

MINUTES

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

February 26, 2019

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 8:00 a.m. on February 26, 2019, at the George L. Gordon, Jr., Government Center, Board Chambers. The regularly scheduled meeting of February 20th was postponed due to a weather event and the subsequent closure of County facilities.

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

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. Bohmke motioned, seconded by Mr. Kelly, to approve the minutes from the November 28, 2018 meeting.

By voice, the vote was:

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

Nay: (0)

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

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

Mr. Kelly - Reported that the City held a meeting to discuss future composting options. Staff has reached out to Virginia Tech to assist with any recommendations with direction.

Ms. Bohmke - Thanked Mr. Dayton for his efforts regarding the mud that was coming from the Landfill onto the roads. She stated that a truck wash system will be up and running in the spring, that will help the situation.

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 943,600 cubic yards 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). At this time all five of the part-time positions have been filled. There are 29 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

The Mack truck has arrived at the dealer, and is awaiting installation of the tarp system, before placing into service. It is scheduled for delivery before the end of February.

Environmental Compliance/Permit Amendment Status: Mr. Dayton reported that in November, the Virginia Department of Environmental Quality (DEQ) conducted its fourth quarter inspection. The inspector noted tires in excess of the permit limits, as well as some exposed trash on Cell F2. Both issues have been addressed.

DEQ approved our request to use facility background concentration of cobalt as its Groundwater Protection Standard. In December, staff received the renewal of the Migratory Bird Depletion permit. There was also continued compliance reporting for our groundwater and air contamination limits. In response to an odor complaint from a resident living near the Landfill, hydrogen sulfide gas testing was conducted. Most readings were undetectable, with a barely-detectable reading near the old animal shelter, but it was well within the permit limits.

In January, staff submitted the Stormwater Industrial report for the Virginia Pollutant Discharge Elimination System (VPDES); and the Annual Groundwater report for the active Landfill. DEQ is still processing the permit amendments.

Recycling Manager Report: Ms. Jones reported that single-stream materials (SSR) have remained somewhat stable. Staff is not aware of any impending conditions that will alter the returns, but the situation is being closely monitored. Staff has seen a small increase of SSR as one local hauler has closed their process facility in Manassas. The current tipping fee of \$40 has been adequate to offset expenses. Staff continues to be made aware of communities abandoning the SSR program due to the high cost of processing these materials.

Scrap tire deliveries remain higher than historical receipts, but largely unchanged since November. The tipping fees established by the R-Board have resulted in revenues consistent with disposal expenses.

Staff is scheduling the first 2019 Household Hazardous Waste and Electronic Waste Collection day in July, due to budgetary concerns. Date and time should be scheduled by the May R-Board meeting.

The Litter Crew cleaned 104 miles of roadway, and removed more than 17,800 pounds of litter. Litter totals are down this period due to cold and wet weather hampering efforts. The Community Outreach Supervisor worked with a number of public schools and home school communities to focus on educational opportunities, as well as developing improved signage on the residential side of the Landfill.

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

Financial Summary (FY 2019 – through January):

Mr. Dayton reported that revenues continue strong, although the trend is down from November. This could be a seasonal trend which will be reversed as spring approaches, and it will be monitored.

Commercial collections are approximately \$1.1 million over budgeted amounts, with revenues from Stafford Public Works up over \$200k. Resident fee collections are now expected to come in about \$50k

under budgeted amounts. Expenditures are tracking closely with where we are in the fiscal year, and staff is closely monitoring. Staff projects no use of reserve funds this year, and expects to add approximately \$.75 million to the reserve fund. There is currently a total of about \$12.3 million in cash and long-term investments

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

Mr. Dayton reported that commercial and residential sourced collections from commercial haulers continue strong, with a modest drop-off in debris - possibly due to winter slowdown in construction activity.

Unfinished Business:

Operational Agreement Update Mr. Dayton reported that comments from the County and R-Board attorney have been received and incorporated into the draft amendment to the agreement. Staff is awaiting input from the City attorney before finalizing the draft.

New Business:

FY2020 Budget Mr. Dayton noted that staff has completed preparation of the draft FY2020 budget, which reflects pressures from certain market and operational considerations, as follows:

- Rapid deterioration of the truck scales due to high usage, age of the equipment, and faulty installation. This resulted in an estimated replacement cost of nearly \$.5 million.
- Replacement costs for aging critical equipment, including an articulating dump truck, track loader, and roll-off container truck. The cost of these three units alone approach \$1 million.
- Budgeting for additional overhaul costs for other equipment to allow them to remain in service several more years. This will defer higher replacement costs as we update our equipment inventory. Staff is also initiating replacement cycles for the roll-off containers, many of which have deteriorated due to age and the nature of service.
- Included funding of \$355,000 for disposal costs for single-stream materials, scrap tires, and household hazardous waste (HHW). The single-stream and tire disposal costs have offsetting revenue streams, but the HHW does not.

