

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

REGULAR MEETING AGENDA

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

**March 5, 2014
1:30 P.M.**

- A. CALL TO ORDER.**
- B. ROLL CALL TO DETERMINE QUORUM**
- C. APPROVE MINUTES OF PRIOR BOARD MEETINGS (Tab 1) v
November 20, 2013**
- D. PRESENTATIONS BY THE PUBLIC**
- E. REPORT OF R-BOARD ATTORNEY**
- F. REPORT OF STAFF (Tab 2)**
 - 1. Personnel Status Update**
 - 2. Permit Report**
 - a. Staff Report**
 - b. Consultant Report**
 - 3. Operations Update**
 - a. Landfill Gas Collection System Rehabilitation**
 - b. Landfill Space Optimization Efforts**
 - 4. Correspondence & Media**
- G. REPORT ON FINANCES (Tab 3)**
 - 1. Financial Summary Through January 31, 2014**
 - 2. Customer Account Status Through January 31, 2014**
 - 3. Weight & Material Analysis**
 - 4. FY2013 Audit Report**
- H. UNFINISHED BUSINESS (Tab 4)**
 - 1. Recycling Market Conditions**
 - 2. Update on Environmental Monitoring & Gas Installation Contracting**
 - a. RB14-01**
 - 3. Alternative Solids Handling Processes Proposal Update**
- I. NEW BUSINESS (Tab 5)**
 - 1. Relic Hunting Request**
 - 2. Landfill Aging Discussion**
 - 3. Financial Outlook/ Preliminary FY2015 Budget Discussion**
 - 4. Conveyance of R-Board Property**
- J. CLOSED SESSION (If needed)**
- K. NEXT SCHEDULED MEETING**
 - May 21, 2014, Board of Supervisors Chambers, Stafford County Administration Center, 1:30 PM**
- L. ADJOURNMENT**

C. NOVEMBER 20, 2013 DRAFT MINUTES

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

November 20, 2013

George L. Gordon Government Center
Board of Supervisor Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 1:30 P.M., Wednesday, November 20, 2013 at the George L. Gordon Government Center, Board of Supervisor Chambers.

Roll Call: The following members were present: Paul V. Milde, III, Chairman (arrived at approximately 1:45 P.M.); Frederic N. Howe, III, Vice Chairman; Beverley R. Cameron (departed meeting at approximately 2:30 P.M.); George Solley; and Anthony Romanello. R-Board Member Gary Snellings was absent.

Also in attendance were: Bill Hefty, Esq., R-Board Attorney; Robert L. Hundley, Resource International, Ltd.; Keith Dayton, Director; Jason Pauley, R-Board Superintendent; Diane L. Jones, Julie May, and Stephanie Persico, R-Board Staff.

Mr. Solley motioned, seconded by Mr. Cameron, to approve the minutes for September 18, 2013.

By voice, the vote was:

Yea: (4) Cameron, Howe, Solley, Romanello
Nay: (0)

Presentation by the Public: The following members of the public desired to speak:

Barbara Pyatt-500 Eskimo Hill Road; She stated that she thought it would be at least a year before the Waste to Energy update would be on the R-Board agenda. She would like to know why it was put back on the agenda. She stated she read that Mary Washington University students think it's a good idea. She stated she didn't know how things had improved from the last meeting. She said that she didn't want the incinerator. She was concerned about any increase to the number of trucks on Eskimo Hill Road.

Bill Johnson- Mountain View Road; He stated he was surprised to see that an RFP be issued again without taking the step to change from by right use back to requiring a conditional use permit; he thought the Board was going to make a recommendation and he was surprised that the RFP would be issued. He is concerned about the plant having the potential of environmental hazards (ash, toxins). He noted that Stafford will not forbid proposers from coming back and importing tires from other places. He spoke about how burning tires, no matter how hot, will always create some kind of residue. He stated that 55% of the trash coming into the landfill is recycled and noted that it is a huge feat that the landfill is able to do that.

Alane Callandar- 622 Lancaster Street; She supported Mr. Johnson and stated that she doesn't support the incineration; she supported the recycling program. She made suggestions about the

R-Board website; she suggested that minutes from meetings be posted on the website as well as the R-Board meeting materials in advance of the meeting.

Mr. Howe spoke to the audience about discussing the RFP and how there will be a lot of opportunities to listen to their concerns and comments as we go forward and there have been no decisions made as of this point. This is round two in exploring new ideas. He wants Mr. Dayton to update the website with all current information.

Report of the R-Board Attorney: Mr. Hefty reported that no new regulations affecting landfill operations were passed in the general assembly during the 2013 session. There is no new litigation against the R-Board at this time.

Report of Staff: Mr. Dayton reported the current status of staffing. The landfill currently is authorized for 34 positions, 27 positions are filled with 7 vacant positions. He reported we are recruiting for a Landfill Maintenance Worker I position and a Heavy Equipment Operator I position, all other positions will remain vacant and will not be recruited at this time.

Permits: Ms. May spoke about the Air Permit; they have met with DEQ to help clarify the relationship of our air permit with the Ameresco air permit. DEQ will be amending the R-Board's permit administratively which shortens the time necessary for revisions. The R-Board will be issued a permit amendment that specifically states when the Ameresco power plant is running and utilizing all the landfill gas, the candlestick flare does not have to be on. She spoke about the solid waste inspection; this was held on November 14th. She spoke about leachate seeps that were in the July inspection which were all taken care of. DEQ was pleased with Cell F1 filling operations; they were concerned about the litter that was blowing around. Overall the site looked really good.

Mr. Romanello asked Ms. May to clarify about when we are supposed to run the flare. She stated the permit states that the flare is supposed to run when the gas collection system is running and the gas collection system is supposed to be always running. Ameresco's permit authorizes them to run their generators off of landfill gas, and running the generators at a reduced rate to provide gas to burn our flare is counterintuitive. Mr. Romanello stated that his daughter was part of the group who took a tour of the landfill and stated that she said that Julie was awesome.

Mr. Hundley spoke about Permit 589. He stated that Resource is working with the R-Board staff to complete review of the draft application for the landfill's Title V air permit. He spoke about the status of the closure permit for the former Fredericksburg landfill.

Recent Activities of Note: Mrs. Jones spoke about the updates of the florescence bulb collection system. She stated that the residential drop-off areas have been rearranged with drop-off areas which are easily monitored by the gate attendant. She spoke about Hugh Mercer Elementary School and the recycling program. She stated that the students and staff were excited to start this program. She stated that the fleet inspection program is up and running with little to no problems so far.

Correspondence & Media: Mr. Dayton noted Ms. May's blog on florescence bulb disposal. Also included is correspondence from the staff of Hugh Mercer Elementary school as well as Widewater Elementary school.

Report on Finances: Mr. Dayton reported continued strong revenue performance with very good commercial activity. Presently at 37% of revenues collected after 33% of fiscal year. Mr. Dayton called attention to a small error in the interest line – the year to date interest collected is about \$15,000 higher than reported. He noted that revenues are expected to decline during holiday/winter period. Expenses on target (34% expenditure vs. 33% of the fiscal year expired) and staff will continue to monitor expenses very closely. That's a breakeven number, and doesn't include anything for depreciation; he cautions that it's satisfactory, but not exemplary.

Mr. Howe stated that we are 7 positions short and that will affect the budget if we have to hire more employees. He stated that the numbers wouldn't look good if we had to hire more employees. Mr. Dayton concurred.

Customer Account Status: Once again, Quantico is the significant delinquent account. Total delinquencies are about \$55,000 less than reported at the last meeting.

Weight & Material Analysis: The tonnage collected data reflects the strong commercial waste collection. Billable collection performance is still strong, as reflected by revenue generation. Stafford non-billable increase is still the result of the change in weight audit procedures, and not a real increase. Staff is analyzing waste tire disposal trends. Mr. Dayton noted that the number of tires coming into the landfill free of charge at the residential collection area is raising questions, with the residential waste tire drop off 4 times higher than the commercial waste tire drop off. Mr. Pauley will report on this in more detail later.

Unfinished Business:

Update on Environmental Monitoring and Gas Installation Contracting: Ms. May reported that the monitoring and maintenance RFP for the existing landfill gas collection system is out. She stated that we will be having a pre-proposal meeting on Thursday November 21st. She stated we have received a number of inquiries and the proposals are due on December 5th. She expects that the cost will be less than \$100,000 for the remainder of the fiscal year and, if so, staff would proceed to contract for this service. She stated the bid for the extraction wells for Cell E is still in development; we are working with Resource International and will be out for bid soon.

Waste to Energy Proposal Update: Mr. Dayton spoke about the Alternative Solids Handling request for proposals (RFP) progress. The R-Board directed staff to complete a draft RFP and solicit public input for 2 weeks and received multiple comments. Staff prepared a log of all the comments and included responses. The completed log was included with the R-Board packages. All comments were provided with a response in the log, with changes made to the RFP where staff felt it was appropriate. Where the recommendation was to change the RFP, the log notation is in red, and the additions to the RFP addressing these comments are also noted in red. Comments related to subsurface conditions, bonding, additional information relative to engineering and permits, as well as clarification about the subsequent environmental study were addressed by changes to the RFP. Draft revised RFP also included with the R-Board packages.

Mr. Dayton advised that proposed Resolution RB13-05 was included if the R-Board wished to provide direction to staff to proceed to advertise for proposals.

Mr. Howe spoke about the memorandum and he stated he was concerned about the professional assistance to evaluate the proposal responses, and the lack of funds in the budget for this service. He asked how much this service would cost. He spoke about Phase One and Phase Two assistance, with Phase One being the development of a short-list of firms for further consideration, and Phase Two the technical evaluation to select the preferred firm from the short listed companies.

Mr. Dayton spoke about the need to issue another RFP to contract for professional assistance in evaluating proposals and providing recommendations to select the lead candidate for the Alternative Solids Handling proposal. Mr. Dayton noted that this process usually takes about 4 months. The cost for these services is estimated to be between \$25,000 and \$100,000, depending on the extent of services requested. The process was described as follows: develop a scope of services, issue the RFP, evaluate the proposal responses and short list the responding firms. At that point you would request non-binding cost estimates for professional services, hold interviews and make a selection.

Mr. Howe stated that we would have the opportunity to learn about the alternative processes as we go through the selection of firms. He also asked if similar professional resources will be available so we can make a good financial decision. Mr. Romanello answered that on the financial side we would rely on our financial advisors, PFM.

Mr. Milde commented that it would be smart to have the extra level of protection/advice. Mr. Howe stated it is his main goal is to not spend extra money but the goal is to learn from the experience and also ensure that we are bringing back those who make the cut/qualify for the work and this is another opportunity to improve on that as we go forward. Mr. Milde commented we need to try to hire someone who will be not biased and have an objective view. Mr. Dayton suggested that we look at firms that are completely disassociated with any of the process, and any of the R-Board activities to this point.

Mr. Solley stated that it's reasonable to hire someone with outside expertise in this field, and prefers finding a firm who will provide objective input. Mr. Milde asked if we could use the help from a university, Mr. Dayton suggested that universities are primarily focused on teaching and research, and he recommends that we look for professional engineering support. If we go with a university we may limit our prospective responses. Mr. Howe emphasized requesting Phase One, short listing services; and Phase Two, selection of the preferred candidate.

Mr. Howe motioned, seconded by Mr. Solley, to move forward with a Request for Proposals for professional and technical services to review the draft RFP for Alternative Solids Handling Processes, and provide Phase One support to include the initial screening of received proposals to develop a short list of preferred candidates, and Phase Two support to include assisting with the selection of the preferred vendor. Funding for these services was authorized to be from the R-Board reserve fund in an amount not to exceed \$100,000.

By voice, the vote was:

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

The vote was then followed by a discussion of whether the RFP for Alternative Solids Handling Proposals could proceed simultaneously with the selection of a firm to provide technical assistance with the evaluation of the proposals received. Mr. Romanello then offered that it would be wise to have the firm providing support in the selection of proposing firms review the RFP prior to it being issued. Discussion ensued with it being explained that this step would postpone issuance of the Alternatives Solids Handling RFP until around May of 2014. After discussion, it was decided to postpone action on RB13-05 until after selection of a firm to assist with evaluation of the RFP and proposing firms.

Mr. Howe motioned, seconded by Mr. Romanello, to defer action on RB13-05 until after selection of a firm to provide assistance in the evaluation of the Alternative Solids Handling RFP and the submitted proposals.

By voice, the vote was:

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

New Business:

Recycling Report: Ms. Jones discussed the recycling markets on a global level. She stated that the markets are changing, with the recycling standards becoming more restrictive, and the negative affect on our operations. We had two contracts with our single stream; one was a year old with Waste Management (WM), and the other with Tidewater Fiber Corp (TFC). WM paid us \$22/ton to take their entire single stream recycle product, transfer it to larger trucks, and deliver it to their recycling facility. The TFC contract is in the 3rd of 5 years, and they were paying us almost \$20/ton to load and ship the balance of our single stream recycle product. Upon time for contract renewal last July, both companies requested the current contracts be renegotiated or they wouldn't renew; WM wished to continue to deliver recycle product to our facility, but would no longer receive the material at their facility; consequently, they would not pay for the product. We were the only facility in the nearby area willing to receive single stream materials.

Negotiations with TFC ultimately led to an acceptable agreement, although with much reduced revenues. We were required to take additional measures to reduce the quantity of contamination in the recycle stream, and they would compensate us at the reduced rate of \$12/ton for our single stream items. Measures taken to improve the quality of our product were isted as follows:

- We stepped up our inspections and screening of recyclable items, and implemented a contaminated load policy where haulers were charged \$71/ton for contaminated loads.
- We increased our efforts to educate the public and single stream suppliers. Particular emphasis has been placed on speaking with commercial haulers and the schools about single stream recycling.

These efforts have greatly improved the quality of our recycle stream, and helped stabilize the \$12/ton price.

Ms. Jones also discussed changes in the quality of recycled waste demanded by the largest importer of this product, China. China has set up a “Green Fence”, raising standards on waste imports. She stated that the global markets for recycled products are shrinking, and becoming more restrictive about the quality standards for the recycled materials they accept. This has led to increased costs to prepare the recycled products for shipment, and resulted in a lower price for materials generated by the R-Board.

Mr. Milde asked is there a market for certain types of plastic, such as the Starbucks plastic cup. He asked what we do with it, and if there a market for that kind of plastic. Mr. Howe accented Mr. Milde’s inquiry and spoke about how Stafford informs the public about plastics. He spoke about how Fredericksburg has buckets for certain items. Mr. Milde asked what the cost would be to recycle/reuse this kind of plastic. Ms. Jones suggested that TFC come and speak to the R-Board about this. Ms. May mentioned that the plastic industry is getting rid of the recycling symbol with the number inside because it’s confusing for the public. She also stated that when we speak to the public, we ask for all types of plastics since if we accept all grades of plastics, then the volume of the valuable recycle products is increased. She noted that it is important to maintain consistency with our material acceptance policies to avoid confusion with people interested in recycling.

Mr. Dayton noted a recent newspaper article identifying the R-Board with the highest recycle rate in the region, and the 10th highest rate in the state among larger landfills. Mr. Dayton noted that this achievement is largely due to the efforts of Ms. Jones and Ms. May.

