

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

November 28, 2018

George L. Gordon, Jr., Government Center
Board Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 8:33 a.m. on November 28, 2018, at the George L. Gordon, Jr., Government Center, Board Chambers.

Roll Call: The following members were present: Meg Bohmke; Cindy C. Shelton; William C. Withers, Jr.; Tim Baroody; and Thomas Foley. Matthew Kelly arrived after the meeting was underway.

Also in attendance were: William Hefty, Esq., R-Board Attorney; Rick Markwardt, Landfill Superintendent; Diane Jones, Recycling Coordinator; Pamela Timmons, R-Board Clerk; and Keith Dayton, Director.

Approval of the minutes of prior meeting: Ms. Shelton motioned, seconded by Ms. Bohmke, to approve the minutes from the August 15, 2018 meeting.

By voice, the vote was:

Yea:	(5)	Baroody, Bohmke, Foley, Shelton, Withers
Nay:	(0)	

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

Tim Rudy – Mr. Rudy commended Mr. Dayton on giving him an overview of the Landfill and how it runs. He said that it was quite a learning experience. He stated that he would like to return to the single-stream method of recycling. He felt that the additional steps to remove glass were less user-friendly. He requested the public be provided more notice when programs were changed in the future, such as the recent changes on glass recycling. It may help citizens adjust to the changes better if they were educated farther in advance. Mr. Rudy expressed concern that too much emphasis was placed on making a profit and programs with environmental benefits but not profitable, such as recycling, may be sacrificed. He suggested the R-Board consider having the City and County provide supplemental funding for Landfill operations.

Presentations by the R-Board: The following R-Board members desired to speak:

Mr. Foley asked Mr. Dayton to comment on the “for profit” concept of operation. Mr. Dayton said that the Landfill is actually a non-profit organization; however, the Landfill does try to end the year with surplus revenues to supplement the reserve fund, and to prepare for major capital expenses and maintenance costs.

Ms. Bohmke thanked Mr. Rudy for his comments, and Mr. Dayton for reaching out to Mr. Rudy regarding his concerns. Ms. Bohmke noted that many citizens do not realize that the R-Board is an enterprise fund, and it is not subsidized by the General Fund. The citizens mistakenly think that part of their taxes go toward the Landfill operations. Ms. Bohmke asked if there could be an informational campaign to help educate the citizens on how the Landfill operates.

Ms. Shelton also thanked Mr. Rudy for his comments. Ms. Shelton said that there have been other conversations about the use of glass. She also never knew that the Landfill operates at a loss with its recycling – especially tire recycling. She noted that residential fees are sufficient to cover operational costs, but we are falling behind in adding to the reserve fund.

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

Cell F2 Filling Status

Mr. Markwardt reported that the filling of Cell F2 continues without issue. Approximately 876,758 cubic yards or 51% of available airspace has been consumed.

Personnel Status Update

Mr. Markwardt reported that the R-Board is authorized for a total of 37 employees (32 full-time and 5 part-time). Four of the part-time positions have been filled, leaving one gate attendant position vacant, with interviews pending. There are 30 full-time positions filled, with one maintenance worker position vacant. The Maintenance Manager position is also vacant, but not being advertised at this time.

Replacement Equipment Deliveries

A new trash compactor arrived on October 15, 2018, and placed into service on October 19, 2018. The Mack roll-off truck is scheduled to arrive before the end of the year.

Ms. Shelton asked for an update on the former Animal Shelter building. Mr. Dayton reported that staff has done a walk-through, to formulate a strategy. There is a meeting scheduled for the week of December 2nd with the County Administrator to discuss the opportunities for use by the Landfill.

Environmental Compliance/Permit Amendment Status: Mr. Dayton reported that in August, the Virginia Department of Environmental Quality (DEQ) conducted its third quarter solid waste inspection. No deficiencies were reported, but mentioned the size of the tire pile and some exposed trash.

DEQ issued a warning letter for exceedances in the stormwater effluent found during the June 22nd sampling event. Due to Hurricane Florence and many other rain events, staff was unable to address the issues. Staff is now altering the sampling procedure to allow the ability to average results with other outfalls onsite to improve sample results.

Draper Aden Associates submitted a petition to DEQ to use facility background concentration of cobalt as its Groundwater Protection Standard. The R-Board received a letter on behalf of the State Water Board with proposed amendments to the reissuing of VPDES permits expiring in June, 2019. The bird depredation permit renewal will be sent to the U.S. Department of the Interior Fish and Wildlife Service.