These issues alone account for approximately \$2 million in additional expenses. Staff has postponed purchase of two other major pieces of equipment until FY2021 (tracked dozer & tracked excavator). Other expenditure increases are more modest, as follows:

- Transition to a full-time director for the regional landfill.
- A 5% increase in administration services provided by the County

- \$100,000 in additional fuel cost due to increased equipment use, projected increases in fuel costs, and shifted lubricant costs into this category.

Site improvements expenses include the commercial entrance renovation and other modest improvements around the landfill. The animal shelter conversion has been removed from this budget year. Revenues are projected to increase by nearly \$1 million, but not sufficient to cover increased expenses. Staff is proposing to close that gap by initiating two fee increases, and using just over \$1.15 million in reserve funds. Staff believes there will be sufficient positive results in the current fiscal year to cover the use of reserve funds without returning to a deficit in our unrestricted assets. Additional revenues of \$100,000 can be achieved by increasing resident fees by approximately 20%. Staff is also proposing to modify City fees such that they pay rates equal to similar fees paid by other customers. Other budget considerations are as follows:

- There will be no direct local government subsidies.
- Each line item in the expenditure budget has been scrutinized for potential savings.
- R-Board employees would receive the same 2% raise included in the proposed Stafford County budget.
- There is a second year of accelerated debt service payments for Cell F2 construction. Other debt service payments for equipment have not been accelerated.
- The proposed FY2020 revenue budget, FY2020 through FY2025 CIP, and a pro forma through FY2025 are included as well.

Mr. Withers expressed his concern about the lack of advanced notice for the resident fee increase, as well as the tipping fee charges to the City. Mr. Dayton said that as budget development progressed and it became clear that a number of critical expenses should not be deferred, continued use of the reserve fund to balance the budget could lead to a return to an unrestricted net deficit. Consideration of additional revenue sources would reduce the impact to the reserve fund. Mr. Dayton went on to note that projected revenues from commercial sources were less conservative than in prior years to reduce the need for new revenues from residents and the City, but that there is a concern for lower revenues from C&D material if there is a drop in housing construction. C&D has been a large revenue contributor for the last few years.

Mr. Kelly noted that he would like to begin a maintenance program as new equipment is received. This will help during the budget process. Mr. Dayton informed Mr. Kelly that there has been some recent personnel changes, and the maintenance program will certainly be a part of it. Staff has initiated a software program to track the equipment maintenance. The thought for the future is to keep the new equipment purchased for approximately seven years – no longer keeping it 15 years or more. Staff has discovered that it does not make good financial sense. The County does not receive a discount on maintenance parts/service, but it does get a good discount for the purchase of new equipment.

Ms. Shelton said that her background is in maintenance, and she was dismayed to see the age of the Landfill equipment. She said that she had also looked at the fees charged, and wanted to round up the

cost of coupon book to \$40. That might provide some relief from the recommended charges for the City.

Ms. Shelton also asked about any contracts that we may have for the fuel. Mr. Dayton stated that the R-Board works within the framework of Stafford County Government. The fuel costs in the proposed budget use data received from the County, and then our staff looks at past fuel consumption to assist with budgeting efforts for the future.

Ms. Shelton also spoke about the commercial entrance. She asked if stormwater issues will be addressed. Mr. Dayton said staff is working with VDOT to help clear the ditches. Mud will still be picked up by the tires while inside, so staff is installing a grate for trucks to drive over. The shaking will help remove some mud, and the wet-wash system is being reactivated.

Mr. Kelly stated that he is still interested in composting. He would like to see a line in the budget for that. Ms. Shelton agreed that the Board could certainly add a line for a placeholder.

Mr. Kelly said that in the discussions that he has had, it looks like Virginia Tech has a great deal of expertise related to the composting issue. David King, Fredericksburg Public Works Director, has been tasked to follow up with Virginia Tech to see what services and help that they can provide. With regards to the single-stream, he felt that it was a discussion for a future meeting. He suggested that Resolution RB19-02 be approved with the references to the single-stream charges be deferred. That will give the City additional time for review.

Ms. Bohmke felt that with so many other pressing financial issues – such as the Landfill's dilapidated equipment, it was not the time to have a placeholder for composting. It should stay on the radar, but it is not a pressing issue. She would like to see more information, especially related to costs. She acknowledges that the single-stream budget issue is frustrating because it has become so costly, but feels that the City should not be completely surprised since there have been previous discussions.