Madison County, Out of Area Waste Authorization (RB13-06): Mr. Dayton noted that Madison County had requested authorization to bring 6,000 tons per year of municipal solid waste (MSW) to Stafford. The R-Board authorized this, but the agreement was never finalized, and Madison County never brought any MSW to the County. Madison County advised they were no longer interested in delivering MSW to Stafford.

Mr. Solley motioned, seconded by Mr. Howe, to approve RB13-06 rescinding the previous authorization to receive MSW from Madison County.

By voice, the vote was:

Yea:	(4)	Howe, Milde, Solley, Romanello
Nay:	(0)	
Absent	(2)	Cameron, Snellings

Waste Tire Abuse (RB-07): Mr. Pauley noted that upon review of recent waste tire data, scale tickets and discussions with staff, it appears we have a disproportionate amount of tires coming through our residential area. We are trying to keep our waste tire collections at “zero cost” to our residents, while charging commercial tire companies bringing waste tires to our facility. It seems that certain individuals are bringing 4 waste tires every day. It appears that businesses have found a loop hole in our policies so they can drop off 4 tires a day without having to pay. Mr. Pauley spoke about making a new policy and informing the gate attendant and start enforcing this policy. We currently have a \$36,000 loss from all these tires coming into the residential area.

Mr. Howe motioned, seconded by Mr. Solley, to adopt RB 13-07, restricting residents of the City of Fredericksburg and Stafford County to the free disposal of eight (8) waste tires per calendar year.

By voice, the vote was:

Yea:	(4)	Howe, Milde, Solley, Romanello
Nay:	(0)	
Absent	(2)	Cameron, Snellings

Holiday Closure (Add On Item): Following discussion, Mr. Romanello motioned, seconded by Mr. Solley, to close the landfill at noon on December 24th.

By voice, the vote was:

Yea:	(4)	Howe, Milde, Solley, Romanello
Nay:	(0)	
Absent	(2)	Cameron, Snellings

Adjournment: The meeting adjourned at 2:58 pm with a unanimous vote.

Keith C. Dayton, Director

Stephanie Persico, Clerk

F. REPORT OF STAFF (TAB 2)

2. Permit Report

a. Staff report

b. Consultant report



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: Julie May
Environmental Manager**

Date: February 27, 2014

RE: Regulatory Update

DEQ Air Permit – Registration #40946

After meeting with representatives from the air section of the Northern Regional DEQ office, the R-Board applied for and received a minor permit amendment clarifying that the gas flare is only required to be in operation when landfill gas is directed to it. This statement removes any confusion regarding the operation of the flare simultaneously with the Ameresco power plant.

With the expansion into Cell F-1, the R-Board fell into a new category of air pollution reporting. These new rules require semi-annual reports, the first of which will include July through December 2013 and be submitted to DEQ before March 1.

SWP #589 – Compliance Inspection

The DEQ's fourth quarter compliance inspection conducted on November 14 resulted in a warning letter for small erosion rills and visible waste (small bits of plastic from cover operations) in the cover soil. Litter patrols were immediately dispatched to address the litter. In addition, higher quality topsoil and a seed mix of rye and winter wheat was spread to help address the erosion. Staff followed up with DEQ to demonstrate the site improvements and scheduled a meeting with the solid waste section staff at the Northern Regional DEQ office. Staff response led to a "Return to Compliance" letter received January 24, 2014. Staff is expecting a favorable inspection for the first quarter of 2014.

Area 74 – Groundwater Monitoring

The R-Board has had some groundwater contamination in a monitoring well near VDOT's property along Eskimo Hill Road for several years. Elevated levels of a volatile organic compound are documented in the semi-annual and annual reports submitted to DEQ. In May and June of 2011, the R-Board sought public input to the corrective action measures for this constituent at the DEQ's direction. Since then, further assessment and monitoring have been completed, and pursuant to the Virginia Solid Waste Management Regulations, DEQ is requiring additional assessment and corrective action.



Rappahannock Regional Solid Waste Management Board

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Diesel Spill

R-Board staff is handling a fuel spill after an employee accidentally damaged a diesel tank with a piece of equipment. Staff responded to the accident appropriately and followed all the established protocols in reporting and cleaning up after the incident. A spill report was filed with the DEQ and pending the proper disposal of the excavated soil and pictures of the restored site, DEQ will close the case file.

Annual Reporting

Staff will be submitting the annual E3 report and application for recertification in March. Each year staff reviews and evaluates our environmental management system and provides an updated report to the DEQ.

Staff will be working with Resource International to submit the Solid Waste Information and Assessment report that tallies the amount and type of waste our facility accepts in April.



Keith file
— — — — —

JAN 28 2014

COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

NORTHERN REGIONAL OFFICE

13901 Crown Court, Woodbridge, Virginia 22193

(703) 583-3800 Fax (703) 583-3821

www.deq.virginia.gov

Molly Joseph. Ward
Secretary of Natural Resources

David K. Paylor
Director

Thomas A. Faha
Regional Director

January 24, 2014

Mr. Jason Pauley, Superintendent
R-Board Landfill
489 Eskimo Hill Road
P.O. Box 339
Stafford, VA 22554

Re: **R-Board Landfill**
Solid Waste Permit No. 589
Compliance Status

Dear Mr. Pauley:

The Virginia Department of Environmental Quality (DEQ) Northern Regional Office (NRO) has reviewed your responses to the Warning Letter issued to R-Board Sanitary Landfill on December 2, 2013. Based on the information and photos submitted to DEQ, and the clarification you provided during your meeting with DEQ staff on January 23, 2014, the DEQ has determined that the facility has returned to compliance with the Waste Management Law and Virginia Solid Waste Management Regulations.

This letter is sent to you based on your request, and if you have any question regarding this matter, please contact me at (703) 583-3868 or by e-mail at zakaria.rabei@deq.virginia.gov.

Respectfully,

Zakaria M. Rabei
Environmental Specialist II

cc: Richard Doucette – DEQ/NRO
Anthony Romanello – Stafford County

TO: R-Board
FROM: Bob Hundley
DATE: February 28, 2014
SUBJ: R-Board Engineering Consultant's Report
PN: 88071.27
CC: Mike Fiore

Resource offers the following for the R-Board Engineering Consultant's report:

Old Permit No. 74 (Disposal Area 74 - Post Closure)

- The quarterly sampling event in December indicated all landfill gas probe readings were in compliance. The next quarterly landfill gas sampling event will occur in March.
- Resource has received comments from the DEQ regarding the previously submitted Assessment of Corrective Measures for the groundwater monitoring system and is working with the R-Board staff to prepare an appropriate response.

Permit No. 589 (Cells C/D/E/F-1 - Active)

- Resource and the R-Board staff have completed the annual emissions update regarding the landfill gas flare for submittal to the DEQ (March 1).
- Resource completed and submitted to R-Board staff the annual storm water monitoring reports for submittal to the DEQ (January 10).
- Resource has prepared the annual air permit report for review by the R-Board staff and submittal to the DEQ (March 1).
- Resource and the Superintendent are continuing to work closely with the landfill gas system contractor to complete repairs on the LFG extraction system. Repairs to date include header line improvements on the southern slope of the 589 disposal area with additional header line and lateral repairs planned for the northern slopes.
- Resource has recently completed an aerial survey of the landfill operating areas in order to provide the Superintendent with accurate compaction rates for the recently placed waste as well as site life projections for future disposal cell development planning.

Fredericksburg Landfill

- The City's Cool Springs Road (Closed) Landfill continues to achieve compliant readings on their quarterly landfill gas monitoring reports. The most recent report was submitted in February.

F. REPORT OF STAFF (TAB 2)

3. Operations update

- a. Landfill Gas Collection System**
- b. Landfill Space Optimization Efforts**



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: Jason Pauley
R-Board Superintendent

DATE: February 25, 2014

SUBJECT: Landfill Gas Collection System Rehabilitation

The gas collection system in place at the regional landfill is maintained and operated to control gas migration and odors generated from decomposing buried waste. The gas system also collects these decomposition gasses and delivers them to either an onsite air pollution control facility to be burned, or to AMERESCO to generate power, both of which control pollution from our facility. Damages to the collection and distribution system were noted in May 2013, and as a result AMERESCO was unable to generate power until repairs were made. The problems were mainly due to inadvertent and undetected damage to the collection system caused by the expansion of Cells C & D to capture unused airspace, as well as settlement of the collection pipe over time.

Staff developed a plan to complete these repairs based on a thorough review of our existing systems. We solicited a proposal from our current landfill gas system contractor, SCS Engineers, to complete these repairs. To control costs, we purchased most of the replacement pipe and materials directly from local suppliers. R-Board staff and equipment performed much of the excavation needed for the repairs. Following completion of the contracting process, we began construction during the second week of January 2014.

With the assistance of Stafford Department of Utilities staff we were able to launch a video camera into the collection system to determine the exact location of the damage and the extent of the repairs necessary while minimizing impacts to the soil cap.

To date; 800 LF of 8" header pipe, 400 LF of 6" header pipe, and 300 LF of 4" lateral pipe have been replaced. This has supplied new gas collection piping to six existing gas collection wells. Five existing collection wells were repaired and raised to adjust for waste that was filled on the slopes through the first half of 2013. A loop in the piping system has also been provided to allow for more reliable collection of gases. The final tie in of the new piping loop remains. Six more existing wells will also be tied into new piping with the remainder of the work to be completed. Work is expected to be complete by mid-March, weather conditions permitting.

On January 31, 2014 the system repairs were sufficient enough for AMERESCO to start up one of their engines. By February 3, AMERESCO was able to have both of their engines running and producing electricity, and both have run continuously since that date.

These repairs are already providing a higher level of environmental compliance for the landfill, as well as providing better control to off-site odors related to landfill gas. The remaining construction efforts will provide full system reliability.



Rappahannock Regional Solid Waste Management Board

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To: R-Board Members

FROM: Jason Pauley
R-Board Superintendent

DATE: February 25, 2014

SUBJECT: Landfill Space Optimization Efforts

Landfills are permitted by the Department of Environmental to deposit a specified volume in cubic yards. This volume – or airspace – is limited by the base area, maximum height and side slope angle. In the case of Cell F1, we are permitted for 558,158 CY. Given the cost to develop new landfill cells, it is very important to use each cell in the most efficient manner. Lack of attention to this critical aspect of landfill operation will result in inefficient fill sequencing, sub-optimal solid waste compaction and failure to use all available permitted capacity. It is far less efficient to re-enter a closed cell to take advantage of unused permitted airspace at a later date.

Recognizing this, staff has re-examined landfill practices beginning last fall. As a result, a number of new measures were implemented, including:

- Instructing our operators on landfill best practices to enhance compaction efficiency.
- Reduce our daily working face area, thereby reducing the cover soil required to seal the working area each day, and allow more efficient use of our roll out tarp system. These measures reduce the amount of soil placed in the landfill.
- Improving management of surface water throughout the facility. This has many positive impacts, including reduction in leachate production and improved site accessibility for our customers.
- Improvements to the leachate collection system to enhance reliability.
- Scheduling regular aerial site surveys to assess the effectiveness of our operational strategies and track the progression of filling in Cell F1.
- Encouraging our residential gate attendants to interact more with our customers. We believe this can improve our service level and enhance our permit compliance efforts.
- Re-emphasized the importance of regulatory compliance to our staff. Our efforts related to proper cell closure, landfill gas system repairs, hazardous waste management, and spill containment and remediation have been favorably noted by regulatory personnel.

We believe these recent initiatives will result in the most efficient use of landfill space, while advancing our permit compliance record and improving the landfill as a good neighbor.

F. REPORT OF STAFF (TAB 2)

4. Correspondence & Media

Thank you
so much for helping
our students learn!
Angela McBride

Thank you for
sharing your
recycling activities.
Debbie McConnell

Thank you
so much for
helping us learn
about recycling!
Debbie K

Thank you!
Emalee
Owens

Thank you!
Bonnie
Cox

Julie,

Thank you so much for
bringing a truly authentic
recycling activity for our
students to enjoy. The kids
loved hearing an "expert"
speak about recycling!

Thanks!
the Widewater Elem.
Kindergarten teachers

Julie M. May

From: Gretchen Gorecki <ggorecki@marstel-day.com>
Sent: Tuesday, December 24, 2013 7:48 AM
To: Julie M. May
Subject: Thank you!

Hi Julie,

We truly appreciate you taking the time to give us a tour of the Rappahannock Regional Landfill on Friday. It was very interesting to learn more about the history of the landfill, the recycling options, the composting process, and the methane to energy opportunities. I think we all appreciated the opportunity to learn first-hand how to construct a compliant landfill via the delicious model landfill sundaes!

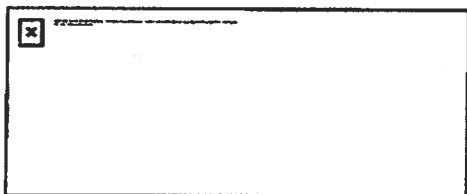
Again, thank you for letting us tour the landfill, and may we all continue to support sustainable practices and hopefully encourage others to do so as well.

Respectfully,

Gretchen

Gretchen Gorecki, Analyst

a. 513 Prince Edward Street Suite 101 Fredericksburg, VA 22401 | p. 571.201.2180 | e. ggorecki@marstel-day.com



Find us: www.marstel-day.com

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♻️ Go green. Read it from the screen. Save paper, please consider not printing this email

Diane L. Jones

From: David Wood <davewood55@gmail.com>
Sent: Tuesday, January 14, 2014 2:15 PM
To: Diane L. Jones
Cc: Lisa E. Butler; Jason M. Pauley
Subject: Re: Litter cleanup Rt 610

Dear Diane, Lisa, and Jason...and all,

You all are so wonderful, indeed. Your efforts and your response reveals true professionalism. On top of that, the fact that you all operate without tax funds is amazing. Bless you all for all your great work! You all are fantastic and so much appreciated!

Many thanks,
Dave Wood

On Tue, Jan 14, 2014 at 8:38 AM, Diane L. Jones <DJones@staffordcountyva.gov> wrote:

Mr. Wood,

I apologize for not responding to your request in a more timely manner. Lisa Butler schedules and coordinates road cleaning. She said that the area you spoke of has been tagged and crews hope to get to that area later in this week. Please note that the R-Board is not tax funded and I am proud to say they provide this service to Stafford County and the City of Fredericksburg as a community outreach initiative. We will continue to do our best. We appreciate your call and observation of need to clean.

Sincerely,

Diane L. Jones

Recycling Coordinator

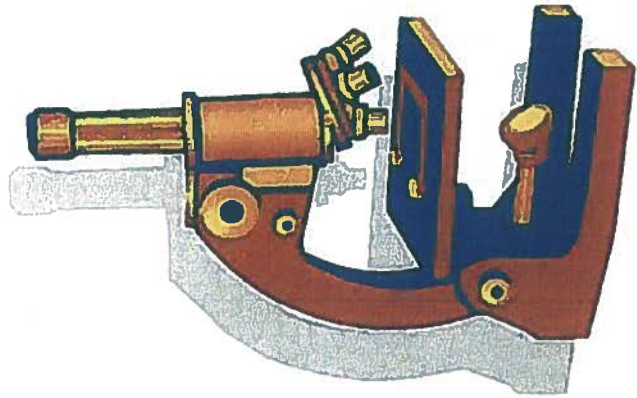
Phone, 540-658-8680

www.R-Board.org

Celebrate Stafford's 350th Anniversary in 2014!
www.stafford350.com

CERTIFICATE OF APPRECIATION

*Stafford Middle School Spartans thank you for
supporting our future leaders and scientist by judging
the science fair.*



Julie May

Rebecca Dimusso
Signature

2/13/14
Date

Julie M. May

From: Soni Sers <ssers@verizon.net>
Sent: Monday, February 03, 2014 7:03 PM
To: Julie M. May
Subject: Re: plastic bags & lids

Thank you for getting back to me so promptly. I appreciate your response and it has cleared my confusions on recycling.

