

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

SPECIAL MEETING AGENDA

**STAFFORD COUNTY
GEORGE L. GORDON GOVERNMENT CENTER
BOARD OF SUPERVISORS CHAMBERS
STAFFORD, VIRGINIA**

**February 9, 2015
2:30 P.M.**

- A. CALL TO ORDER.**
- B. ROLL CALL TO DETERMINE QUORUM**
- C. APPROVE MINUTES OF PRIOR BOARD MEETINGS (Tab 1)
January 21, 2015**
- D. CLOSED SESSION**
- E. UNFINISHED BUSINESS**
 - 1. Residential Fees Update**
 - 2. Operational Options**
- F. NEXT SCHEDULED MEETING
March 18, 2015, Board of Supervisors Chambers, George L. Gordon Government
Center, 1:30 PM**
- G. ADJOURNMENT**

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 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.

Keith C. Dayton, Director & Deputy County Administrator

Christina Morgan, Acting Clerk

DRAFT



Rappahannock Regional Solid Waste Management Board

489 Eskimo Hill Road • Stafford, Virginia 22554 • 540-658-5279 • FAX 540-658-4523

TO: R-Board Members

FROM: Keith Dayton
Deputy County Administrator

DATE: February 6, 2015

SUBJECT: **Residential Fee Discussion**

The R-Board adopted resident user fees consistent with the recommendations provided by staff in the attached January 19, 2015 staff report at their January 19 meeting. The user fees are scheduled to go into effect March 2, 2015, for customers using the convenience centers at Belman Road and Eskimo Hill Road.

The adopted policy included a tiered structure wherein residents wishing to pay with cash could be charged an escalating fee of up to \$12 depending upon the volume and/or type of waste materials brought to the convenience centers. Following approval of the tiered fee structure, staff has heard concerns that tiered policy will be cumbersome to administer, and potentially aggravate traffic backups at our facilities during peak periods.

The R-Board may wish to rescind the tiered fee provisions of the adopted policy, leaving in place a fee structure which charges residents a maximum of \$4 per visit regardless of the volume and nature of the waste materials. The current policy limiting trailers to a maximum of 8 feet in length, and the maximum of 8 tires per household per year will remain in effect.

Draft Resolution RB15-01 is attached for consideration.

KCD:kd

Attachment: As noted



Rappahannock Regional Solid Waste Management Board

489 Eskimo Hill Road • Stafford, Virginia 22554 • 540-658-5279 • FAX 540-658-4523

TO: R-Board Members

FROM: Keith Dayton
Deputy County Administrator

DATE: January 19, 2015

SUBJECT: **Residential Fee Implementation Update**

The R-Board endorsed landfill use fees for City and County residents using the drop off locations at Eskimo Hill and Belman Road at the October 9th meeting in the following amounts:

Annual Pass - \$100
10 Trip Pass - \$ 30
Single Visit - \$ 4

Staff then investigated methods of administering a residential fee program in use by other localities within Virginia and around the United States. After considering multiple options, as well as the landfill facilities operated by the R-Board, staff presented a suggested program at the November 19 meeting that provided annual pass, multiple trip coupons, and single trip cash payment options. The R-Board directed staff to continue investigating this program in more detail. Following this additional study, including consultation with various City and County personnel, staff is prepared to recommend the resident fee program described below.

Recommended Program

Annual Pass

The use of windshield stickers to indicate payment of the \$100 annual use fee and allow for rapid validation and entry. Ordering and receipt of the stickers can be completed in person at several locations, as noted below, or they can download the application online for completion and mailing to the R-Board office for processing. Customers will receive their annual pass by mail. Customers will receive two annual stickers for their \$100 payment, allowing flexibility to use more than one vehicle, while limiting opportunities for abuse. Each sticker would have a registration number assigned to a resident's vehicles to aid in accountability. Sticker color would be changed each year to allow attendants to quickly identify current decals. We would mail out reminders to annual pass customers each year, and attendant staff would allow a grace period for expired stickers after the first of each year.

Annual stickers would be distributed at the treasurer's office in Stafford and Fredericksburg, along with the R-Board main office, and the landfill scale house. Forms of payment would initially include checks or cash at all locations. Mail in requests would be processed at the R-Board office. We will explore the expansion of payment options after the program is operating smoothly.

January 21, 2014

If the R-Board decides to implement the program in March, staff recommends an initial price of \$75 for the annual pass to reflect that two months of 2015 will have passed. We also recommend that no proration of annual passes occur besides this exception.

