for municipal solid waste (MSW) have contributed to a decline in MSW delivered to the Landfill, and the corresponding revenue generated; and

WHEREAS, the R-Board believes that a reduction in the rate charged for MSW delivered in excess of 1,500 tons per month to \$26 per ton will result in the delivery of additional MSW, and provide associated revenues sufficient to fund the debt service from financing construction of Cell F-2;

NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Regional Solid Waste Management Board on this the 21st day of October, 2015, that the rate schedule for dirt delivered to the Landfill is amended to a rate of Twenty-six Dollars (\$26) per Ton; and

BE IT FURTHER RESOLVED that the rate schedule for municipal solid waste delivered by a company to the Landfill in excess of Fifteen Hundred (1,500) Tons per Month is amended to a rate of Twenty-six Dollars (\$26) per Ton; and

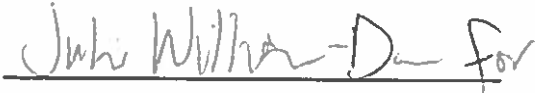
BE IT STILL FURTHER RESOLVED that the rates amended by this resolution be made effective on January 1, 2016.

Adjournment: The meeting was adjourned at 4:18 by Mr. Milde.

Future Session: The next regular meeting is scheduled for December 18, 2015 at 8:00 A.M. with the location to be decided at a later time.

A handwritten signature in cursive script that reads "Keith C. Dayton". The signature is written in black ink and is positioned above a solid horizontal line.

Keith C. Dayton, Director & Deputy County Administrator

A handwritten signature in cursive script that reads "Christina Morgan". The signature is written in black ink and is positioned above a solid horizontal line.

Christina Morgan, Clerk