Sent from my iPhone

On Feb 3, 2014, at 1:12 PM, "Julie M. May" <JMay@staffordcountvva.gov> wrote:

Good afternoon,

Thank you for your questions. The R-Board does not accept plastic bags for recycling and refers people back to the retailer because the recycling center we use handles numerous kinds of recyclables via conveyor belts. The plastic bags get hung on the gears and wheels causing maintenance delays. Many of the retailers in this area sell their plastic bags to Trex, located in Winchester, and they are equipped to handle that material.

Placing the lids on plastic bottles or not is always a hot topic. Lids on plastic bottles used to be a hazard for employees at the recycling center. But that's not the case anymore. They are a recyclable commodity and may be kept on the bottle for recycling. The best practice is to place the cap on the bottle loosely, squeeze the air out, and tighten the lid keeping the bottle flat. The flattened bottle takes up less room in the recycling bin and allows for more bottles.

I am planning on attending the Green Aquia meeting on Feb 12 and am looking forward to any other questions you or your neighbors might have.

Thank you,
Julie

Julie May
Environmental Manager/Community Outreach
Rappahannock Regional Solid Waste Management Board
PO Box 339
Stafford, VA 22555
489 Eskimo Hill Road
Stafford, VA 22554

O: 540-658-4579

F: 540-658-4523

www.r-board.org

www.facebook.com/RappRegSolidWasteMgmtBoard

From: Soni Sers [<mailto:ssers@verizon.net>]
Sent: Monday, February 03, 2014 11:24 AM

To: Julie May
Subject: plastic bags & lids

I am wondering why we have to take plastic bags to the grocery store to recycle. Where do they take them if not to the recycling center? In which case, we could just put them in our recycling containers to be picked up at home. Also, in the pictures we were given (in Aquia Harbour) it shows plastic containers with lids on them, yet the written instructions say no lids. Which is it? Thank you for clearing this up.

Keith C. Dayton

From: Thyrring, Michael D CIV (US) <michael.d.thyrring.civ@mail.mil>
Sent: Friday, February 07, 2014 1:14 PM
To: Keith C. Dayton
Cc: Jack Cavalier
Subject: RE: Hazmat Disposal (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Mr. Dayton (and Supervisor Cavalier) -

Thanks very much for the quick and very helpful response to my query. I was not misinformed as to the categorization of the empty propane cylinders, and only assumed that was the issue. Their pressurization and therefore potential danger to personnel at the landfill is an understandable matter and was part of my concern in writing my note - I'd hate to see a sanitation worker injured because of customers throwing their "empties" in the trash.

Interestingly, Coleman used to provide what they called a "green key" with each propane mini bottle as a way to get people and municipalities to recycle the steel bottles. It was a small plastic device that fitted on to the bottle and showed that the bottle was open/empty. They discontinued providing them because they found that recycling centers weren't accepting the bottles.

I'll do a little more research (hooray Google!) on how to safely render the bottles empty and try again. If you'd like, I'll forward to you what I find out.

Thanks again for your help with this.

Rspy,

Mike Thyrring
Comm: (703) 695-5011 DSN: 225-5011

-----Original Message-----

From: Keith C. Dayton [<mailto:KDayton@staffordcountyva.gov>]
Sent: Friday, February 07, 2014 12:48 PM
To: Thyrring, Michael D CIV (US)
Cc: Jack Cavalier
Subject: Hazmat Disposal (UNCLASSIFIED)

Mr. Thyrring:

Thank you for your inquiry regarding the acceptance by the landfill of empty propane bottles. Supervisor Cavalier asked that I respond to your question in my capacity as Director for R-Board operations.

Although I noted the subject of your e-mail is "Hazmat Disposal", the propane cylinders discussed below are not classified as such. They are, however, prohibited from disposal at the regional landfill under our regulatory permit with the Virginia Department of Environmental Quality due to their classification as "pressurized cylinders". If you were misinformed regarding the nature of this material, I apologize.

We have discussed ways in which residents like yourself could dispose of quantities of used propane cylinders at our residential drop-off facility. If you are able to safely open the cylinders up to atmosphere by removing a valve, or knocking out the needle valve in smaller bottles, we could observe that the cylinders are no longer pressurized, and therefore legal to dispose of at the landfill. To ensure safety of our personnel, we would ask that these measures be completed prior to arrival at our facility. Once this has been verified, the attendant will direct you to the proper disposal container – either a waste container or the metal recycle bin.

Again, I apologize for any inconvenience this may have caused you.

Please contact me at the number below if you have any questions.

Regards,

Keith C. Dayton

Deputy County Administrator

Stafford County, Virginia

540-658-5125

FOIA Disclaimer: Pursuant to the Virginia Freedom of Information Act, written correspondence including e-mails to and from County of Stafford officials and employees may be subject to disclosure as a public record

Begin forwarded message:

From: "Thyrring, Michael D CIV (US)" <michael.d.thyrring.civ@mail.mil>

Date: February 6, 2014 at 2:17:26 PM EST
To: Jack Cavalier <JCavalier@staffordcountyva.gov>
Subject: Hazmat Disposal (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Hi Jack -

It was nice seeing you a few weeks ago - I'm glad to see your recovery progressing as it is. I'm writing about an issue that I think has County-wide implications, and may meet the criteria of unintended consequences. Recently, I gathered up my collection of used propane bottles (the small green type, used for lanterns, space heaters, etc) and headed to the landfill. In the past, they would take them in the area near the entrance shack - I believe that's where they took batteries as well. To my surprise, I was informed that the Landfill no longer accepts propane bottles or tanks. The attendant suggested I try the metal scrap yard located on Eskimo Hill Road - no dice. I also checked with a propane supplier and they also won't take empty bottles. So, my dilemma is, what do I do with my empties? More to the County-wide implication, what do thousands of folks who will produce empties do with theirs? My guess is that people will simply place them in their trash or recycle bins, or simply dump them in the woods, etc.

I'm not sure the board can (or should) take action on this, but I wanted to make you (and it) aware of a potentially troubling and dangerous situation.

Thanks very much,

Mike

Mike Thyrring

Comm: (703) 695-5011 DSN: 225-5011
Fax: (703) 692-5482

Classification: UNCLASSIFIED
Caveats: NONE

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www.stafford350.com

Classification: UNCLASSIFIED
Caveats: NONE

Julie M. May

From: Kate S. Vasquez <KVasquez@gbbinc.com>
Sent: Tuesday, February 18, 2014 12:12 PM
To: Julie M. May
Subject: RE: mobile classroom?

Cool. Thanks, Julie!

I know, it has been a long project. R-Board has some of the best outreach programs of the communities we benchmarked.

Kate S. Vasquez, Senior Consultant
Gershman, Brickner & Bratton, Inc.
Solid Waste Management Consultants
Office 703-663-2430 Mobile / Text 703-863-8512
Web www.gbbinc.com [Subscribe to our Waste Outlook e-newsletter](#)



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From: Julie M. May [mailto:JMay@staffordcountyva.gov]
Sent: Tuesday, February 18, 2014 12:11 PM
To: Kate S. Vasquez
Subject: RE: mobile classroom?

Kate,

Not necessarily. The R-Board takes the trailer to several community events every year, but only sponsors the VWC at our Earth Day celebration. We also work with schools and the YMCA and Stafford Parks & Rec to bring the VWC to them periodically. Basically if they want to schedule it, we pick up the tab.

I can't wait to see your report!

Julie

From: Kate S. Vasquez [mailto:KVasquez@gbbinc.com]
Sent: Tuesday, February 18, 2014 12:03 PM
To: Julie M. May
Subject: RE: mobile classroom?

Thanks, Julie. These are great.

So, is the partnership a thing where you guys go out with the mobile classroom and VWC comes with the animals, for a joint event?

Kate S. Vasquez, Senior Consultant
Gershman, Brickner & Bratton, Inc.
Solid Waste Management Consultants
Office 703-663-2430 Mobile / Text 703-863-8512
Web www.gbbinc.com Subscribe to our Waste Outlook e-newsletter



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From: Julie M. May [<mailto:JMay@staffordcountvva.gov>]
Sent: Tuesday, February 18, 2014 11:56 AM
To: Kate S. Vasquez
Subject: RE: mobile classroom?

Hi Kate! Happy New Year and Belated Valentine's!

Here are your requested pics. Sorry for the delay. I am not sure if the pic of Quinn with the owl will reproduce well since it is small. I hope the other two are what you had in mind.

Hope things are going well.
Regards,
Julie

Julie May
Environmental Manager/Community Outreach
Rappahannock Regional Solid Waste Management Board
PO Box 339
Stafford, VA 22555
489 Eskimo Hill Road
Stafford, VA 22554

O: 540-658-4579
F: 540-658-4523
www.r-board.org
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G. REPORT ON FINANCES (TAB 3)

1. Financial Summary through January 31, 2014

FINANCIAL STATUS THROUGH

January 31, 2014

EXPENDITURES

as of

January 31, 2014

Division	FY 14 Adopted Budget	FY 14 Adjusted Budget	January 31, 2014 Personal Code YTD	January 31, 2014 Operational Code YTD	January 31, 2014 Capital Code YTD	Total Codes YTD	Encumbrances	FY 14 Expenditures	FY 14 Balance	% Budget Expended	Facial YTD Exp'd (%)	FY13 Budgeted Revenues	Monthly Target	Monthly Actuals	FY13 Actual Revenues	% Revenue Collected
R-Board Expenses	\$4,834,857	\$8,188,338	\$1,010,221	\$814,880	\$257,412	\$2,082,513	\$259,279	\$2,441,802	\$2,728,538	47%	58%	\$4,834,857	\$402,805	\$271,826	\$2,380,607	80%
TIPPING FEES	\$3,200,000															
RECYCLING	\$405,000															
WMPF SUBORDINATES	\$150,000															
MULTI-PURPOSE	\$96,000															
MISC	\$10,000															
AMERESCO LEASE	\$8,000															
GRANT	\$20,000															
INTEREST	\$45,000															
RESERVE	\$940,857															

REVENUES

as of

January 31, 2014

ADOPTED FY14	CASH	A/R	January 31, 2014 Total for Month	FYTD Exp'd	FY YEAR TO DATE	REVENUE FORECAST
\$ 3,200,000	\$ 9,280	\$ 223,188	\$ 232,478	59%	\$ 1,948,598	\$ 3,325,249
\$ 405,000			\$ 17,807	59%	\$ 195,879	\$ 314,710
\$ 150,000			\$ 7,997	59%	\$ 89,081	\$ 152,002
\$ 96,000				59%	\$ 98,000	\$ 98,000
\$ 10,000			\$ 11,780	59%	\$ 36,478	\$ 61,824
\$ 8,000				59%	\$ 15,359	\$ 28,032
\$ 20,000				59%	\$ 26,894	\$ 26,894
\$ 45,000				59%	\$ 20,920	\$ 35,458
\$ 840,857				59%	\$ -	\$ -
\$ 4,834,857	\$ 9,280	\$ 223,188	\$ 271,826		\$ 2,390,807	\$ 4,038,168

BUDGET STATUS SUMMARY

	Adopted Budget	Current Est.	Difference
Revenues	\$3,994,000	\$4,038,168	\$44,168
Expenditures	\$4,834,857	\$4,184,756	(\$650,101)
Use of Fund Balance	\$840,857	\$126,587	\$714,270

Unrestricted Fund Balance
(as of June 30, 2013)

\$13,071

G. REPORT ON FINANCES (TAB 3)

2. Customer Account Status through January 31, 2014

CREDIT CUSTOMERS	January 1-30	Paid In Adv.	Payment In House	LATE FEE	December 31-60	LATE FEE	November 61-90	LATE FEE	90 + DAYS	TOTAL
American Disposal Svc	47,663.61									47,663.61
A&B Keams Trucking & Stone	3,330.84									3,330.84
Brandenburg/Dominion Recycling	14,897.99									14,897.99
Charity of Va Inc	1,235.24			121.93	1,219.34	94.83	515.64			3,186.98
Charlie and Son Trash Svc Inc	860.59									860.59
Coastal Insulation & Fireplace	259.49									259.49
Con-Serv Industries Inc	67.65									67.65
Conquistador LLC	212.38									212.38
CRI	609.26			89.50	895.03	55.60				1,649.39
Dee Bee Home Improvement	171.38						815.00		2567.82	4,916.09
Defense Finance Accounting	393.88				1,139.39					1,711.38
Dornilton Virginia Power										
Donnelly Concrete Inc	10,956.84									10,956.84
English Construction										
Hidden Valley Corp of Va										
Hilldrup Transfer	1,980.21									1,980.21
Hillside General Services	378.43			24.51	245.09	44.03				692.06
Industrial Disposal Svcs Inc	1,935.20			10.00	40.50	19.72	187.21	10.20		2,776.33
JSV							75.03			75.03
Lowe's							62.48		20.00	72.48
Marine Corps Community Service										
Nicholas Trucking	8,059.78									8,059.78
Potomac Disposal Services	10,183.77									10,183.77
Rader Tire LLC	80.40									80.40
Rappahannock Goodwill Inc	261.99									261.99
Red Ball Moving & Storage										
Roof Systems										
SDI/Kerim Inc-Davis Hauling-Courty Waste	59,301.76		x		68,722.43					128,024.19
Showtime	571.95									571.95
Sisson Excavating Inc	3,938.05									3,938.05
Stafford County School	218.35				92.16					310.51
Style Installations										0.00
T & C Rolloffs LLC	226.32									226.32
Teakwood Enterprises inc	0.00									-
VDOT Equipment Section										-
VDOT Fredericksburg Residency										-
Waste Management	65,126.32									65,126.32
	\$222,921.68	\$ -		\$ 245.94	\$72,363.94	\$ 214.18	\$ 1,656.38	\$ 10.20	\$ 2,587.82	\$289,988.12

G. REPORT ON FINANCES (TAB 3)

3. Weight & Material Analysis

**Rappahannock Regional Solid Waste Management Board
Weight and Material Analysis Report FY2014**

CATEGORY	DEC-13		JAN-14		JAN-13		AUTOMATIC		Difference %
	Weight	Weight	Weight	Weight	Weight	Weight	FY2014 Y-T-D	FY2013 Y-T-D	
Billable									
Commercial Waste	2317	1358	1,667	14,845	11,849	25%			
Residential Waste	3345	1818	2,690	24,296	23,882	2%			
Mixed Load-\$71/T	3	0	0	6	2	252%			
Debris Waste	1403	1296	1,480	13,602	12,311	10%			
Dirt	300	0	16	1,703	737	131%			
Tires/(White Goods)	17	5	38	86	259	-67%			
Compost Sludge	699	334	670	5,139	4,576	12%			
SEW Sludge	0	0	47	0	94				
BILLABLE TONNAGE	8083	4811	6,608	59,676	53,709	11%			
Non-Billable									
Stafford County	1055	1243	1074	8,638	9,026	-4%			
Fredericksburg	817	434	667	4,812	5,091	-5%			
Belman	245	148	234	1,733	2,087	-17%			
Tires residential	28	24	198	373	690	-46%			
Recycling	343	275	635	3,777	4,264	-11%			
Cleanups	0	0	0	44	44	1%			
NON-BILLABLE TONNAGE	2,488	2,124	2,808	19,378	21,202	-9%			
TOTAL TONNAGE	10,571	6,935	9,416	79,054	74,911	6%			
% Non-Billable versus Billable	25%								

docs/financework/wtmat/fy14 "Folder"

FY13 includes July to Jan.