Daily Use Pass

Staff recommends the use of 10 coupon/ticket books at \$30 each for daily use charges for residents to provide a low cost, efficient method for accepting payment. The coupon books are inexpensive to acquire, and take little space to store. Mail delivery to customers is easy and low cost, and can be provided at multiple locations with little concern for storage space. The use of coupons would be scaled to the amount and type of waste delivered. Staff recommends that one to three coupons per visit be required, depending on the volume and nature of the waste. We have included a schedule providing the staff recommendation for charges.

The maximum charge for a single visit complying with the maximum vehicle size limit would be \$9 using the coupon system. Loads would be inspected by the attendant(s) upon arrival, and the coupon(s) collected using the attached reference sheet.

The coupons booklets would be offered at the same locations, and by the same payment options as described for the annual passes. Each booklet would have a registration number to aid in accounting controls; however, the numbers would not be registered to a purchaser. The coupons have security markings to prevent copying.

Daily Use Cash Payment Option

Customers would be provided with a cash payment option for waste disposal at the Eskimo Hill scalehouse only. This will allow flexibility for our cash customers, while not creating delays for other customers at our convenience centers. This procedure also enhances our accountability and cash management controls. Customers arriving at the Eskimo Hill or Belman sites without an annual pass or coupon book would be directed to the commercial entrance and the scale house at Eskimo Hill to purchase either an annual pass, coupon book(s), or one day fee of \$4 to \$12, depending on the type and amount of waste. They would then be directed back to the residential convenience center to drop off their waste materials.

Recyclable Materials

All recyclable materials (Goodwill collections, single stream, metal, motor and cooking oil) will be received free of charge. If a customer arrives with only recyclable materials, they will be allowed to enter free of charge. If they are bringing recyclable materials along with MSW, C&D, etc., the recyclable materials will not be included in the calculation of charges. Brush, debris and tires are excluded from fee exemption due to the efforts and cost necessary to process these materials into a recyclable product.

Household Hazardous Waste & Fluorescent Bulb Collection programs

Besides the recyclable materials, staff recommends maintaining the household hazardous waste and fluorescent bulb collection programs unchanged and free of charge. Although these programs are a significant expense without offsetting revenue, staff believes these programs offer the public an

January 21, 2014

opportunity to dispose of these types of materials in an environmentally conscientious manner. Without these programs, it is likely that many of the materials we collect will end up buried in the landfill.

Logistical Considerations

Eskimo Hill

As noted at the November meeting, staff believes that the Eskimo Hill convenience center can accommodate residential customer traffic with the use of the annual stickers and the coupon system described above. The scale house will be attended at all times when the convenience center is open to allow for the sale of annual stickers and multi-trip booklets, and to receive cash payments.

Belman Road

Staff is still reviewing layout alternatives at the Belman site to optimize the efficiency of customer flow. The new trash compactors will have a positive effect by reducing the number of trips required to haul waste to Eskimo Hill. The wide variety of containers at that location is causing some logistical concerns which will be resolved in time to implement the program as early as March 2nd.

Staffing Considerations

We recommend two gate attendants be on duty at all times on weekends at both the Eskimo Hill and Belman locations. To ensure adequate staffing at a minimal cost, we propose to hire part time attendants as a staffing pool for weekend work at both convenience centers. One part time attendant would assist a full time attendant to ensure adequate staffing is available to keep traffic moving. In addition, we are prepared to schedule other regular maintenance personnel as needed until the demands of the new program are fully known. We also plan to schedule senior staff at both convenience centers at program startup to monitor activity and make adjustments as necessary.

Staff believes the program as described above can be implemented in full on March 2nd, if directed by the R-Board. Our inventory of annual passes and coupon books can be ordered and distributed for sale by February 2nd, allowing a month for customer purchase. We are prepared to immediately publicize the program through print and social media, various agency websites, and local signs at our operational and administrative locations.

KCD:kd

Attachment: As noted

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 of _____, 2015;

Members:

Vote:

Mathew J. Kelly, Chairman

Paul V. Milde, III, Vice-chairman

Beverly R. Cameron

Anthony J. Romanello

Gary Snellings

William C. Withers, Jr.