Recycling Manager Report: Ms. Jones reported that the market prices for single-stream continued to decline since August. The maximum \$20 per ton tipping fee set for commercial recycle materials is approximately half of the processing and shipping costs. On November 5, 2018, staff sent notice to all commercial customers advising that their single-stream recyclable materials will no longer be accepted. The Eskimo Hill drop-off site has been upgraded with new fencing at the recycling collection area. Both Eskimo Hill and Belman sites are encouraging the voluntary separation of glass. There has also been an open-top container added to accept cardboard that has not been broken down, to encourage additional recycling. It is estimated that this change has resulted in capturing nearly 19 additional tons of

cardboard.

Scrap tires deliveries have stabilized as a result of the increased tipping fee placed in effect in June. The R-Board hosted its Household Hazardous Waste and Electronic Waste Collection Day on September 22nd, at the City Shop in Fredericksburg. Rappahannock Goodwill Industries also participated. There were 424 participants, at a cost of \$31,257, including the disposal of six months of fluorescent bulbs staff has collected.

A tree planted in honor of former employee, Dee Morton, was planted in the green space at the residential drop-off area at the Eskimo Hill site. The tree was obtained at no charge, from a grant program offered by Tree Fredericksburg. A plaque to be placed at the tree will be paid for by donation.

The Community Outreach Supervisor and the Litter Crew reinitiated litter cleanup activities this quarter. They have patrolled 70 miles of roadway, and removed more than 147,000 pounds of litter. Staff has also re-engaged with Fredericksburg's Public Works, Office on Youth, Probation Office, and the Rappahannock Regional Jail.

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

Financial Summary (FY 2019 – though October):

Mr. Dayton reported that with 1/3 of the year passed, we have collected 41% of our projected revenue, and our commercial categories remain strong. Expenses are running ahead, due mainly to early equipment and services contracts executed at the beginning of the fiscal year. Maintenance costs continue to be a concern, but staff is monitoring closely. Current projections look to increase the reserve fund by approximately \$1.3 million, instead of using \$530,000 from reserves. Preliminary indications from the FY2018 audit show us moving to a positive \$730,000 in unrestricted net assets. Staff checked the first two months of new tipping fee results from our main commercial customers with same months in 2017 and find we increased by 3% in weight, and 5% in revenue. The fee structure was developed to be revenue neutral. Staff continues to monitor closely.

Mr. Withers asked if there were any plans to fix the potholes at the entrance to the Landfill. Mr. Markwardt said that they will be filled with crushed stone. Mr. Dayton suggested that a mill and repave may be more appropriate in the near future, since patching is only a temporary fix for the winter months.

Ms. Bohmke asked if this is the first time that there has been a positive cash flow balance. Mr. Dayton said that if she meant the positive unrestricted net assets - which takes in the depreciation, closure, post closure, long-term obligations, etc., it is not the first time. It is the first time since approximately 2014 when we first dropped into negative territory. The decline began in 2006/2007, and fell into the negative in 2014/2015. It has taken these last few years to climb back into the positive.

Weight & Material Analysis (FY 2019 – through October):

Mr. Dayton reported that we continue to show an increase in our commercially sourced MSW; and debris and dirt deliveries continue strong.

Unfinished Business:

Operational Agreement Update: Mr. Dayton provided an update. The draft amended agreement was presented to the R-Board at its August meeting, and comments were received. The City requested changes in the time to implement changes in fees; equity for both parties in the event of non-payment of operating deficits; and the disposition of assets in the event of termination. City and County staff initially discussed how to address these issues, and a meeting was then scheduled with Mr. Kelly. Additional changes were made to paragraphs 8 and 12. The draft is still under review by the City and County attorneys, with additional changes expected.

New Business:

Annual Report: Mr. Dayton noted that Board members were provided a hard copy of the report along with their meeting package. He noted that the report contained a large amount of information regarding staff, programs, and results. FY 2018 was a very good year, and he thanked all staff that assisted in compiling the report. Mr. Baroody complimented staff on the quality of the annual report.