G. REPORT ON FINANCES (Tab 3)
4. FY2013 Audit Report



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 25, 2014

SUBJECT: FY2013 Audit Report

The auditor, McGladrey, LLC has completed the audit for the FY2013 period. A copy of the report is provided for your review. Key findings of this report are as follows:

- The R-Board received a clean audit.
- The revenues and expenditures reported by the auditors are very close to those reported by staff in the FY2013 Annual Report prepared by staff.
- 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 decreased by \$656,271.
- Unrestricted fund balance is now \$13,071.
- The 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 noted in the groundwater monitoring system for Permit Area 74. This reserve has been addressed by means of the City and County demonstration of financial responsibility for closure/post closure care, and corrective action costs.

Additional discussion on the subject of financial status is on the agenda later in the meeting.

KCD:kd

Attachment (as noted)

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

FINANCIAL STATEMENTS



Year Ended
June 30, 2013

Serving
Stafford County and
City of Fredericksburg, Virginia

Board of Directors

Paul V. Milde III, Chairman

Frederic N. Howe III, Vice-Chairman

Gary F. Snellings

George C. Solley

Beverly Cameron

Anthony J. Romanello

Administration

Keith C. Dayton, Director, Deputy County Administrator

Douglas S. Martinski, Superintendent

Maria J. Perrotte, Chief Financial Officer

Mickey Kwiatkowski, Accounting Manager

Lisa Haaf, Accounting Technician

Diane Jones, Recycling Coordinator

Julie May, Environmental Manager

Stephanie Persico, Administrative Specialist

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December 19, 2013

Board of Directors
Rappahannock Regional Solid Waste Management Board
Stafford, VA

The Annual Financial Statements of the Rappahannock Regional Solid Waste Management Board (R-Board) are submitted herewith. This report has been prepared in conformity with the reporting and accounting standards promulgated by the Governmental Accounting Standards Board and accounting principles generally accepted in the United States of America, which are uniform minimum standards and guidelines for financial accounting and reporting. The information in this report is believed by R-Board management to be sufficient to fully represent the financial results of the R-Board's operations for the fiscal year ended June 30, 2013 and to provide an accurate and useful picture of the R-Board's status as of that date. All information included is the responsibility of the management staff of the R-Board with respect to accuracy, completeness and fairness.

This report is organized into three sections. The Introductory Section includes this letter of transmittal and other related items. The Financial Section includes management's discussion and analysis, the financial statements, notes to the financial statements and the accompanying opinion of the independent auditing firm regarding those statements. The Compliance Section includes a report from the independent auditing firm on internal controls and compliance with laws and regulations.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal and should be read in conjunction with it.

Organization and Services

The R-Board is a joint venture of Stafford County (the County) and the City of Fredericksburg, VA (the City). It was formed under an agreement dated December 9, 1987, for the purpose of operating and maintaining the Regional Landfill for the use and benefit of the citizens of the County and the City. The R-Board is not a component unit of either the County or the City. The County Administrator appoints a Superintendent who manages operations with day to day direction from the County Administration Office and policy direction from the R-Board.

The Board does not provide collection services. These services are provided by various commercial haulers who dispose of collected solid waste at the landfill. Residents of the County and the City dispose of household solid waste and recyclables at the landfill at no charge. The R-Board also provides recycling facilities.

Economic Conditions

The regional landfill faces many of the same economic challenges as other local businesses. Management has made operational changes such as adjusting hours of operation to accommodate commercial usage. Staff continues to seek creative solutions for efficient operations. Environmental regulations also play a role in operations and fiscal policies.

The solid waste disposal facility charges tipping fees to commercial haulers. On average there are 30-35 commercial customers who are billed monthly for their tonnage. There are also numerous cash customers. During FY 2013 governmental customers (the County and the City) paid tipping fees for their use of the landfill. A rate increase of \$1.00 per ton was implemented in July 2012 for commercial haulers.

The recycling program promotes various activities and seeks state grant funds.

The R-Board assesses its operating results (revenues, expenses, tonnage) at its regular meetings and has been exploring options to improve financial performance.

Accounting and Budgetary Controls

The R-Board's financial records are maintained by the County's finance staff on a fiscal year (July-June), accrual basis. Under this method, revenues are recognized when earned and expenses are recorded as liabilities when incurred without regard to receipt or payment of cash. Controls in place provide reasonable assurance that the R-Board's assets are properly recorded and that financial data may be used with confidence in preparation of reports and projections. Accounting control is maintained by segregation of duties and data security systems insure the integrity of billing, cash receipting, purchasing and disbursement processing.

The R-Board adopts an annual budget for fiscal guidance to staff. These projections and operating trends are used in setting tipping fees. The budget includes direct costs (i.e. personnel and operating expenses) and provision for equipment maintenance and replacement as well as allocations for site improvement and recycling. The Superintendent submits the proposed budget to the R-Board for consideration. Budgetary compliance is monitored and reported to the R-Board by the Superintendent. All budget items lapse at the end of the fiscal year.

Annual Audit

State law requires an annual audit of the books and records of the R-Board. The opinion of our independent certified public accountants, McGladrey LLP, is included in the Financial Section of this report. Their report on internal control and compliance issues is included in the Compliance Section.

Cash Management

Operating cash is pooled and invested in short-term securities according to forecasted cash flows. Funds are invested with the Local Government Investment Pool (LGIP), government-backed fixed income securities, corporate bonds and money market funds. Management feels that safekeeping and delivery arrangements provide appropriate security for the R-Board's investments.

Risk Management

The R-Board participates in the County's comprehensive property, liability and workers' compensation insurance programs. A safety program, including safety regulations, is actively administered and enforced to manage incidents and minimize exposure.

Acknowledgements

The help of the Stafford County Finance Department staff and the R-Board administrative staff throughout the year and in preparation of this report is gratefully acknowledged. Such help and the support and commitment of the Board of Directors to financial reporting excellence are essential to the preparation of this report.

Respectfully submitted,

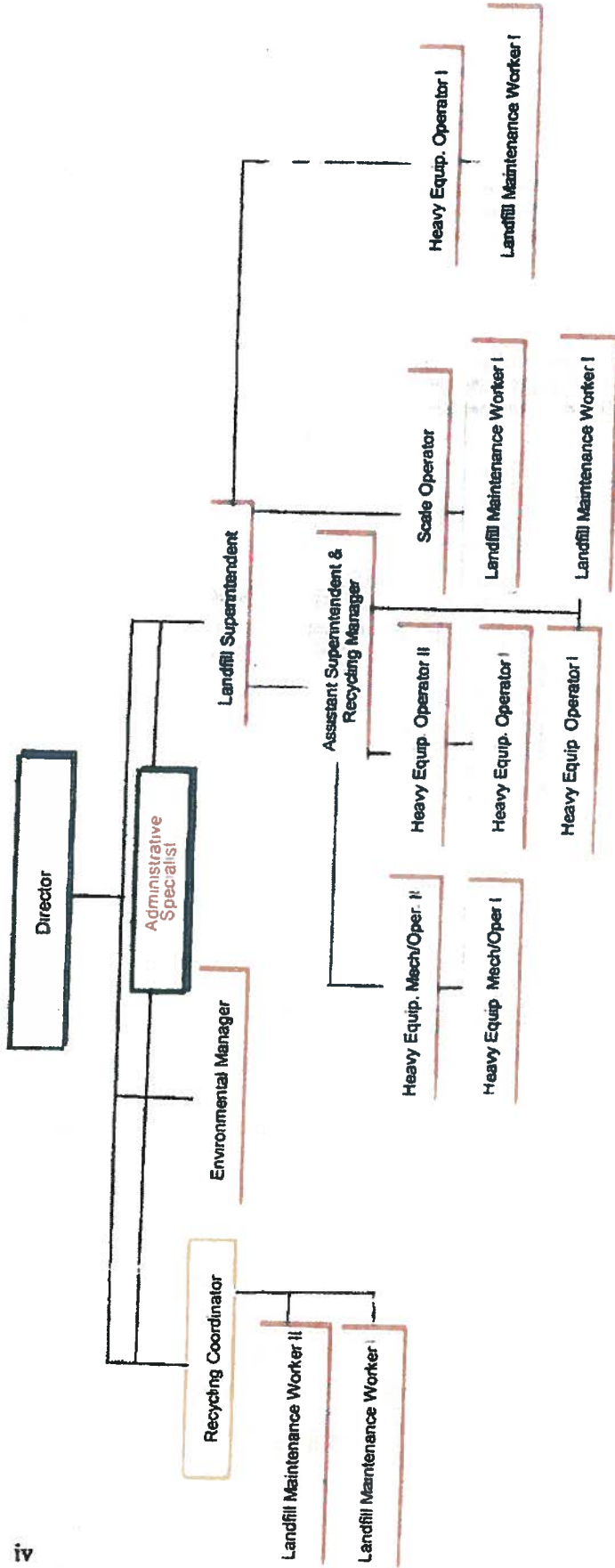


Anthony J. Romanello,
County Administrator/
Board of Directors



Maria J. Perrotte
Chief Financial Officer

RAPPAHANNOCK REGIONAL LANDFILL





Independent Auditor's Report

To the Board of Directors
Rappahannock Regional Solid Waste Management Board
Stafford, Virginia

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Rappahannock Regional Solid Waste Management Board (the R-Board), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the R-Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the business-type activities of the R-Board as of June 30, 2013, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the Other Post-Employment Benefit Plan's Schedule of Funding Progress on pages 3 – 6 and page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the R-Board's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

New Bern, North Carolina
December 19, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Rappahannock Regional Solid Waste Management Board (the "R-Board") offers readers of its financial statements this narrative overview and analysis for the year ended June 30, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information presented in the financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the R-Board's financial statements. The R-Board is operated as a proprietary activity. It charges fees to users for services provided. As an enterprise type activity, the financial statements are comprised of this MD&A, the financial statements and notes to the financial statements.

The financial statements include:

- * The Statement of Net Position – presents information on the R-Board's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the R-Board is improving or declining compared to the prior year.
- * The Statement of Revenues, Expenses and Changes in Net Position – presents the effect on net position of revenues earned and expenses incurred.
- * The Statement of Cash Flows – identifies the sources and uses of cash for operating, financing and investing activities.

The notes to the financial statements provide additional information that is essential to understanding the data provided in the financial statements.

FINANCIAL HIGHLIGHTS

- * Current assets decreased \$2.2 million.
- * Capital assets, net of accumulated depreciation, increased \$800 thousand.
- * Total liabilities decreased \$760 thousand.
- * Unrestricted net position decreased \$1.5 million.
- * Operating revenues increased \$260 thousand, and operating expenses decreased \$369 thousand.

FINANCIAL ANALYSIS

As noted earlier, net position may serve as an indicator of the R-Board's financial condition. Assets exceeded liabilities by \$7,834,484 at the close of fiscal year 2013.

A large portion of the R-Board's net position (\$7,821,413 or 99.8%) reflects its investment in capital assets (land, land improvements, buildings, machinery and equipment, etc.). These assets are used in operations to provide services to customers and are therefore not available for future spending. The R-Board has not issued debt to acquire these assets. The remaining balance of net position (\$13,071 or .2%) is classified as unrestricted and may be used to meet the R-Board's ongoing liabilities. The following table presents a condensed Statement of Net Position in a comparative format.

TABLE I
Summary of Net Position
June 30,

	2013	2012
Current assets	\$ 6,750,010	\$ 8,966,538
Noncurrent assets	<u>7,821,413</u>	<u>7,021,207</u>
Total assets	<u>14,571,423</u>	<u>15,987,745</u>
Current liabilities	3,622,410	4,377,991
Noncurrent liabilities	<u>3,114,529</u>	<u>3,118,999</u>
Total liabilities	<u>6,736,939</u>	<u>7,496,990</u>
Net position:		
Investment in capital assets	7,821,413	6,980,416
Unrestricted	<u>13,071</u>	<u>1,510,339</u>
Total net position	<u>\$ 7,834,484</u>	<u>\$ 8,490,755</u>

The decrease in net position of \$656,271 is attributed to these factors:

- * The R-Board used current assets to acquire and recondition equipment and for the construction of landfill Cell F.
- * Operating expenses exceeded operating revenue resulting in an operating loss of \$698,000.
- * The result of capital assets increasing approximately \$841,000 increased the investment in capital assets while decreasing unrestricted net position by the same amount.

The following table shows how revenues and expenses contributed to the change in net position between fiscal years 2012 and 2013.

TABLE 2
Summary of Changes in Net Position
Years Ended June 30,

	2013	2012
Revenues:		
Operating revenues:		
Charges for services	\$ 3,793,888	\$ 3,374,722
Miscellaneous	<u>42,091</u>	<u>201,115</u>
Total operating revenues	<u>3,835,979</u>	<u>3,575,837</u>
Nonoperating revenues:		
Interest on investments	34,458	58,477
Intergovernmental grants	37,667	32,534
Gain on disposal of assets	<u>-</u>	<u>400</u>
Total nonoperating revenues	<u>72,125</u>	<u>91,411</u>
Expenses:		
Operating expenses:		
Landfill operations	<u>4,533,888</u>	<u>4,902,787</u>
Nonoperating expenses:		
Recycling program	<u>30,487</u>	<u>24,215</u>
Change in net position	(656,271)	(1,259,754)
Net position, beginning	<u>8,490,755</u>	<u>9,750,509</u>
Net position, ending	<u>\$ 7,834,484</u>	<u>\$ 8,490,755</u>

* Total operating revenues increased by \$260,142 due to an increase in tipping fee receipts and sludge disposal charges.

* Overall operating expenses decreased \$368,899 compared to amounts reported for fiscal year 2012. Personnel, contractual services and depreciation reported decreases. Management monitors expenses in relation to revenue and purchases are limited to operational necessities.

The R-Board's investment in capital assets as of June 30, 2013 was \$7,821,413 (net of accumulated depreciation). This includes land, land improvements and cell construction, buildings, equipment and vehicles. The following table summarizes the change in capital assets for fiscal year 2013.

TABLE 3
Change in Capital Assets

	Balance June 30, 2012	Additions/ Deletions, net	Balance June 30, 2013
Capital assets not being depreciated:			
Land	\$ 1,401,640	\$ -	\$ 1,401,640
Construction in progress	-	1,473,267	1,473,267
Capital assets being depreciated:			
Land improvements and cell construction	11,063,322	-	11,063,322
Buildings and improvements	1,205,713	-	1,205,713
Furniture, fixtures and equipment	5,185,096	197,385	5,382,481
Technology infrastructure	536,085	-	536,085
Vehicles	870,929	-	870,629
Accumulated depreciation	<u>(13,282,069)</u>	<u>(829,655)</u>	<u>(14,111,724)</u>
Total	<u>\$ 6,980,416</u>	<u>\$ 840,997</u>	<u>\$ 7,821,413</u>

Major acquisitions included the reconditioning of a caterpillar loader and construction of Cell F. Additional information about the R-Board's capital assets is presented in Note 6 of the Notes to the Financial Statements.