On motion of _____, seconded by _____, which carried by a vote of _____ to _____, the following was adopted:

A RESOLUTION REMOVING TIERED RESIDENT USER FEES

WHEREAS, the R-Board adopted user rates for residents of the County and City bringing their waste to the convenience centers at Belman Road and Eskimo Hill Road at their January 21, 2015, meeting; and

WHEREAS, these rates included increased charges for residents bringing larger quantities of waste and selected waste materials; and

WHEREAS, the R-Board has determined that a policy of tiered rates is not desirable at this time; and

WHEREAS, the R-Board is committed to re-examining the resident fee rates periodically;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the _____ day of _____, 2015, that the resident user rate schedule be capped at a maximum four dollars (\$4) per visit, provided resident waste loads are within the restrictions for maximum size currently in force; and

BE IT STILL FURTHER RESOLVED that the R-Board will re-examine this rate schedule during each annual budget deliberation.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Keith C. Dayton, Director



Rappahannock Regional Solid Waste Management Board

489 Eskimo Hill Road • Stafford, Virginia 22554 • 540-658-5279 • FAX 540-658-4523

TO: R-Board Members

FROM: Keith Dayton
Deputy County Administrator

DATE: February 6, 2015

SUBJECT: **Landfill Operational Options**

At the January 21, 2015 meeting, staff provided the R-Board with an update (attached) on the Cell F-1 filling status, the bid results for Cell F-2, and the wetland mitigation credit costs necessary to begin construction of Cell F-2. The report also briefly noted a couple of options available to the R-Board to allow completion of the new cell construction prior to exhausting capacity in Cell F-1.

In light of recent comments from R-Board members regarding concerns about the long term operation strategy for the landfill, staff thought it might be helpful to provide a summary of options which have been identified to date. Each of these options could have multiple variations for operational strategy and finding, depending upon input received from the R-Board, City, and County. Whereas this effort only provides a general overview of identified options, additional analysis would be required of those options selected for further consideration.

CONSTRUCT CELL F-2

Continue Current Operations

Under this scenario, the R-Board would proceed with the construction of Cell F-2, and continue landfill operations with their own staff in much the same manner as in prior years. Every effort would be made to finance and complete construction of Cell F-2 prior to December 2015 to ensure we are able to continue operations without interruption.

Funding Options

Financing options to secure the \$5,161,449 necessary to construct Cell F-2 include requesting the Stafford County Board of Supervisors (County) and the Fredericksburg City Council (City) to issue debt on behalf of the R-Board. Approximately \$2.58 million in debt from each locality would be necessary to fully finance the expected costs, if this debt were divided evenly. Financing for municipal landfill construction is available through the Virginia Resources Authority (VRA) at very low rates. Authorization to borrow funding for Cell F-2 would require a public hearing and affirmative vote by both the Stafford County Board of Supervisors and the Fredericksburg City Council, whereupon the bonds would be included in an upcoming VRA bond sale.

The R-Board could elect to self-fund all or a portion of the construction costs for Cell F-2 from the reserve fund. The R-Board would draw on a portion of the nearly \$6 million in investments available to it with the expectation that operating results over the next seven years would improve sufficiently to replenish the reserve fund for closure/post-closure costs, and prepare for Cell F-3 construction. Complete

reliance on reserve funds would result in a liquid reserve fund balance equivalent to only a couple of months of operations expenses. Financing a portion of the construction cost will allow for a larger reserve fund balance, although the authorization process outlined above must be followed.

Depletion of the reserve fund would shift a greater liability for closure/post-closure costs to the localities; at least until the reserve funds are replenished. This additional liability could have a negative effect with bond rating agencies. The localities currently assume some level of liability with the local government assurance letters sent to the Virginia Department of Environmental Quality (DEQ) each year. An additional level of protection from these liability consequences could be provided by securing a bond from a private firm for closure/post-closure costs. Securing such a bond would require indemnification from both localities.

Public Private Education Act (PPEA) Project

It may be possible to solicit proposals for the construction of Cell F-2 from firms interested in financing and constructing the landfill cell, and then either leasing the completed cell back to the R-Board for operation, or potentially privatizing the operation of the landfill altogether. This process would require preparation of the solicitation, public offering and preparation of responses from interested parties, evaluation of the proposals and selection of one or more parties with which to negotiate an agreement, and then approval by the R-Board and authorization to execute an agreement by both localities. Furthermore, the PPEA legislation related to solid waste facilities is limited to “any solid waste management facility as defined in Section 10.1-1400 that produces electric energy derived from solid waste.” It may be difficult to structure a PPEA solicitation to comply with this stipulation.

