

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

November 15, 2017

George L. Gordon Government Center

Conference Room ABC

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 8:35 a.m. on November 15, 2017, at the George L. Gordon, Jr., Government Center, Conference Room ABC.

Roll Call: The following members were present: Paul V. Milde, III; Laura A. Sellers; Matthew Kelly; William C. Withers, Jr.; Thomas Foley; and Mark Whitley. Timothy Baroody was absent.

Also in attendance were: Brandon Hefty, Esq., R-Board Attorney; Rick Markwardt, Landfill Superintendent; Julie Williams-Daves, Assistant Landfill Superintendent; Pamela Timmons, R-Board Clerk; and Keith Dayton, Director.

Approval of the minutes of prior meeting: Mr. Withers motioned, seconded by Mr. Foley, to approve the minutes from the August 16, 2017 meeting.

By voice, the vote was:

Yea:	(5)	Milde, Foley, Sellers, Kelly, Withers
Nay:	(0)	
Abstain:	(1)	Whitley

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

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

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

Cell F2 Filling Status

Mr. Markwardt reported that the filling sequence of Cell F-2 continues to go on without issues. Approximately 582,015 cubic yards of available space has been consumed.

Alternative Cover Update

The 6-month trial period has ended, and staff has determined that the expected financial advantage did not materialize. Staff will not exercise the option to acquire the equipment.

Personnel Status Update

Mr. Markwardt reported that the R-Board is authorized for a total of 35 employees (31 full-time and 4 part-time). Currently, all part-time positions are filled. There are 29 full-time positions filled, with recruitment ongoing for a Landfill Scale Supervisor and Scale Technician.

Environmental Compliance: Ms. Williams-Daves reported that the R-Board received a deficiency letter for exposed waste, after the September inspection. The next inspection would be in December. Regarding groundwater sampling, staff has not received approval from the VADEQ for the presumptive

remedy proposal for Area 74. The R-Board will need to follow through with a permit amendment for corrective action to formally show that the results were achieved. Also, the permit modification to amend the facility boundary to include the VDOT parcel, request an increase in the daily tonnage allowed, and adjust the operating hours to reflect current practice, remain pending with VADEQ. Staff anticipates holding a public hearing in early 2018.

Recycling Manager Report: Ms. Jones reported that the Household Hazardous Waste and Electronic Waste Collection Day held on October 28th was a success. Approximately 450 residents participated. She passed along our gratitude to the City of Fredericksburg, Public Works Department for the site they provided for this program.

The grant amount for the VADEQ Litter Grant for FY2018 will be \$25,691. Funds are used for litter prevention and recycling programs in the City and County, as well as the purchase of trash bags, vests and gloves for road cleaning activities. The annual pass sales will begin on November 16th, and staff believes we have everything ready. R-Board staff also participated with the development and presentation for "Managing Waste in the 21st Century" on October 11th.

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

Financial Summary (FY 2018 – through October):

Mr. Dayton reported very strong 1st quarter results. The Commercial hauler revenue was well ahead of the budgeted amount. Expenditures are currently running ahead of what was budgeted, but that is due to the initial execution of contracts for yearly services. The improved unrestricted net deficit value reported is a reflection of the preliminary audit results.

Weight & Material Analysis (FY 2018 – through October):

The reported waste amounts reflect revenue results, and are very strong. We are up sharply in the commercial category. The reduction in residential source quantities reflect our changes in scale coding, not a slowdown from this source. Debris waste continues very strong, and overall, we are up 67% over the 1st quarter results from last year. Total billable tonnage is up 29% from last year at this time.

FY2017 Financial Statement – Preliminary Results

Staff has received preliminary results from auditor, and we expect only minor changes in the final statement. The financial statement confirms the financial turnaround for the R-Board. Key findings are as follows:

- Operating revenues increased by \$1.4 million, from \$5,466,470 to \$6,870,813
- Expenditures increased by slightly less than \$600,000, largely due to the R-Board investment in closure activities, and the investment in replacing certain heavy equipment
- The Net Position of the R-Board increased \$2.4 million, from \$8,067,115 to \$10,475,427
- The unrestricted net deficit improved from (\$3,332,013) to (\$544,433)

- The R-Board currently has \$7,073,666 in investments, with another \$1,586,169 held in the cash account

Unfinished Business:

Operational Analysis Update

Mr. Dayton noted that the draft report is complete and being reviewed by R-Board staff. Following the independent research, site visits, and interviews with R-Board members and staff, SCS provided insight and suggestions on the present operations, and made recommendations on possibilities for improvement – some key observations are as follows:

- The operational agreement could be amended to clarify jurisdictional responsibilities in the event of an operating deficit. This would include changing the formula for financial contributions from member localities.
- Tipping fees were found to be reasonable from both a comparison perspective with nearby jurisdictions, and for our cost recovery for landfill operations.
- Consideration should be given to having the litter collection program funded from the local jurisdictions in a proportionate share, or scaled back.
- The contract with Ameresco provided a comparable rate of return for similar contracts elsewhere in the country.
- More robust budgeting and financial accounting efforts, to include better accounting for services provided to participating localities, and long range budgeting for future capital expenses such as new cell construction, closure/post-closure activities, and equipment replacement.

SCS provided numerous observations and recommendations pertaining to operating practices, such as:

- Solidify latex paint and dispose in the landfill, rather than as HHW.
- Run more bulky materials through the compactor at Belman to reduce transport costs
- Implement a fee for un-tarped loads.
- Provided multiple suggestions to increase monetary recovery from cardboard collections and to reduce recycle contamination.
- Modify the procedures for processing of yard waste.
- Made several recommendations to improve the safety and efficiency of the maintenance shop and scale house.
- Improve facility signage.
- Modify landfill procedures at the working face.

R-Board staff has implemented some recommendations, and is currently completing the final review of the draft report. Following this review, we will schedule a meeting with SCS to go over the report in detail.

New Business:

RB17-06 Proclamation

Ms. Sellers motioned, seconded by Mr. Kelly, to approve resolution RB17-06.

By voice, the vote was:

Yea:	(5)	Foley, Sellers, Kelly, Withers, Whitley
Nay:	(0)	
Abstain:	(1)	Milde

Resolution RB17-06 reads as follows:

A PROCLAMATION TO RECOGNIZE AND COMMEND PAUL V. MILDE, III FOR OUTSTANDING SERVICE TO THE RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

WHEREAS, Paul V. Milde, III has been a loyal and dedicated member of the R-Board since 2006, as the Aquia District Supervisor; and

WHEREAS, Mr. Milde served as Vice Chairman in 2007, 2011, 2012, and 2016; and Chairman in 2008, 2009, 2013-2015, and 2017; and

WHEREAS, Mr. Milde provided leadership and vision that led to the R-Board adopting financial policies resulting in a dramatic reversal of the declining financial condition of R-Board operations, and assuring that the Rappahannock Regional Landfill is positioned to offer viable long-term solid waste services to the residents of the City of Fredericksburg and Stafford County; and

WHEREAS, Mr. Milde provided support for the construction of Cell F-1 in 2012 and Cell F-2 in 2015, continuing the ability of the R-Board to provide cost effective, convenient solid waste service to the residents of the City of Fredericksburg and Stafford County; and

WHEREAS, Mr. Milde provided continuous support for improvements to the resident convenience centers at Belman Road and Eskimo Hill Road to improve the efficiency, increase customer safety, and provide better facilities to meet the solid waste disposal needs of the residents of the City of Fredericksburg and Stafford County; and

WHEREAS, Mr. Milde provided valuable support to preserve priceless historical resources for future generations by helping to set aside over 40 acres of Landfill property for what became Stafford County's Civil War Park; and

WHEREAS, Mr. Milde provided leadership and vision, which resulted in the installation of gas turbines for the beneficial reuse of methane gas from closed Landfill cells, creating a source of renewable energy and revenue stream from a Landfill by-product; and

WHEREAS, Mr. Milde supported a variety of environmentally friendly initiatives which resulted in the designation of the Landfill as an Exceptional Environmental Enterprise (E3) by the State of Virginia; winning the Virginia Recycling Association Award for Excellence in Recycling in the Outstanding Education Program category for backyard composting, in 2012; and built an exceptional recycling

program in which the percentage of recycled materials consistently exceed the Commonwealth's average and the mandated minimum amount;

NOW, THEREFORE, BE IT PROCLAIMED by the Rappahannock Regional Solid Waste Management Board, on this the 15th day of November, 2017, that it be and hereby does recognize and commend Paul V. Milde, III for his outstanding dedication and service as a member of the R-Board.