LONG-TERM OBLIGATIONS

The R-Board has a \$6,259,592 obligation to close the landfill site and perform post-closure monitoring. Other long-term obligations include employee accrued vacation pay and retiree post-employment benefits. Additional information on the R-Board's long-term liabilities is presented in Notes 5, 7 and 12 of the Notes to the Financial Statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Rappahannock Regional Solid Waste Management Board's finances for those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Landfill Superintendent, County of Stafford, P.O. Box 339, Stafford, Virginia 22555-0339.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

STATEMENT OF NET POSITION
June 30, 2013

ASSETS

Current assets:

Cash and cash equivalents	\$ 469,029
Investments	5,941,026
Accounts receivable (less allowance for possible losses of \$21,345)	338,955
Other assets	1,000
Total current assets	<u>6,750,010</u>

Noncurrent assets:

Capital assets:

Land	1,401,640
Construction in progress	1,473,287
Land improvements and cell construction	11,063,322
Buildings and building improvements	1,205,713
Furniture, fixtures and equipment	5,382,481
Technology infrastructure	538,085
Vehicles	870,629
Less accumulated depreciation	(14,111,724)
Total noncurrent assets	<u>7,821,413</u>

Total assets

14,571,423

LIABILITIES

Current liabilities:

Accounts payable	140,036
Accrued salaries and benefits	33,739
Deposits held in escrow	52,969
Compensated absences	88,329
Landfill closure/post closure liability	3,307,337
Total current liabilities	<u>3,622,410</u>

Noncurrent liabilities:

Compensated absences	115,429
Other post-employment benefits	46,845
Landfill closure/post closure liability	2,962,255
Total noncurrent liabilities	<u>3,114,529</u>
Total liabilities	<u>6,736,939</u>

NET POSITION

Net investment in capital assets	7,821,413
Unrestricted	13,071
Total net position	<u>\$ 7,834,484</u>

See Notes to Financial Statements

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2013

OPERATING REVENUES:	
Charges for services	\$ 3,793,888
Miscellaneous	<u>42,091</u>
Total operating revenues	<u>3,835,979</u>
OPERATING EXPENSES:	
Personnel services	1,945,054
Contractual services	876,842
Supplies and maintenance	722,160
Utilities	55,108
Leases	51,700
Depreciation	829,655
Landfill closure/post closure	(9,370)
Miscellaneous	<u>62,939</u>
Total operating expenses	<u>4,533,688</u>
Operating loss	<u>(697,909)</u>
NONOPERATING REVENUES (EXPENSES):	
Interest on investments	34,458
Grants	37,667
Recycling program	<u>(30,487)</u>
Total nonoperating revenues, net	<u>41,638</u>
Change in net position	(656,271)
Net position, beginning	<u>8,490,755</u>
Net position, ending	<u>\$ 7,834,484</u>

See Notes to Financial Statements

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

Cash Flows From Operating Activities	
Receipts from customers	\$ 3,812,915
Payments to employees	(1,835,814)
Payments to suppliers	<u>(2,583,807)</u>
Net cash used in operating activities	<u>(606,306)</u>
Cash Flows From Noncapital and Related Financing Activities	
Receipt State supported recycling program	37,887
Recycling program payments	<u>(30,487)</u>
Net cash flows provided by noncapital and related financing activities	<u>7,180</u>
Cash Flows Used In Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(1,870,852)</u>
Cash Flows From Investing Activities	
Interest received on investments	34,458
Purchase of investments	(1,498,495)
Proceeds on sale of investments	<u>3,863,996</u>
Net cash provided by investing activities	<u>2,399,959</u>
Increase in cash and cash equivalents	130,181
Cash and Cash Equivalents:	
Beginning	<u>338,848</u>
Ending	<u>\$ 469,029</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (897,909)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	829,655
Other post-employment benefits	87,638
Landfill closure/postclosure liability	(9,370)
Changes in assets and liabilities:	
Increase in accounts receivable	(18,792)
Increase (decrease) in:	
Accounts payable	(815,058)
Accrued liabilities	(1,627)
Deposits held in escrow	(4,272)
Compensated absences	<u>23,431</u>
Net cash used in operating activities	<u>\$ (606,306)</u>

See Notes to Financial Statements



RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The accounting and reporting policies of the Rappahannock Regional Solid Waste Management Board (Board or R-Board) conform to accounting principles generally accepted in the United States of America applicable to proprietary operations of governmental units promulgated by the Governmental Accounting Standards Board (GASB). The more significant of the Board's accounting policies are described below.

Reporting entity: The Board is a joint venture of the County of Stafford (County) and the City of Fredericksburg (City), Virginia. The Board was formed under an agreement dated December 9, 1987, for the purpose of operating and maintaining a regional landfill for the use and benefit of the citizens of the County and City. The Board began operations on July 1, 1988.

The Board is administered by a six-member Board of Directors currently comprised of three members from the County and three members from the City made up as follows:

- The County Administrator of Stafford County
- Two members of the Stafford County Board of Supervisors appointed by the Board of Supervisors
- The City Manager of Fredericksburg
- Two members of the City Council of Fredericksburg appointed by the City Council

The Board adopts an annual operating budget and sets user fees for the landfill. The Board has the authority to enter into written agreements with any contracting party for the operation and maintenance of the landfill. The Board has an ongoing operating agreement with the County which can be terminated at any time by either party. If there are operating deficits, they are funded by the County and the City, based on the solid waste that is generated from each of the two jurisdictions and received by the landfill. The County's and the City's equity interest as of June 30, 2013 was \$ 4,458,166 and \$3,376,318, respectively.

The title to all real property acquired, held, or leased is allocated equally between the County and City, except for 30 acres owned by Stafford County.

Due to neither the County nor the City appointing a majority of Board members, neither governing body having the ability to impose its will on the Board, and the Board being fiscally independent, the financial statements of the Board are not included in the financial statements of the County or City, in accordance with GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The Board has no oversight responsibilities for either the County or City organization or other outside organizations or activities. Therefore, no additional organizations are included herein.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. **Significant Accounting Policies (Continued)**

Basis of accounting: Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Board maintains its records on the accrual basis, in accordance with the principles of fund accounting for an enterprise activity. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred.

The Board distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the Board are from tipping charges. Operating expenses include the cost of goods and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting these classifications are reported as nonoperating revenues and expenses.

Statement of cash flows: The cash presented in the statement of cash flows consists of all demand deposits and short-term investments. For purposes of this statement, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and investments with original maturities of 90 days or less.

Investments: Investments are stated at fair value based on quoted market prices.

Accounts receivable: Accounts receivable consist of amounts due from customers for tipping fees. The Board uses the allowance method to determine the uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific accounts.

Capital assets: Capital assets purchased by the Board are stated at cost. Donated property is recorded at fair value at the date of donation. Depreciation has been provided over the following estimated useful lives using the straight-line method:

Land improvements and cell construction	5 – 20 years
Building and improvements	10 – 40 years
Furniture, fixtures and equipment	3 – 10 years
Vehicles	5 years
Technology infrastructure	5 years

Compensated absences: Employees of the Board accumulate vacation and sick leave hours depending upon their length of service based on the policy set by the County. The County has established accumulated leave balance thresholds for vacation and compensatory leave. There is no threshold on accumulated sick leave. Vacation leave, compensatory time, and a portion of sick leave up to the established thresholds are payable upon termination of employment.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Deposits and Investments

Deposits: Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investment Policy:

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP) and the Commonwealth of Virginia State Non-Arbitrage Program (SNAP).

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

The following table shows the Board's total deposits and investments at June 30, 2013:

	<u>Fair Value</u>
U.S. Securities and Agencies	\$ 1,901,243
Municipal Notes	99,880
Corporate Notes	3,585,152
Money Market	<u>354,751</u>
Total Investments	5,941,026
Cash held by the Treasurer of Stafford County	468,779
Petty Cash	<u>250</u>
Total Deposits and Investments	<u>\$ 6,410,055</u>

Credit Risk of Debt Securities: Standard & Poor's and/or an equivalent organization on the Nationally Recognized Statistical Rating Organizations (NRSRO) list rated the Board's debt investments as of June 30, 2013, and the ratings are presented below using the Standard & Poor's rating scale.

Investment Type	Value					
	Short Term		Long Term			
	AAAm	A-1	AAA	AA	A	BBB
U.S. Securities and Agencies	\$ -	\$ -	\$ -	\$ 1,901,243	\$ -	\$ -
Municipal Bonds	-	-	-	99,880	-	-
Corporate Notes and Bonds	-	500,045	-	2,834,247	250,860	-
Money Market	130,062	224,689	-	-	-	-

As of June 30, 2013, all investments were in compliance with the State Statutes administering investments of Public Funds. Ratings are purchased by the issuer from Moody's and/or Standard & Poor's. Ratings must comply with the investment policy prior to any purchase.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with GASB 40, if certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and the issuer. The Board's investment policy has adopted more rigorous strategies in their investment policy to reduce this type of risk. For example, State statutes allow 100% of the investment portfolio to be invested in Federal agencies while the Board sets a limit of 35%.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

At June 30, 2013, the Board had the following investments exceeding 5% of the total investments:

Investment Type	Value	
	Dollars	Percentage of Portfolio
Federal Home Loan Mortgage Corporation	\$ 975,818	16.43%
Fannie Mae	499,810	8.41%
U.S. Treasury Note	410,640	6.91%
Debt Security: General Electric Bond	410,484	6.91%

Interest Rate Risk: Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Due to market conditions, the Board's investment policy generally sets a 5-year maximum maturity from the date of purchase. Additionally, the Board requires 25% of the liquid funds be invested in over-night funds while the remaining 75% be invested in no longer than 180 days. Furthermore, the core funds are to have a final maturity of no longer than 5 years and a duration requirement not exceeding 3 years to manage portfolio volatility. The Board establishes these guidelines to minimize investment risk in the portfolio.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	Over 10 Years
Primary					
U.S. Securities and Agencies	\$ 1,901,243	\$ 14,975	\$ 1,886,268	\$ -	\$ -
Municipal Bonds	99,880	-	99,880	-	-
Corporate Notes and Bonds	3,585,152	1,313,497	2,271,655	-	-
Money Market	354,751	354,751	-	-	-

Note 3. Risks and Uncertainties

The Board invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statement of net position.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan

The employees of the Board are employed by the County and participate in the same benefits as all other County employees, which includes participation in the Virginia Retirement System (VRS). The R-Board contributed \$128,772 of the County's \$5.3 million annual pension costs. Complete information for the County's participation in VRS can be found in the footnotes and required supplementary information of the County's Comprehensive Annual Financial Report.

Note 5. Other Post-Employment Benefits

A. Plan Description

Name of Plan: Stafford County Retired Employees Health Insurance Plan (SCREHIP)
Identification of Plan: Single-Employer Defined Benefit Plan
Administering Entity: Stafford County

The Board's employees are considered employees of Stafford County. As such, they follow the County's personnel policies. The County provides post-employment healthcare insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, employee/retiree contributions and employer contributions are determined by the County through its personnel compensation plan. They may be amended by action of the governing body – the Board of Supervisors. The plan does not issue a separate financial report. Required supplementary information and trend information are included below.

B. Benefits Provided

All retiree healthcare benefits are provided through the County's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services, mental and nervous care, vision care, dental care and prescriptions. To be eligible for benefits, an employee must qualify for retirement under the VRS.

C. Membership

At June 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	4
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	28
Total	32

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Post-Employment Benefits (Continued)

D. Funding Policy

The Board's employee and retiree healthcare contribution rates are set as policy by the County Board of Supervisors. Beginning July 1, 2009, a choice of health care options was offered for active and retired employees. The options differ based on level of coverage. All plan participants, active and retirees, are required to pay a portion of the monthly premium. The monthly premium is based on dependent coverage.

VRS eligible retirees receive a monthly health insurance credit (HIC) of \$1.50 for each year of service up to a maximum of \$45.00 per month. The HIC is applied to and reduces the retiree contribution. For retirees with fifteen (15) years or more of service to the County, the HIC covers the retiree's share of the premium. The Board contributes the remainder of the retiree-only premium. Retirees with less than 15 years of service pay the full premium less any VRS HIC. The retiree is responsible for dependent coverage at stated plan rates.

Medicare eligible retirees with 15 years of service must be enrolled in Medicare Parts A and B to be eligible to participate in the County's health insurance plan. Payment for Medicare Parts A and B is the responsibility of the retiree.

E. Annual OPEB Costs and Net OPEB Obligation

The R-Board's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Board's annual OPEB cost for the year, the amount contributed to the plan and changes in the Board's net OPEB obligation to SCREHIP:

Annual required contribution (ARC)	\$ 155,000
Interest on net OPEB asset	(2,000)
Adjustment to ARC	<u>2,000</u>
Annual OPEB cost (pay-as-you-go)	155,000
Contributions	<u>(67,364)</u>
Increase in Net OPEB obligation	87,636
Net OPEB asset, beginning of year	<u>(40,791)</u>
Net OPEB obligation, end of year	\$ <u>46,845</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Post-Employment Benefits (Continued)

The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation through FY 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)	Actuarial Accrued Liability	Funded Ratio
June 30, 2009	\$ 84,000	216.6 %	\$ (242,568)	\$ 422,000	57.5%
June 30, 2010	48,000	77.3%	(231,678)	422,000	54.9%
June 30, 2011	94,000	26.9%	(163,015)	1,387,000	11.7%
June 30, 2012	143,000	14.5%	(40,971)	1,387,000	2.9%
June 30, 2013	155,000	43.5%	46,845	1,541,000	33.4%

F. Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the plan was 33.4% funded. The actuarial value of the plan assets was determined using current market value as these assets were invested in an irrevocable trust offered to local governments. The actuarial accrued liability for benefits was \$1,541,000, and the actuarial value of plan assets was \$514,000 (funded by a \$422,000 contribution plus accumulated interest earned on invested contributions), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,027,000. The covered payroll (annual payroll of active employees covered by the plan) was \$1,174,538, and the ratio of the UAAL to covered payroll was 87.4 %.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented above and in more detail following these notes shows multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits over time.

G. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Post-Employment Benefits (Continued)

volatility in actuarially accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the unfunded level of the plan at the valuation date, and an annual pre-Medicare trend rate of 8.0 percent and an annual post-Medicare trend rate of 6.50 percent. The trend decreases gradually. The ultimate post-Medicare rate is 3.42 percent which is achieved in 2084. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013 was 25 years. Amortization periods used are closed.