The entire process can be expected to take well over a year to complete, with no assurance that an acceptable proposal will be received. While there is insufficient information to speculate upon the terms we might expect to receive, it seems likely that the financing costs of a private party will be higher than the two localities, and a private company entering into such an agreement would structure the agreement to ensure coverage of debt costs, liability and profit. The draft agreement, if one resulted, would have to be approved by both local governing bodies, following a public hearing.

ALTERNATIVES TO CONSTRUCTING CELL F-2

Cease All Operations

The R-Board could cease landfill, convenience center, and litter control activities altogether. Revenue would cease at this point, along with the majority of expenses. The R-Board would be required to complete closure of the filled landfill cells, estimated at around \$3 million, and provide post-closure monitoring for the next 30 years. In the event that an exceedance is detected during the monitoring period, corrective action measures would be required. After closure activities are completed, most of these continuing expenses would be consultant costs necessary to provide the monitoring, sampling, and reporting services required by our regulatory permits. Some level of continuing local government involvement will be necessary to coordinate these activities.

The R-Board has approximately \$6 million in investments to fund closure and post-closure costs, along with equipment and other assets of value which could be disposed of. Our most recent financial statement indicates a deficit of \$820,000 available to fund these liabilities, although the liability is extended over a 30-year period.

If the R-Board chooses to abandon landfill operations, there will be an immediate impact upon the residents and businesses in Fredericksburg and Stafford. While we can assume that the waste hauling enterprises could locate alternative landfill sites to serve their residential, municipal and commercial customers, the landfill also serves many residents who chose to personally dispose of their waste at one of our convenience centers. These residents represent just over 20% of our waste volume. Even those residents served by commercial waste haulers often must use the landfill to dispose of items which can't be left at the curb. Additionally, there are numerous contractors and other small businesses who rely on the landfill for disposal. The City's Public Works Department, and the County Department of Utilities also rely on the landfill for daily disposal operations.

Other options are identified below which result in a continuation of some waste services, while relieving the R-Board of some of the costs associated with landfill operations.

Convert Landfill Operation to a Transfer Station

If it was decided to cease landfill operations, but continue convenience center operations, the R-Board could construct a transfer station and ship waste offsite to a commercial landfill elsewhere in the state. The main landfill at Eskimo Hill is the logical location for a transfer station, although a specific site has not been identified. Numerous transfer stations have been placed in operation around the state, and many more operate nationwide. The basic components include a large building for inside handling of waste, and a loading area to transfer waste onto tractor trailers for transport. Existing convenience center operations could continue unchanged, with the waste taken to the transfer station building instead of the landfill face.

Capital costs for the building are estimated at around \$800,000, although with engineering, permitting, site development, and utilities costs, this estimate could easily double. Furthermore, the size of the facility is dependent upon whether service is limited to the convenience centers, or expanded to a broader clientele. The R-Board owns no long haul tractor trailers, and would have to purchase these if we wished to service this aspect of the operation. It may be possible to contract out the transportation of waste to the landfill destination. The closure and post-closure expenses described above would have to be funded as well.

Operational costs are also unknown, and influenced by the level of service the R-Board provides. Current staffing levels for the Eskimo Hill and Belman Road convenience centers would remain unchanged, and staff would be required for transport of waste from these locations to the transfer station. Staffing would also be necessary for the transfer station operations and maintenance requirements.

Planning, design and construction for this facility will take well over a year to complete, requiring interim measures for operation after Cell F-1 is filled.

Funding Options

Funding challenges for the capital cost of a transfer station are reduced due to the significantly lower cost when compared to a new cell. It is expected that the investment reserves held by the R-Board are sufficient to fund both the transfer station and closure costs for the filled cells.

Funding for continuing operational costs represents another challenge, as funding sources could be limited to resident fees and tipping fees from the City. Expansion of the facility to serve existing commercial customers would increase revenue, but also increase logistical and capital investment concerns.

On the expense side, the R-Board would be required to fund operational costs for the convenience centers, transfer station, transport costs to the commercial landfill, and tipping fees at the destination landfill. The sum of these expenses are not known at this time.

Privatize Operation of the Landfill

The R-Board could solicit proposals from private firms to operate the landfill, along with the convenience centers. There are a number of municipal landfills in the state which operate in this manner. In the two localities contacted which operate in this manner, the locality establishes the tipping fee, while the private firm operates the landfill. The private firm is also responsible for compliance monitoring and reporting activities. Further research would be necessary on the details of the contractual relationship and cost of this option, although both landfills contacted have budgets which rely heavily on a local government subsidy.

It is expected that implementation of this option would take well over a year, requiring interim measures for operation after Cell F-1 is filled.