Recycling Market Changes

Mr. Dayton reported that the R-Board is once again facing ramifications from actions by China related to their regulation of the single stream recycled products. China has initiated a program to reduce contamination in recycle streams, and is enforcing stringent new restrictions. Consequently, our returns have dropped considerably from recent highs, but are still in a net positive position. The next phase goes into effect in December, and the impact is not known at this time. Contamination limits have been set at levels far below current industry standards, driving up the cost for processing. We are cautiously optimistic that we will remain in a profitable position, but are concerned that if the next phase results in a precipitous decline in pricing, commercial curbside haulers will deposit their single stream at the landfill for free rather than dispose of it at a loss. The R-Board implemented an emergency tipping fee of \$12 per ton in 2014 to address this problem. Staff is recommending the authority to implement a tipping fee not to exceed \$20 per ton for single stream received from commercial companies in case these market changes result in a repeat. Customer drop off and single stream deliveries from the City would not be affected.

Resolution RB17-07

Mr. Kelly motioned, seconded by Ms. Sellers, to approve Resolution RB17-07.

By voice, the vote was:

Yea:	(6)	Milde, Foley, Sellers, Kelly, Withers, Whitley
Nay:	(0)	

Resolution RB17-07 reads as follows:

A RESOLUTION TO AUTHORIZE THE IMPLEMENTATION OF A TIPPING FEE FOR SINGLE STREAM RECYCLED MATERIALS DELIVERED TO THE REGIONAL LANDFILL

WHEREAS, the R-Board is a strong proponent of recycling programs to divert single stream recycled materials (SSRM) from the waste stream and return them to beneficial reuse, and thereby extend the life of the Regional Landfill; and

WHEREAS, the market for single stream recycled materials (SSRM) is currently in a state of flux due to restrictive programs implemented by China; and

WHEREAS, China's restrictive policies may cause the rate of return for SSRM to drop to the point where the R-Board must dispose of SSRM at a loss; and

WHEREAS, the R-Board desires to continue the promotion of recycling programs without incurring financial loss;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 15th day of November, 2017 that, effective immediately, a tipping fee not to exceed \$20 per ton is authorized for single stream recycled material for commercial entities delivering this material to the Regional Landfill; and

BE IT FURTHER RESOLVED, that this tipping fee be adjusted as required to maintain the rate of return approximately equal to R-Board costs for handling and processing.

Conversion of Existing Animal Shelter

Mr. Dayton reported that Stafford County is constructing a new animal shelter, scheduled for completion next spring. The existing animal shelter adjacent to the landfill may become surplus and available to the R-Board. Staff believes this 5,000 square foot building may be suitable for a combination office and warehouse facility. Our current office space within the maintenance building is very cramped, and occupies space that would be useful for our maintenance personnel. Mr. Dayton would like to approach the County to see if they are interested in transferring this building to the R-Board and under what terms, and to complete a programming study to determine what would be necessary to convert the building, and at what cost. The R-Board consented to this course of action.

Commercial Request for Annual Pass Exception

Staff has received a request for a commercial exception from Leland Cox. Mr. Cox has retired, but still retains use of an unmarked company vehicle from the company he used to own. Mr. Cox stated he would like to use this vehicle to take his household solid waste to the convenience center. Staff finds this request consistent with exceptions previously granted by the R-Board and requests the R-Board provide direction by motion.

Mr. Kelly motioned, seconded by Mr. Withers, to approve the exception.

By voice, the vote was:

Yea:	(6)	Milde, Foley, Sellers, Kelly, Withers, Whitley
Nay:	(0)	

Mulch Deliveries from Businesses

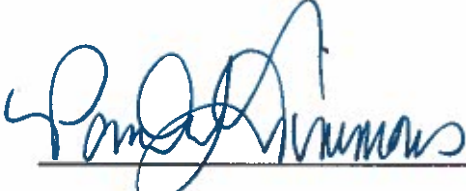
Mr. Dayton reported that we have recently received bulk mulch deliveries from commercial land clearing companies. Although vegetation from residents is routinely processed into mulch and disposed of for free after processing, the quantities from commercial deliveries exceed our ability to handle and dispose of safely. Staff inquired if the R-Board was interested in assessing a tipping fee for this recyclable product. It was determined that staff would complete an analysis of the cost to process this product, and report back to the R-Board at its February meeting.

Adjournment: The meeting was adjourned at 9:36 a.m.

Future Session: The next regular meeting will be held on February 21, 2018, at the George L. Gordon Government Center, 8:30 a.m., in Conference Room ABC.



Keith C. Dayton, Director



Pamela L. Timmons, Clerk