Note 6. Capital Assets

A summary of capital assets as of and for the year ended June 30, 2013 is as follows:

	Beginning Balance June 30, 2012	Additions	(Deletions) Reclassifications	Ending Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 1,401,640	\$ -	\$ -	\$ 1,401,640
Construction in progress	-	1,473,267	-	1,473,267
Total capital assets, not being depreciated	1,401,640	1,473,267	-	2,874,907
Capital assets, being depreciated				
Land improvements and cell construction	11,063,322	-	-	11,063,322
Buildings and improvements	1,205,713	-	-	1,205,713
Furniture, fixtures and equipment	5,185,096	197,385	-	5,382,481
Technology infrastructure	536,085	-	-	536,085
Vehicles	870,629	-	-	870,629
Total capital assets being depreciated	18,860,845	197,385	-	19,058,230
Less: accumulated depreciation for:				
Land improvements and cell construction	(7,692,828)	(439,242)	-	(8,132,070)
Buildings and improvements	(682,731)	(25,435)	-	(708,166)
Furniture, fixtures and equipment	(3,754,943)	(288,806)	-	(4,043,749)
Technology infrastructure	(436,479)	(33,082)	-	(469,561)
Vehicles	(715,088)	(43,090)	-	(758,178)
Total accumulated depreciation	(13,282,069)	\$(829,655)	\$ -	(14,111,724)
Total capital assets being Depreciated, net	5,578,776			4,946,506
Total capital assets, net	\$ 6,980,416			\$ 7,821,413

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-term Debt Obligations

The following is a summary of long-term debt obligation transactions of the Board for the year ended June 30, 2013:

	Compensated Absences	Landfill Obligation	Totals
Beginning balance, June 30, 2012	\$ 180,327	\$ 6,268,962	\$ 6,449,289
Increases	179,299	55,286	234,585
Decreases	(155,868)	(64,656)	(220,524)
Ending balance, June 30, 2013	<u>\$ 203,758</u>	<u>\$ 6,259,592</u>	<u>\$ 6,463,350</u>
Due within one year	<u>\$ 88,329</u>	<u>\$ 3,307,337</u>	<u>\$ 3,395,666</u>

Note 8. Related Party Transactions

The Board has an ongoing operating agreement with the County to provide management, administrative and personnel services to the Board. Fees for these services were \$246,423 for the year ended June 30, 2013.

Note 9. Major Customers

The Board has three customers whose total charges were approximately \$2,063,000, or 53.8% of operating revenues, for the year ended June 30, 2013. Accounts receivable from the major customers for landfill usage at June 30, 2013 was \$238,704.

Note 10. Operating Leases

Total operating lease expense for fiscal year 2013 was \$51,700. The Board leases office space under an operating lease agreement for which rent expense totaled \$33,314. Monthly rents for the period May 2012 through April 2013 were \$2,278 plus additional fees. The lease agreement provides for a 4% rental escalation per year (\$2,381 for May and June 2013). The lease expires April 30, 2014. Other operating leases totaling \$18,386 were for office copiers.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 11. Summary Disclosure of Significant Commitments

During FY 2011, the R-Board submitted a Part A application to the Department of Environmental Quality (DEQ) to expand the landfill by approximately 80 acres and extend its life 40-50 years. The application was approved by DEQ. A subsequent permit for construction of Cell F (Part B application) was approved. Bids for construction were solicited in January 2012 and a \$3.4 million contract was awarded. The completion date for the first of three cells (Cell F1) was July 2013.

Note 12. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the Board to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each financial statement date. The \$6.3 million reported by the Board as landfill closure and post-closure liability at June 30, 2013 represents the cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. The R-Board will recognize any remaining estimated costs of closure and post closure as new phases are developed. These amounts are based on the estimated cost to perform all closure and post-closure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill site currently has five cells. Cells A and B have reached 100% capacity and are closed. Cells C and D are at 100% capacity, and Cell E is at 95% capacity. Estimated life of Cell F1 is 3 years.

Note 13. Pending GASB Statements

At June 2013, the GASB had issued statements not yet implemented by the Board. The statements which might impact the Board are as follows:

In March 2012, GASB issued Statement No. 66, *Technical Corrections 2012 – an amendment of GASB Statements No. 10 and 62*. This statement provides clarifying guidance on fund classifications and the accounting for operating leases with scheduled rent increases. The statement is effective for reporting periods beginning after December 15, 2012. The R-Board will implement Statement No. 66 in FY 2014.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

In June 2012, GASB issued Statements No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 addresses financial reporting for state and local government pension plans. Statement No. 68 establishes standards for measuring and recognizing the liabilities and expenses related to the employer's pension plan. Statement No. 67 is effective for fiscal years beginning after June 15, 2013, and Statement No. 68 will take effect for employers in fiscal years beginning after June 15, 2014. The R-Board will implement Statement No. 68 in FY 2015.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 establishes accounting and financial reporting standards related to government combinations (acquisitions, mergers, transfers) and disposals of government operations. The statement is effective for reporting periods beginning after December 15, 2013. The R-Board will implement Statement No. 69 in FY 2015.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Statement No. 70 requires revenue and liability recognition for nonexchange financial guarantees and specifies related disclosures. The statement is effective for reporting periods beginning after June 15, 2013. The R-Board will implement Statement No. 70 in FY 2014.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

SCHEDULE OF FUNDING PROGRESS

Other Post-Employment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age Normal	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2007	\$ -	\$ 912,000	\$ 912,000	0.00%	\$ 1,140,525	79.96%
July 1, 2009	422,000	422,000	-	100.00%	1,258,630	0.00%
July 1, 2010	482,000	1,387,000	905,000	34.75%	1,207,100	74.97%
July 1, 2011	482,000	1,387,000	905,000	34.75%	1,229,475	73.61%
July 1, 2012	514,000	1,541,000	1,027,000	33.35%	1,174,538	87.44%

The R-Board implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. Information for prior years is not available.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	25 Years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend rate	8.00% - 8.50%
Year of ultimate trend rate	2084
Includes inflation at	2.50%





**Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based
On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards**

Incidental Auditor's Report

To the Board of Directors
Rappahannock Regional Solid Waste Management Board
Stafford, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Rappahannock Regional Solid Waste Management Board (the R-Board) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the R-Board's basic financial statements and have issued our report thereon dated December 19, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the R-Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the R-Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the R-Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the R-Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the R-Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McShadrey LLP

New Bern, North Carolina
December 19, 2013

H. UNFINISHED BUSINESS (Tab 4)

1. Recycling Market Conditions

(Verbal report)

H. UNFINISHED BUSINESS (TAB 4)

2. Update on Environmental Monitoring & Gas Installation Contracting



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: Julie May
Environmental Manager**

Date: February 27, 2014

RE: Landfill Gas Monitoring/Maintenance and Gas Extraction Well Installation

Landfill Gas Monitoring and Maintenance

The R-Board solicited proposals for the monitoring and maintenance of our landfill gas collection system and greenhouse gas monitoring via Stafford County's professional services procurement process. Staff received five proposals, and after careful evaluation, interviewed three of the prospective firms. Upon completion of the three interviews, staff selected Draper Aden Associates as the most responsive and best qualified to conduct the monitoring and maintenance of our landfill gas collection system.

The scope of work includes the required monthly and quarterly monitoring of the landfill gas collection system and greenhouse gas monitoring of the flare station. Pending favorable action by the R-Board on RB14-01, Draper Aden Associates will fulfill the scope of work outlined in the contract through the remainder of the fiscal year, with annual extensions for up to four years.

Landfill Gas Extraction Well Installation

The R-Board has prepared bid documents for the installation of landfill gas extraction wells for Cell E. Bids were accepted for two weeks and opened on March 4, 2014. Staff will make a recommendation for Board action at this meeting. This work is required by our permit and budgeted in the FY2014 budget.

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 in the Stafford County Administration Center, 1300 Courthouse Rd., Stafford, Virginia, on the 5th day of March, 2014;

Members:

Vote:

Paul V. Milde, III, Chairman
Frederic N. Howe, III, Vice Chairman
Beverly R. Cameron
Anthony J. Romanello
Gary Snellings
George Solley

On motion of Mr., seconded by Mr., which carried by a vote of, the following was adopted:

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 for up to four (4) additional fiscal years.

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 5th day of March, 2014, that Draper Aden Associates is authorized to provide landfill gas monitoring and maintenance services in support of operations at the Eskimo Hill sanitary landfill location for the remainder of FY2014, and up to four (4) additional fiscal years.

NOW, THEREFORE BE IT FURTHER RESOLVED that the County Administrator be, and he hereby is, authorized to execute a contract with Draper Aden Associates in an amount not to exceed FORTY-FIVE THOUSAND, ONE HUNDRED DOLLARS (\$45,100), for landfill gas monitoring and maintenance services for the remainder of the FY2014 fiscal year.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Keith Dayton, Director

H. UNFINISHED BUSINESS (TAB 4)

3. Alternative Solids Handling

Processes Proposal update



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 25, 2014

SUBJECT: **Alternative Solids Handling Proposal Update
RFP for Professional Assistance**

The R-Board, at the November 20, 2013 meeting, directed staff to solicit proposals from qualified consultants to assist with the development of the Alternative Solids Handling Proposal. Staff developed the RFP and solicited proposals for receipt on February 17. Six proposals were received on that date, and they are currently under evaluation. Our request resulted in proposals from national and regional firms with experience in the study and engineering for the types of facilities under consideration at the regional landfill.

Staff is currently developing a short list of the most responsive proposals, and expects to conduct interviews with the highest rated firms in March. Selection and contracting with the preferred vendor should be completed in April.

The Alternative Solids Handling Proposal will be returned to the R-Board for consideration following review and input from this consultant.

KCD:kd

I. NEW BUSINESS (TAB 5)

1. Relic Hunting Request



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 25, 2014

SUBJECT: Relic Hunting Request

Staff recently received a request from the Executive Director of the Friends of Stafford Civil War Park, Glenn Trimmer, to engage in relic hunting on areas of R-Board property not currently used for landfill activities. This would include areas planned for future cell development. Mr. Trimmer indicated he and selected other individuals would like access to R-Board property to look for historical relics. Mr. Trimmer expressed concern that any relics on the property would be lost when cell construction is initiated. They wished to maintain possession of any artifacts they discovered.

Staff did not feel it had the authority to grant this request as it has been long standing policy to forbid trespass on R-board property for any purpose. This is due to site security and safety concerns. Furthermore, any relics found would be the property of the County and the City, and there are legal requirements which must be addressed in order to dispose of public property. Mr. Trimmer requested the matter be brought to the R-Board for consideration.

Staff requests direction from the R-Board on this matter.

KCD:kd

I. NEW BUSINESS (TAB 5)

2. Landfill Aging Discussion



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 25, 2014

SUBJECT: **Landfill Aging Discussion**

The recent discussions regarding the waste to energy proposal raised questions from citizens about the duration of the regional landfill site. This memo addresses the question as it pertains to long term viability of the site, as well as the aging rate of the current disposal cell – F1.

Long Term Landfill Projections

The Rappahannock Regional Landfill includes approximately 800 acres of property, of which about 64 acres is area previously exhausted as landfill space, and 74.5 acres are permitted for current and future landfill activities. The balance of the property includes operational sites, buffer areas, designated park/preservation land, wetlands, flood plain, resource protection areas, and potential future landfill area. While there is some potential for expansion of landfill activities on portions of the remaining property, the opportunities are more limited and costly to develop. The attached graphic provides additional detail about the R-Board property.

The Rappahannock Regional Landfill has completed the filling of Cells A through E, and has two major permitted cell areas remaining, consisting of 3 sub-cells for F (F1, F2, & F3), and 5 sub-cells in G (G1 through 5). We began filling the present cell – F1 – in July 2013. The entire area of Cell F is permitted for 3,627,952 cubic yards (CY) of fill area, or airspace. Cell G is permitted for an additional 9,703,268 CY of airspace. Cell F provides approximately 14 years (to 2028) of landfill area, while Cell G provides an additional 39 years (to 2067). The life expectancy is dependent on fill rates, currently estimated at 213,608 CY per year and increasing to 264,835 CY per year by the time the landfill has filled. We calculated a fill total of 217,060 CY in FY2013. While our calculated fill rates were modestly higher (~2%) than those used for the projection, they are very close and help verify the rationale for calculating our aging rate. Operational changes that increase or decrease the assumed landfill rate would have a proportional effect in the life of the landfill.

Based on the above, the expected use of the landfill for an additional 53 years appears reasonable. The Site Life Calculation summary is attached for additional information related to the long term life expectancy of the landfill.

Short Term Projections

The life of the current active cell – F1 – is estimated at just over 2.5 years. Given that we have calculated actual filling rates 2% above the value used in the projection, it is reasonable to assume that 2.5 years from initiation of filling activities is a valid estimate for when we must have Cell F2 in

service. Whereas we first commissioned Cell F1 in July 2013, staff estimates exhausting this capacity by December 2015.

We recently completed an aerial survey of Cell F1 to provide an independent accounting of our filling activities. This survey also allows us to reassess the efficiency of our filling operations. The results of this survey indicate we have deposited 143,100 CY of waste in Cell F1, or about 25% of permitted airspace. This result is within 2% (23% vs. 25%) of the aging rate used for the spreadsheet analysis, and confirms the need to have the next cell in operation near the end of 2015.

In light of the above, staff and Resource International have been working to complete the final design for Cell F2 to assure it will be fully approved and ready for bidding and construction in time to allow use when needed next year. We estimate construction of Cell F2 should be offered for bids around December of 2014.

Construction of the next cell is estimated to cost about \$4 million. The financial ramifications of this are discussed elsewhere.

KCD:kd

Attachments (as noted)

Year	Gate Rate (cy)	Airspace Remaining (cy)	Permitted Airspace (cy)	Leachate Generation Time Period
2010	213,608	347,357		
2011	213,608	133,749		
2012	213,608	478,299	F-1 558,158	1
2013	213,608	264,691		
2014	213,608	51,083		
2015	217,880	1,667,141	F-2 1,833,938	2
2016	217,880	1,449,261		
2017	217,880	1,231,380		
2018	217,880	1,013,500		
2019	217,880	795,620		3
2020	217,880	577,740		
2021	228,774	348,966		
2022	228,774	1,356,048	F-3 1,235,856	4
2023	228,774	1,127,273		
2024	228,774	898,499		
2025	228,774	669,725		5
2026	228,774	440,951		
2027	228,774	212,177		
2028	228,774	1,189,301	G-1 1,205,898	6
2029	228,774	960,526		
2030	240,213	720,314		
2031	240,213	480,101		
2032	240,213	239,888		
2033	240,213	846,458	G-2 846,783	7
2034	240,213	606,245		
2035	240,213	366,032		
2036	240,213	125,819		
2037	240,213	2,348,336	G-3 2,462,730	8
2038	240,213	2,108,124		
2039	240,213	1,867,911		
2040	252,224	1,615,687		
2041	252,224	1,363,464		
2042	252,224	1,111,240		9
2043	252,224	859,017		
2044	252,224	606,793		
2045	252,224	354,570		

Year	Gate Rate (cy)	Airspace Remaining (cy)	Permitted Airspace (cy)	Leachate Generation Time Period
2046	252,224	2,048,293	G-4 1,945,947	10
2047	252,224	1,796,070		
2048	252,224	1,543,846		
2049	252,224	1,291,622		
2050	252,224	1,039,399		
2051	252,224	787,175		11
2052	252,224	534,952		
2053	252,224	282,728		
2054	252,224	30,505		
2055	252,224	3,020,191	G-5 3,241,910	12
2056	252,224	2,767,968		
2057	252,224	2,515,744		
2058	252,224	2,263,521		
2059	252,224	2,011,297		13
2060	264,835	1,746,463		
2061	264,835	1,481,628		
2062	264,835	1,216,793		
2063	264,835	951,958		14
2064	264,835	687,124		
2065	264,835	422,289		
2066	264,835	157,454		
2067	264,835	-107,380		15
2068	264,835	-372,215		
2069	264,835	-637,050		
2070	264,835	-901,884		
2071	264,835	-1,166,719		
2072	264,835	-1,431,554		
2073	264,835	-1,696,388		
2074	264,835	-1,961,223		
2075	264,835	-2,226,058		

Cell	Footprint (acres)	Airspace (cy)
F-1	9.02	558,158
F-2	9.31	1,833,938
F-3	7.21	1,235,856
Total	25.54	3,627,952
G-1	10.23	1,205,898
G-2	10.25	846,783
G-3	7.92	2,462,730
G-4	9.52	1,945,947
G-5	11.04	3,241,910
Total	48.96	9,703,268

Note: For a compaction rate of 1,000 lbs/cy then
 264,835 cy/year = 132,418 tons/year
 132,418 tons/year = 370 ton/day (Average)
 Airspace based on 3.5 to 1 Interior Fill Slope

Legend

- 39_17B
- Flood Zones
- RPA

Route 1 Jefferson Davis Highway

39 - 17B

Adjoining County/City Owned Property

Staford Civil War Park
87.04 +/- Acres

Future Cells
65.5 +/- Ac.