Mr. Kelly restated his desire for composting in the forefront, so the conversation can continue. Mr. Withers said that he was uncomfortable with a fee charged to the City. He would like to take this issue to City Council, and also let their Budget staff look at the numbers as well. He also suggested that Mr. Baroody and Mr. Foley work together on a solution.

Ms. Bohmke asked about the debt service. Mr. Dayton explained that the current fiscal year has an accelerated debt service, and it is also in the next fiscal year as well. The additional payment is about \$800,000 extra each year.

Mr. Dayton advised the R-Board that revisions to the oversized load charges hadn't been included in the recommended fee changes. Presently, customers are incentivized to pile a large amount of trash in a truck or trailer and pay only \$4. He suggested that the Board look at adjusting the fees according to certain load sizes. It could help mitigate some of the revenue loss. Mr. Kelly said that he would welcome a conversation to look at paying a cost by volume, as opposed to a single fee. Many localities charge by the bag. Mr. Dayton said that staff could provide a memo for the May R-Board meeting explaining some options, along with the positives and negatives of each option.

Mr. Foley requested that composting be added to a future agenda. He also suggested that Mr. Baroody help in the hiring process for a new Landfill Director.

Mr. Kelly motioned, seconded by Ms. Bohmke, to adopted proposed Resolution RB19-01 pertaining to the FY2020 budget.

By voice, the vote was:

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

Nay: (0)

Resolution RB19-01 reads as follows:

A RESOLUTION ADOPTING THE FISCAL YEAR 2020 R-BOARD BUDGET

WHEREAS, the R-Board is committed to providing high quality solid waste services to the residents and businesses in the City of Fredericksburg (City) and Stafford County (County); and

WHEREAS, the R-Board is also committed to operating the Rappahannock Regional Landfill in a cost effective, financially sustainable, and environmentally responsible manner; and

WHEREAS, the R-Board desires to retire the debt incurred for construction of Cell F2 prior to construction of Cell F3, resulting in a payment of \$1,681,340 in the current fiscal year; and

WHEREAS, the R-Board recognizes the importance of maintaining and replacing equipment which has been in service long past its useful service life, and supports the acquisition of a tracked loader, articulated dump truck and a roll off container truck in FY2020, as well as the replacement of the antiquated truck scales; and

WHEREAS, the proposed budget is responsive to the financial concerns of each locality, as well as our commercial solid waste partners, and demonstrates a commitment to the long term financial sustainability of R-Board operations; and

WHEREAS, the proposed Capital Improvement Program provides for the necessary replacement of capital equipment, continued compliance with our regulatory permits, the timely completion of future solid waste cells and the closure of cells no longer in use; and

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 20th day of February, 2019, that the proposed Fiscal Year 2020 Budget presented herein and in the amount of Nine Million, One Hundred Thirty-five Thousand and Seven Hundred Sixty-seven Dollars (\$9,135,767), be and it hereby is approved; and

BE IT FURTHER RESOLVED that the conversion of the part time Director position to a regular full time position to provide professional management for the increasingly complex operations of the Rappahannock Regional Landfill, is authorized effective May 1, 2019.

The R-Board then continued discussion on the matter of the proposed fee changes. Mr. Kelly first motioned, seconded by Ms. Bohmke, to adopt proposed Resolution RB19-02, with the removal of the

City's fee for single-stream recycling, and bringing it back to the R-Board for discussion at its next meeting. Ms. Shelton made a friendly amendment to increase the coupon books to \$40, and a minimum load charge of \$10 per ton.

Mr. Dayton requested that the minimum load not be included in the resolution at this time to allow staff additional time for research. It could then be discussed at the May R-Board meeting. If approved, there would be enough time for implementation before the July 1, 2019 start of the FY2020 fiscal year.

Ms. Shelton then modified her friendly amendment to include only the increase of the coupon books to \$40. Mr. Kelly expressed that all fee amendments should be a part of the discussion at the May meeting. Mr. Kelly made a substitute motion that all fees changes be discussed at the May meeting. Ms. Bohmke seconded the substitute motion.

Ms. Bohmke said that she thought it was important for R-Board members to speak to their own Board/Council as well. She suggested that the information could be available in April. It could be added as an item to one of the Board's standing committees. Mr. Dayton agreed, and suggested that the information could be provided to the City members, to share with the City Council. The R-Board then voted to defer resident fee charges and changes to the City fees until the May 15, 2020 regular meeting.

By voice, the vote was:

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

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

Future Session: The next regular meeting will be held on May 15, 2019, at the George L. Gordon Government Center, 8:30 a.m., in Board Chambers.



Keith C. Dayton, Director



Pamela L. Timmons, Clerk