Sell the Landfill

The R-Board could explore the option of selling the landfill, although it does not own the property upon which it operates. Technically, the City and County would have to sell their interest in the property associated with landfill operations. This option is complicated by the prior closure and post-closure liabilities assumed by each locality, the presence of the joint law enforcement training facility, and the Stafford Civil War Park.

A variation of this option would be to sell or lease the permitted air space to a private firm. This would require a public solicitation and evaluation of the responses to determine if any are of interest. Whereas the air space is permitted to the R-Board, DEQ must be contacted to see if transfer of this permit is feasible.

Considerable investigation of this option would be necessary prior to issuing a solicitation, along with extensive evaluation of the responses received before any agreement could be executed. This period would extend well past the time remaining to fill Cell F-1.

The above report lists some identified options available for long term operation of the landfill in very general terms. There may be other options available, and also multiple variations of the options identified above. Detailed analysis is required to provide a better understanding of the capital and operational costs associated with these options, as well as to identify other factors which may affect their feasibility.

KCD:kd

Attachment (as noted)



Rappahannock Regional Solid Waste Management Board

489 Eskimo Hill Road • Stafford, Virginia 22554 • 540-658-5279 • FAX 540-658-4523

TO: R-Board Members

FROM: Keith Dayton
Deputy County Administrator

DATE: January 19, 2015

SUBJECT: **Cell F-2 Construction**

Resource International recently completed the Cell F-1 filling survey and determined that 62% of the permitted airspace has been used as of a month ago. Using current solid waste delivery rates, we believe 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. Five bids for the work were received on January 16 as noted below.

Glover Construction	\$5,232,676
Harnden Group	\$6,275,200
Phillips Construction	\$5,996,000
Sargent Construction	\$5,182,595
T&K Construction	\$5,062,968

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.

Staff also requested pricing to purchase the approximately 1.5 acres of wetland mitigation credits simultaneous with the solicitation for construction bids. We received 3 bids for these credits, ranging from \$98,481 to \$100,302. The apparent low bidder, Falling Springs Wetland Mitigation Bank, is acceptable to regulatory agencies for mitigation, and the bank used most recently by Stafford County on another project.

Provided that a preservation easement is recorded on 43.4 acres to satisfy mitigation requirements for stream impacts, and as approved by RB14-14, construction and wetland mitigation are the only remaining expenses necessary for construction of Cell F-2.

Funding Options

Financing options to secure the \$5,161,449 in Cell F-2 costs noted above are limited. The R-Board does not have the authority to issue debt; consequently, the two participating localities must issue debt on behalf of the R-Board. Divided evenly, each locality would be required to authorize \$2.58 million for this project. Financing for municipal landfill construction is available through the Virginia Resources Authority (VRA) at very low rates. Authorization to borrow funding for Cell F-2 would require a public hearing and affirmative vote by both the Stafford County Board of Supervisors and the Fredericksburg City Council, whereupon the bonds would be included in an upcoming VRA bond sale.

The process outlined above will take a few months to complete, and it is uncertain if financing authorization will be approved by the localities.

The R-Board may be able to self-fund construction of Cell F-2. As noted in the FY2014 Financial Statements, the R-Board possesses nearly \$6 million in investment assets. These assets represent the bulk of the restricted reserves set aside to fund closure/post-closure liabilities. Although funding Cell F-2 construction from this source is not without risk, the R-Board may wish to consider alternatives which would allow these funds to become unrestricted for use on Cell F-2. Additional details can be provided on this option at the January 21 meeting. Should the R-Board wish to pursue this approach, it is possible that implementation can be accomplished quicker than debt financing.

Timing Considerations

As noted above, the airspace in Cell F-1 is expected to be exhausted no later than December 2015. Construction of Cell F-2 is expected to take between 6 to 8 months, depending on the weather. Furthermore, the Virginia Department of Environmental Quality must inspect and issue an operating permit for the new landfill cell prior to placing it in service. This process can take as long as 4 months. Staff believes that construction of Cell F-2 should start in March for the new cell to be operational before Cell F-1 is full.

Staff has also identified approximately 4 months remaining capacity in Cell E, adjacent to Cell F-1. We believe that this capacity can be utilized for reserve in the event that Cell F-2 is not operational before Cell F-1 is full. Although hauling access to this area for solid waste vehicles is somewhat more complex, we believe this space can be used if needed without undue difficulty, possibly extending current permitted airspace to early 2016.

KCD:kd