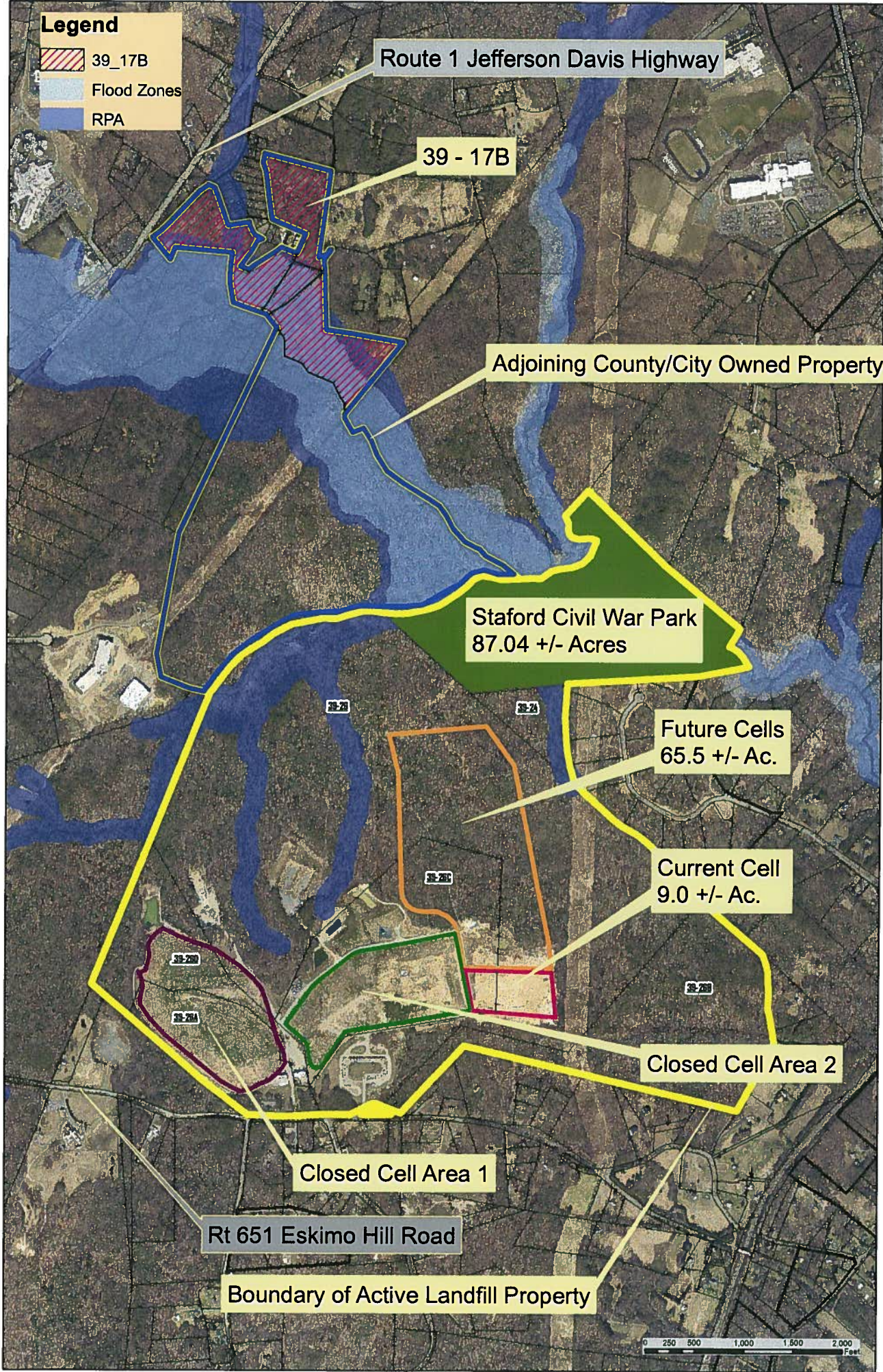
Current Cell
9.0 +/- Ac.

Closed Cell Area 2

Closed Cell Area 1

Rt 651 Eskimo Hill Road

Boundary of Active Landfill Property



I. NEW BUSINESS (TAB 5)

**3. Financial Outlook/Preliminary FY2015 Budget
Discussion**



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 25, 2014

SUBJECT: **Financial Outlook and Preliminary Budget Discussion**

In preparation for the FY2015 budget cycle, staff has examined issues related to the current financial position of the R-Board, and budgetary pressures expected in the next year. These are discussed below.

Financial Outlook

As noted in the previous report on the FY2013 audit results, the R-Board currently has an unrestricted fund balance of \$13,071. The present financial position is due in large part to the lower revenues generated from commercial clients. Although we have seen some increase in the past two years, revenues have not returned to pre-recession levels, and staff feels this is mainly due to competition from other area landfills. Revenues from recycled materials have also dropped significantly, although this revenue stream represents a much smaller part of our budgeted revenues.

Other contributing factors to our overall financial position as stated in the audit report include the impact of unfunded depreciation of over \$800,000, construction of Cell F1 from cash reserves, and the increasing cost of regulatory compliance.

Besides the issue of increased regulatory compliance costs, staff believes we must soon expend additional funds to maintain and replace our aging inventory; consequently, we must begin funding depreciation expenses. Finally, we must initiate construction of Cell F2 early in 2015 to ensure it is available for use later that year. Although it has been suggested that the R-Board borrow to finance the construction of Cell F2, our record of recent operating losses and lack of unrestricted reserves make this an uncertain proposition. Furthermore, should we be able to borrow the estimated \$4 million cost, we currently do not generate sufficient revenue to pay back the debt service estimated at between \$585,000 and \$680,000 per year, depending on the interest rate and length of debt.

Whereas we offer a market dependent service, raising tipping fees for our commercial municipal solid waste customers will very likely not result in significant added revenue. As discussed in a previous R-Board meeting, the staff survey of tipping fees at other landfill in the region revealed that our price structure was in line with our competition, although our discounted rate for large customers might be modestly adjusted without affecting our total tonnage.

Recent staff analysis indicates our present cost to landfill waste, inclusive of capital, operating and depreciation expenses, is \$47.69 per ton. We generate revenue from tipping fees at a rate of \$31.15 per ton, resulting in a significant operating deficit. Staff believes that the present operational strategies are not sustainable from a funding perspective, and immediate, dramatic measures are necessary to ensure the long term financial viability of the Regional Landfill.

Staff has noted that our construction and demolition (C&D) debris tipping fee structure could be revised to generate additional revenue. The R-Board implemented a tipping fee whereby containers of a certain volume were capped at a specified weight for billing purposes. Staff initiated a two month analysis of C&D across our scales and observed that all of the 122 tickets delivered weights in excess of the billed amounts, and on average the total weight was approximately double the billed weight. We noted that some deliveries received over 10 tons of landfill service at no charge. We calculate that this translates to approximately \$150,000 per year in free service for landfilling C&D materials. While revising the tipping fee schedule will not necessarily result in an increase in revenue of this same amount, it will restore some equity in our tipping fee structure.

The largest subsidized service remains our practice of providing free disposal for residents using the Eskimo Hill and Belman convenience centers, and the heavily discounted collections received from the City of Fredericksburg Department of Public Works. The R-Board receives a total of \$96,000 from the City and County (\$56,000 and \$40,000 respectively), which translates to a \$4 per ton (or about \$2 per CY) charge using annual average weights received from each locality. That is the rate authorized by R-Board during adoption of the FY2012 budget, and continued during subsequent budgets.

Based on the cost per ton information presented above, this rate is approximately 8% of our break even tipping fee of \$47.69. Raising the equivalent rate for this service to the reduced high-volume rate of \$25 per ton established for our larger commercial customers, would increase this revenue stream to \$590,000.

As noted in previous reports, staff believes it has implemented all available best practices to operate the landfill in the most cost effective manner possible, while maintaining compliance with state regulations. We are operating with the minimum of staff necessary to maintain the service levels established by the R-Board. Without opportunities to reduce expenses in any significant way, staff believes that changes must be made to increase the revenue stream and/or reduce service levels. As noted above, the base \$41 per ton commercial tipping rate is consistent with competing landfills in the region and a significant increase in this rate will likely result in much lower tonnage delivered to the landfill.

Staff suggests that consideration be given to the following measures:

- Immediately eliminate the cap on weight for C&D material. Customers would be billed \$41 for each ton of C&D brought to the landfill. As noted above, this could increase revenues by approximately \$150,000 if we experienced no diversion of C&D to other landfills.
- Increase the tipping fee effective July 1, 2014, for monthly disposal quantities in excess of 1,500 tons from \$25 per ton to \$30 per ton. The \$41 (under 1,000 tons) and \$36 (quantities between 1,000 and 1,500 tons) tipping fees would remain unchanged. This modification would result in a relatively modest increase in revenues due to the limited waste in excess of 1,500 tons per month.
- Implement a \$25 per ton tipping fee on July 1, 2014 for municipal waste brought to the landfill by the City of Fredericksburg Department of Public Works. This measure could net nearly \$190,000 in additional revenue.
- Eliminate free residential service at our convenience centers effective July 1, 2014. 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. Alternative methods to charge these residential customers would be provided to the R-Board at the May 21, 2014 meeting. This measure could result in revenue of slightly more than \$400,000 based on waste history and assuming no waste stream diversion.

- As an alternative to the previous two measures, 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.
- Additionally, the R-Board could also consider service reductions related to the Belman Collection Center and the litter crew. Returning litter control costs to Stafford would result in savings of approximately \$215,000 per year, while eliminating C&D, brush, furniture and appliance collections at Belman would save approximately \$40,000 more.

Staff believes that implementation of the revenue enhancement measures could generate additional funds of about \$750,000 per year, while the service reductions could save approximately \$250,000, returning landfill operations to long term sustainability.

Preliminary Budget Discussion

The R-Board has a single remaining regularly scheduled meeting on May 21st prior to the start of the next fiscal year. This meeting is the only scheduled opportunity for the R-Board to discuss the FY2015 budget; consequently, staff felt it would be helpful to discuss preliminary considerations for the next fiscal year.

Some of the key considerations, with the exception of the revenue and expenditure issues discussed above, are as follows:

- Staff does not plan to recommend additional staff. We will continue to examine our operations to identify ways to operate efficiently at current staffing levels.
- 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, but expect remediation efforts, if any are necessary, to not be required until FY2016.
- We plan to include replacement costs for a 1973 tractor, along with a 1-ton dump truck and ¾-ton pickup, each with over 200,000 miles.
- There are no major equipment replacements scheduled for FY2015, although four pieces of equipment require selected overhauls totaling around \$100,000.

Funding the construction of Cell F2 towards the latter part of FY2015 will be the greatest budgetary challenge.

Staff would appreciate the guidance of the R-Board in the development of a draft budget.

KCD:kd

I. NEW BUSINESS (TAB 5)
4. Conveyance of R-Board Property



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 25, 2014

SUBJECT: Conveyance of R-Board Property

Stafford County recently rezoned property east of Route 1 north of Eskimo Hill Road which will include a Germanna Community College campus. During conversations with Germanna we understand that an additional 10 acres of campus area would facilitate development of the site.

The adjacent property which would best serve the Germanna facility is parcel 39-17B, an adjacent 45 acre parcel jointly owned by the City of Fredericksburg and Stafford County as part of the 800 acre R-Board property. Approximately half of this parcel, as shown on the attached graphic, is located north of Accokeek Creek, and separated from the main landfill area by a broad expanse of floodplain and resource protection area. The area north of Accokeek Creek is too small and isolated to be useable for landfill activities, and given the extent of resource protection area available north of our potential landfill space, is not necessary for buffer protection. Consequently, providing Germanna with 10 acres or more at the northernmost portion of R-Board property would not impact current or future operations.

The County recently had the 10.3 acre property under consideration appraised at \$400,000. A portion of the October 28, 2013 appraisal report is attached. Under the joint powers agreement, the County currently owns 50% of this value, or \$200,000. The entire parcel area of 45 acres is appraised at \$140,000 more, or \$540,000. This is due in part to the floodplain and resource protection area making up much of the balance of the parcel. The R-board may wish to retain the remaining 35 acres as a buffer for current and future landfill activities.

The R-Board is asked to consider endorsing the transfer of at least 10 acres of Parcel 39 17B to Germanna Community College for the purpose of constructing a community college campus. The City of Fredericksburg would be compensated 50% of the appraised value of the acreage transferred for their share in the ownership of this property.

Should this be acceptable to the R-Board, this action must then be approved by the City Council and County Board of Supervisors. If authorized by all parties, staff will pursue subdivision of Parcel 39 17B (if the entire parcel is not conveyed), and subsequent transfer to Germanna.

KCD:kd

Attachments (as noted)

Legend

-  39_17B
-  Flood Zones
-  RPA

Route 1 Jefferson Davis Highway

39 - 17B

Adjoining County/City Owned Property

Stafford Civil War Park
87.04 +/- Acres

Future Cells
65.5 +/- Ac.