Resident Fee Evaluation: Mr. Dayton explained that the current resident fee system has operated well since it was implemented in March 2015, with the following three options: \$100 annual pass; \$30 coupon book; and a \$4 one-visit pass. We generate revenue of \$27/ton from the resident fee program, which is sufficient for operations costs, but it does not compensate adequately to cover capital costs for new cell construction and closure/post-closure. The simplest method of increasing revenue (for customers, landfill, and City/County staff) would be to increase fees slightly over 20% in each category. This would be: \$120 annual pass; \$36 coupon book; and \$5 one-visit pass. Staff also suggests a minimum charge of at least \$20 for oversize trailers and box trucks carrying household solid waste regardless of whether it is MSW, C&D and/or miscellaneous refuse. We currently have extremely large loads of MSW arrive at the convenience centers which can fill our bins and for which we collect \$4. Mr. Dayton noted that no action was requested at this time, as any changes to resident fees would be brought forward during the budget deliberations, but that input from the R-Board would be welcome.

Mr. Withers felt that as long as the overall operation is still revenue-neutral, he would prefer no increase at this time. Ms. Shelton felt that we should consider our long-term operational and capital needs. The day-to-day operations are fine, but there is not enough revenue to be able to anticipate future costs. If residential fees are not increased, the tipping fees would see the increase. Mr. Withers felt that if there was enough income from one side, it would help subsidize the other side, and even out in the end. Mr. Dayton noted that the funds received from resident fees are sufficient to cover operational costs associated with resident convenience centers, but do not cover capital expenditures – such as replacing Cell F2 with Cell F3, purchase of new equipment, or handle the closure/post closure from the solid waste stream. Staff feels that each segment of Landfill operations should have service fees that support the full cost for providing solid waste services to prevent one area of our operations from subsidizing other customer services. Mr. Foley suggested that the operating budget provide details on the amount necessary for capital obligations, closure/post-closure requirements, and equipment acquisition costs. Ms. Bohmke would like to have a clearer picture of the needs before making a decision.

Single-Stream Tipping Fee: Mr. Dayton updated the Board regarding the single stream tipping fees. He stated that the R-Board had previously authorized up to \$20/per ton tipping fee for single-stream

recycle (SSR) material arriving from commercial sources. At the time of adoption, rebates were sufficient so that net losses were about \$12/ton – leaving some leeway to raise rates if necessary. Staff raised rates to the maximum earlier this year, but there is now a loss of about \$22/ton on SSR materials in spite of the increased tipping fees. In response to a sharp increase in commercial deliveries in October, staff ceased to receive and process SSR from commercial companies. Mr. Dayton explained that while the Landfill could continue to refuse to accept SSR, this may be interpreted by the public that we are no longer committed to recycling. The R-Board also has the option to raise the maximum fee to cover costs, with some room to adjust rates higher if necessary. Staff believes that a maximum fee of \$50/ton would provide sufficient flexibility to adjust to market trends. It is possible also to absorb these losses; however, if fees are left unchanged we estimate losses on the year of approximately \$160,000. Proposed resolution RB18-11 would authorize a maximum tipping fee of \$50/ton, although staff would set the rate at \$40/ton – same as MSW – and monitor SSR rebates and SSR delivery patterns.

Mr. Kelly noted the continued actions taken to restore the Landfill to a positive financial position, and cautioned against operating any facet at a loss. In reference to the earlier discussion regarding changes to the resident fees, he emphasized that the public should understand the reasons for changes to the fees before any action is taken. He requested an additional discussion item at the end of the meeting to discuss an initiative on composting.

Ms. Bohmke motioned, seconded by Ms. Shelton, to adopted proposed Resolution RB18-11.

By voice, the vote was:

Yea: (6) Baroody, Bohmke, Foley, Kelly, Shelton, Withers
Nay: (0)

Resolution RB18-11 reads as follows:

A RESOLUTION TO AUTHORIZE ADJUSTMENTS TO THE 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 R-Board receives a negative rate of return for single-stream recycling (SSR) materials, with little prospect that the market will rebound in the foreseeable future; and

WHEREAS, The R-Board is currently losing approximately \$40 per ton from SSR materials; and

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

WHEREAS, authorization of a maximum tipping fee of \$50 per ton is expected to ensure the R-Board can offer a collection site for commercial firms collecting SSR;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 28th day of November, 2018 that, effective immediately, a tipping fee not to exceed \$50 per ton is authorized for single-stream recycled material for commercial entities delivering this

material to the Regional Landfill to maintain the rate of return approximately equal to R-Board costs for handling and processing.