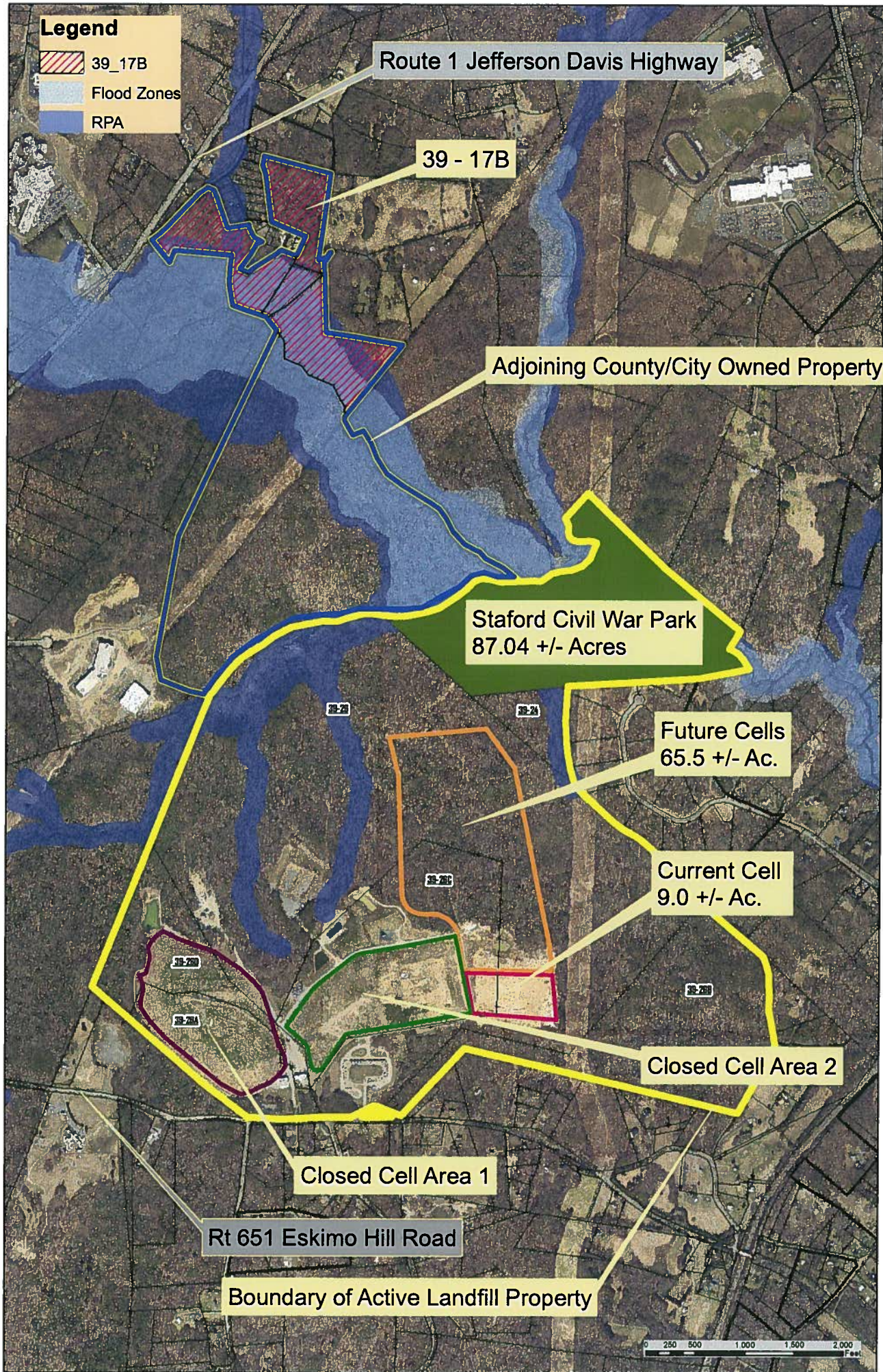
Current Cell
9.0 +/- Ac.

Closed Cell Area 2

Closed Cell Area 1

Rt 651 Eskimo Hill Road

Boundary of Active Landfill Property





Site Provi
governr

Summary



Alternate PIN
1 of 1

Parcel Info

Summary

Transfer

Assessments

Search By

Parcel ID

Alternate PIN

Street Address

Sales

Site Functions

Login/Logout

Property Search

On-Line Help

Contact Us

Home

Parcel ID
39 17B

Address

Index Order
Alternate PIN

Card
1 of 1

Summary

Property Location

Magisterial Dist

Tax ID 24056

Class Code

Neighborhood MAIN MAP 39

Alternate PIN 24056

Acres

44.870

Year Built

0

Sq. Ft.

0

Finished Basement

**Finished Lower Level Sq
Ft**

*Finished Lower Level is
only applicable for split
level and split foyer house
types.

Property Description

Property Information

ACCOKEEK 44.87 AC
(INCLUDES 26' X 38'
CEMETERY)

Owner Information

Owner Information

BD OF SUPERVISORS OF STAFFORD
CO VA
& THE CITY OF FREDERICKSBURG

Mail Information

P O BOX 339
STAFFORD VA 22555-0339

Assessment Info

Taxable Land Value \$284,400.00

Taxable Impr Value \$0.00

Taxable Total Value \$284,400.00

Recent Sale

Sale Amount \$636,522.00

Date 10/1/1986

Plat Reference

Deed Number B529 P215

<< First < Previous Next > Last >>

User ID : staffordva_guest

Legal disclaimer / Privacy Statement

Data updated on 9/9/2013

RESTRICTED USE APPRAISAL REPORT

TAX MAP PARCEL 39-17B (PART)

10.3± ACRES

STAFFORD COUNTY, VIRGINIA

DATE OF VALUATION

October 28, 2013

PREPARED FOR

**Brad H. Johnson
Redevelopment Administrator
County of Stafford
1300 Courthouse Road
P.O. Box 339
Stafford, VA 22555-0339**

PREPARED BY

**Kevin F. Naughton, PE, MAI
Kevin F. Naughton, Inc.
305 Goldvein Drive
Fredericksburg, Virginia 22407
Phone: (540) 786-8103 Fax: (540) 785-4396
Email: kfn.appraiser@comcast.net
Appraiser File 13-44**

RESTRICTED USE APPRAISAL REPORT

Per your directions, this appraisal is being reported to you in a restricted use format which is intended to comply with the reporting requirements set forth under Standard 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

CLIENT: Brad H. Johnson
Redevelopment Administrator
County of Stafford
1300 Courthouse Road
P.O. Box 339
Stafford, VA 22555-0339

APPRAISER: Kevin F. Naughton, PE, MAI
Kevin F. Naughton, Inc.
305 Goldvein Drive
Fredericksburg, Virginia 22407
Phone: (540) 786-8103, Fax: (540) 785-4396
Email: kfn.appraiser@comcast.net

SUBJECT: Tax Map Parcel 39-17B (Part)
10.3± Acres
Stafford County, Virginia
Appraiser File #13-44

INTENDED USER: The intended user of this appraisal report is Stafford County, the client.

USE OF APPRAISAL: For the sole use of the client in establishing an estimate of market value

VALUE CONCLUSION: Market value "as is" **\$400,000**

Notes:

- The estimate of value reflected above is effective October 28, 2013 and may or may not be predicated upon certain assumptions which are contained in the narrative text of this report. This summary is a part of the report and not intended by the author to be separated therefrom.
- No extraordinary assumptions or hypothetical conditions are incorporated in this report.

GENERAL INFORMATION

- Purpose of Appraisal:** To estimate the “as is” market value
- Market Value*¹ - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
- (1) buyer and seller are typically motivated;
 - (2) both parties are well informed or well advised, and each acting in what they consider their best interest;
 - (3) a reasonable time is allowed for exposure in the open market;
 - (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Rights Appraised:** *Fee Simple Estate*² - Absolute ownership unencumbered by any other interest or estate; subject only to the four powers of government.
- Intended User:** The intended user of this appraisal report is Stafford County, the client.
- Use of Appraisal:** For the sole use of the client in establishing an estimate of market value
- Dates of Importance:**
- The effective date of the value estimate is October 28, 2013.
 - This appraisal is being reported on November 15, 2013.
- Exposure Time:** Up to 12 months prior to the effective date of this appraisal to be marketed at the concluded value.
- Marketing Time:** A reasonable marketing period of 1-2 years has been forecast, assuming that the property is to be sold at the estimated market value indicated herein.
- Scope of Appraisal:** *This report has been prepared in conformity with the requirements of the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.*

¹ The Appraisal Foundation, Uniform Standard of Professional Appraisal Standard (Washington, D. C., 1990) 1-7. (Also see Office of the Federal Register, The National Archives of the United States, Code of Federal Regulations, Volume 12, Parts 563.171 (b) (2), Banks and Banking, (Washington, D.C.: U. S. Government Printing Office, 1988), 333.

² Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, pg. 140.

DESCRIPTION OF REAL ESTATE APPRAISED

Property Identifier:	Stafford County Tax Map Parcel 38-17B (Part)
Location:	East of U.S. Route 1 (Jefferson Davis Highway) North of Jumping Branch Road 1-mile south of Route 630 (Courthouse Road) Central Stafford County
Access:	From U.S. Route 1 via Jumping Branch Road (one-half mile gravel)
Mailing Address:	Stafford, VA 22405
Magisterial District:	Aquia Magisterial District of Stafford County, Virginia
Tax Map:	Part of 39-17B
Legal Description:	As a current survey was not available, the legal description utilized is TM 39-17B Part -10.3± acres.
Ownership:	Board of Supervisors of Stafford County VA & the City of Fredericksburg.
History:	<p>The owner purchased the property in 1986, as part of 40 acres, for \$636,522 (DB 529 page 215). This property was part of the land intended for use as the Rappahannock Regional Landfill.</p> <p>The appraiser is not aware of any further sales, contracts, offerings or options for the subject which have occurred during the past three years.</p>
Real Estate Assessment:	The County assesses real property at 100% of fair market value for assessment tax purposes. It is on a two year re-assessment cycle with the most recent assessment having taken effect January 1, 2012. The 40 acres of which the subject property is part, is assessed as land only totaling \$284,400.
Neighborhood:	<p>The subject is located east of U.S. Route 1 and approximately 1-mile south of Route 630 (Courthouse Road) in central Stafford County.</p> <p><u>Stafford County</u> is strategically located along I-95 corridor, 30 miles south of Washington, D.C. It is one of the fastest growing counties in the state with a population of 128,961 (39% growth since 2000 census). The growth areas of the county have developed into medium density urban areas characterized by a mix of retail, office, industrial and residential uses. Public utilities are available at a quality and cost which are considered consistent with competing communities. Schools and regional shopping are conveniently located.</p> <p>The subject's immediate neighborhood is known as the <u>Route 1 Corridor South of the Courthouse</u>. U.S. Route 1 (Jefferson Davis highway) is a four lane undivided highway which parallels I-95 and traverses the County north-south.</p>

STAFFORD COUNTY - TM 39-17B (PART) - 10.3± ACRES

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RESTRICTED USE APPRAISAL REPORT

**TAX MAP PARCEL 39-17B
45 ACRES
STAFFORD COUNTY, VIRGINIA**

DATE OF VALUATION

October 28, 2013

PREPARED FOR

**Brad H. Johnson
Redevelopment Administrator
County of Stafford
1300 Courthouse Road
P.O. Box 339
Stafford, VA 22555-0339**

PREPARED BY

**Kevin F. Naughton, PE, MAI
Kevin F. Naughton, Inc.
305 Goldvein Drive
Fredericksburg, Virginia 22407
Phone: (540) 786-8103 Fax: (540) 785-4396
Email: kfn.appraiser@comcast.net
Appraiser File 13-43**

RESTRICTED USE APPRAISAL REPORT

Per your directions, this appraisal is being reported to you in a restricted use format which is intended to comply with the reporting requirements set forth under Standard 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

CLIENT: Brad H. Johnson
Redevelopment Administrator
County of Stafford
1300 Courthouse Road
P.O. Box 339
Stafford, VA 22555-0339

APPRAISER: Kevin F. Naughton, PE, MAI
Kevin F. Naughton, Inc.
305 Goldvein Drive
Fredericksburg, Virginia 22407
Phone: (540) 786-8103, Fax: (540) 785-4396
Email: kfn.appraiser@comcast.net

SUBJECT: Tax Map Parcel 39-17B
45 Acres
Stafford County, Virginia
Appraiser File #13-43

INTENDED USER: The intended user of this appraisal report is Stafford County, the client.

USE OF APPRAISAL: For the sole use of the client in establishing an estimate of market value

VALUE CONCLUSION: Market value "as is" **\$540,000**

Notes:

- The estimate of value reflected above is effective October 28, 2013 and may or may not be predicated upon certain assumptions which are contained in the narrative text of this report. This summary is a part of the report and not intended by the author to be separated therefrom.
- No extraordinary assumptions or hypothetical conditions are incorporated in this report.

GENERAL INFORMATION

- Purpose of Appraisal:** To estimate the "as is" market value
*Market Value*¹ - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
- (1) buyer and seller are typically motivated;
 - (2) both parties are well informed or well advised, and each acting in what they consider their best interest;
 - (3) a reasonable time is allowed for exposure in the open market;
 - (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Rights Appraised:** *Fee Simple Estate*² - Absolute ownership unencumbered by any other interest or estate; subject only to the four powers of government.
- Intended User:** The intended user of this appraisal report is Stafford County, the client.
- Use of Appraisal:** For the sole use of the client in establishing an estimate of market value
- Dates of Importance:**
- The effective date of the value estimate is October 28, 2013.
 - This appraisal is being reported on November 15, 2013.
- Exposure Time:** Up to 12 months prior to the effective date of this appraisal to be marketed at the concluded value.
- Marketing Time:** A reasonable marketing period of 1-2 years has been forecast, assuming that the property is to be sold at the estimated market value indicated herein.
- Scope of Appraisal:** *This report has been prepared in conformity with the requirements of the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.*

¹ The Appraisal Foundation, Uniform Standard of Professional Appraisal Standard (Washington, D. C., 1990) 1-7. (Also see Office of the Federal Register, The National Archives of the United States, Code of Federal Regulations, Volume 12, Parts 563.171 (b) (2), Banks and Banking, (Washington, D.C.: U. S. Government Printing Office, 1988), 333.

² Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, pg. 140.

DESCRIPTION OF REAL ESTATE APPRAISED

Property Identifier: Stafford County Tax Map Parcel 38-17B

Location: East side of U.S. Route 1 (Jefferson Davis Highway)
1-mile south of Route 630 (Courthouse Road)
Central Stafford County

Access: From U.S. Route 1 via Jumping Branch Road (gravel roadway)

Mailing Address: Stafford, VA 22405

Magisterial District: Aquia Magisterial District of Stafford County, Virginia

Tax Map: 39-17B

Legal Description: As a current survey was not available, the tax map has been utilized as the legal description, i.e. **TM 39-17B (44.87 acres)**

Ownership: Board of Supervisors of Stafford County VA & the City of Fredericksburg

History: The owner purchased the property in 1986 for \$636,522 (DB 529 page 215). This property was intended for use as the Rappahannock Regional Landfill. The appraiser is not aware of any further sales, contracts, offerings or options for the subject which have occurred during the past three years.

Real Estate Tax: The County assesses real property at 100% of fair market value for assessment tax purposes. It is on a two year re-assessment cycle with the most recent assessment having taken effect January 1, 2012. The subject property is assessed as follows:

Land	\$284,400
<u>Improvements</u>	<u>\$ 0</u>
Total.....	\$284,400

The County's tax rate is \$1.07 per \$100 resulting in a 2013 tax liability of \$3,043.

Neighborhood: The subject is located east of U.S. Route 1 and approximately 1-mile south of Route 630 (Courthouse Road) in central Stafford County.

Stafford County is strategically located along I-95 corridor, 30 miles south of Washington, D.C. It is one of the fastest growing counties in the state with a population of 128,961 (39% growth since 2000 census). The growth areas of the county have developed into medium density urban areas characterized by a mix of retail, office, industrial and residential uses. Public utilities are available at a quality and cost which are considered consistent with competing communities. Schools and regional shopping are conveniently located.