Budget Amendments: Mr. Dayton noted that staff reported changes to disposal costs for scrap tires and SSR at the last meeting, which occurred after the FY2019 budget was adopted in February 2018. Although the R-Board adjusted rates for receipt of these materials from commercial entities, the Landfill had already absorbed costs from the disposal of these materials. This includes the SSR materials received free of charge from residents and the City, for which the Landfill must pay to dispose of. The increase in tipping fees now produces additional revenue to offset some of the disposal costs; however, these funds must be budgeted and appropriated for expense purposes. The increased estimated expenses of \$50,000 for scrap tire disposal, and \$100,000 for SSR (total of \$150,000) are estimated to be sufficient to cover these needs.

Ms. Bohmke motioned, seconded by Mr. Kelly, to adopted proposed Resolution RB18-12.

By voice, the vote was:

Yea: (6) Baroody, Bohmke, Foley, Kelly, Shelton, Withers
Nay: (0)

Resolution RB18-12 reads as follows:

A RESOLUTION TO AUTHORIZE A BUDGET AMENDMENT TO THE ADOPTED FY2019 BUDGET

WHEREAS, the R-Board approved a Fiscal Year 2019 budget in the amount of \$7,537,628; and

WHEREAS, the Regional Landfill (Landfill) will sustain unanticipated and unbudgeted FY2019 expenses in the amount of \$50,000 for the disposal of scrap tires, and \$100,000 for the disposal of single stream recycle products; and

WHEREAS, the additional expenses will be partially offset by additional revenues of \$50,000; and

WHEREAS, the R-Board desires to continue these programs to ensure City and County residents have a means to dispose of these materials in an environmentally responsible manner; and

WHEREAS, funds are available in the R-Board Reserve Fund, but must be budgeted and appropriated;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 28th day of November, 2018, that the approved FY2019 budget be increased by the amount of One Hundred Fifty Thousand Dollars (\$150,000) to fund unanticipated and unbudgeted expenses; and

BE IT FURTHER RESOLVED that the amount of One Hundred Fifty Thousand Dollars (\$150,000) be budgeted and appropriated from the R-Board Reserve Fund.

Yard Waste Restrictions: Mr. Dayton reported that the spring and summer storm events resulted in a large increase in yard debris, and along with it, large trees. Some of these trees were large in diameter and length, which caused additional work by Landfill staff to prepare them for the tub grinder. Upon review of the operating permit, staff noted a restriction of 12" diameter for trees. While the equipment and staff can manage 12" diameter logs up to 8' in length, thicker and longer logs must be reduced in size to process. Staff would like to clarify limits on the size of logs received at Eskimo Hill to avoid excessive handling costs (maximum 12" diameter and 8' in length). Staff also desires to restrict the type of vegetative debris received at the Belman facility to leaves, brush, and limbs/trees up to 4" in diameter. This will enhance efficiency at this location as all this material must be transported to Eskimo Hill for further processing.

Mr. Withers agreed, and asked that this change be well-advertised. Ms. Shelton asked how the yard debris came in – bags or containers. Mr. Markwardt said that there are no containers supplied. It mostly comes loose in a truck bed or in plastic bags. She asked if it is requested or required to not use plastic bags. Mr. Markwardt said that it is requested. Occasionally bags do get in with the debris and it is time-consuming for staff to remove the bags. Ms. Shelton would like to add stronger language regarding the use of those bags. Mr. Dayton noted that the Landfill is not presently staffed to have someone monitor the disposal of the yard debris, or at the convenience center. He mentioned that having a staff person monitor solid waste, SSR, and yard waste would improve customer service and avoid actions by customers which negatively impact operation.

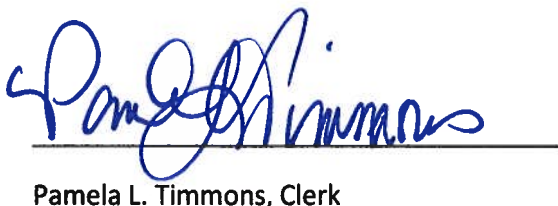
Mr. Kelly spoke on the composting that he referenced earlier in the meeting. He would like to explore options for increasing composting participation, and suggested meeting prior to the end of the year to see what the options are. He would like staff participation in the conversations as well. Ms. Bohmke said that she was interested, but expressed concern about the financial cost. She would like to create an ad-hoc committee to start discussions and explore the options. Mr. Kelly would like to add outside members that are experienced in composting. Ms. Shelton said that she would like to join Mr. Kelly on this committee.

Adjournment: The meeting was adjourned at 9:56 a.m.

Future Session: The next regular meeting will be held on February 20, 2019, at the George L. Gordon Government Center, 8:30 a.m., in Board Chambers.



Keith C. Dayton, Director



Pamela L. Timmons, Clerk