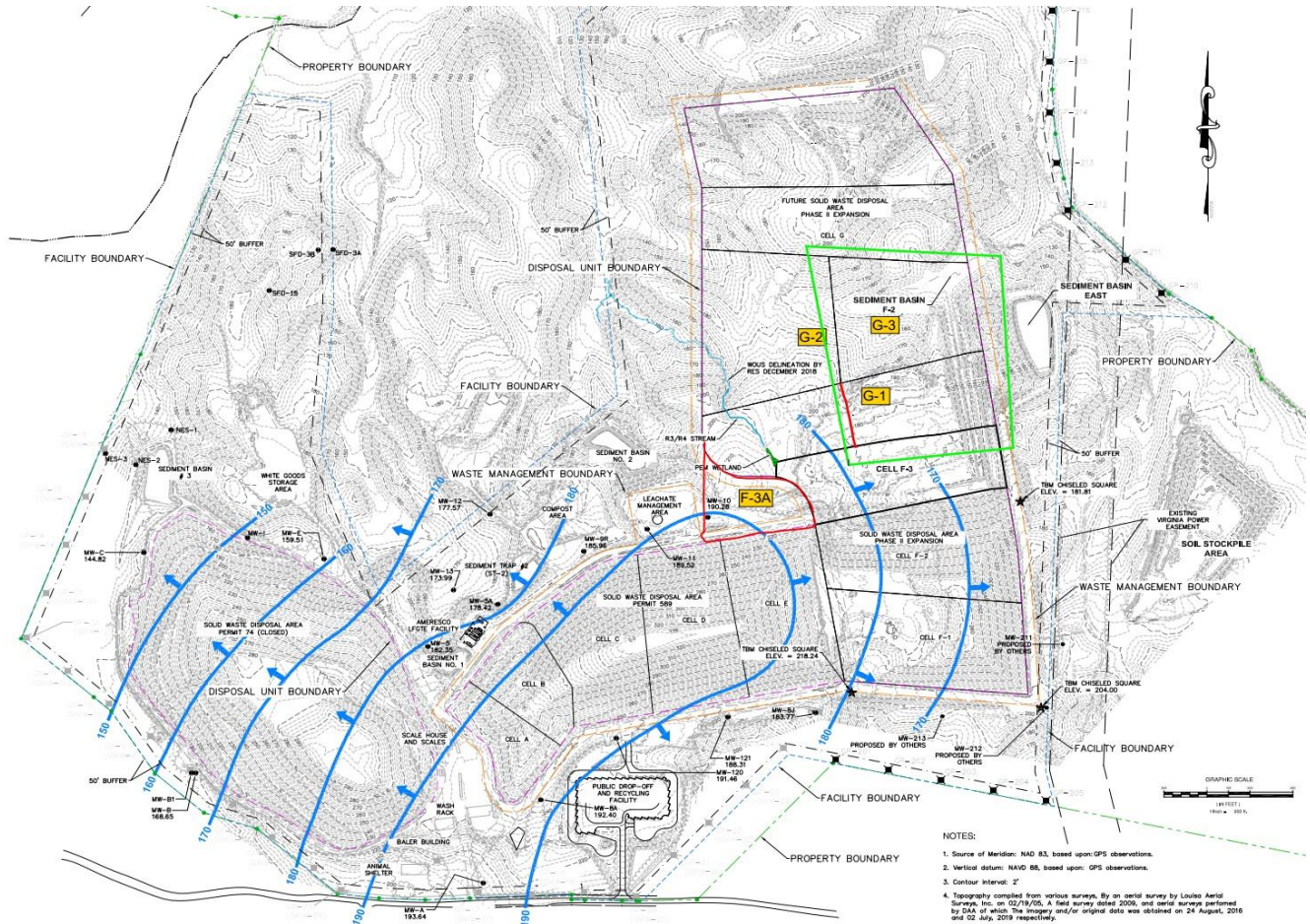




Rappahannock Regional Solid Waste Management Board

R-Board Meeting

May 18, 2023



TIMOTHY BAROODY
Fredericksburg City Manager

JONATHAN GERLACH
Chairman
Fredericksburg City Council

MEG BOHMKE
Stafford Board of Supervisors

MATTHEW KELLY
Fredericksburg City Council

MONICA GARY
Vice Chairman
Stafford Board of Supervisors

RANDAL VOSBURG
Stafford County Administrator

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

MEETING AGENDA

**GEORGE L. GORDON, JR. GOVERNMENT CENTER
ACTIVITIES ROOM
STAFFORD, VIRGINIA**

**May 18, 2023
8:30 AM**

CALL TO ORDER / ROLL CALL

- A. APPROVE AGENDA FOR MAY 18, 2023 MEETING (Tab 1)
APPROVE MINUTES OF FEBUARY 15, 2022 MEETING**

PRESENTATIONS BY THE PUBLIC

PRESENTATIONS BY R-BOARD MEMBERS

- B. REPORT OF STAFF (Tab 2)**
- 1. Report of Landfill Superintendent**
 - 2. Report of Assistant Landfill Superintendent**
 - 3. Environmental Compliance Report**
 - 4. Recycling Manager Report**
 - 5. Community Outreach Supervisor Report**
- C. REPORT ON FINANCES (Tab 3)**
- 1. Financial Summary; FY2023 – through end of April**
 - 2. Weight & Material Analysis; FY2023 – through end of April**
 - 3. Cell G-1 Financing Discussion**
- D. UNFINISHED BUSINESS(Tab 4)**
- 1. FY2024 Budget Presentation**
 - a. RB23-01**
 - 2. Public Private/Partnerships Discussion**
- E. NEW BUSINESS (Tab 5)**
- 1. Recycling Costs**
 - 2. R-Board Bylaws**
 - 3. FY2022 Financial Report/Audit**
 - 4. FY2024 Contracts**
 - a. RB23-06 (Carter Machinery)**
 - b. RB23-07 (TRC)**
 - c. RB23-08 (Mansfield Energy Corp)**
 - 5. Carter Caterpillar Equipment Purchases**
 - a. RB23-09 (963B)**
 - b. RB23-10 (D6 Dozer)**

CLOSED SESSION (if needed)

NEXT SCHEDULED MEETING

**August 17, 2023, Board of Supervisors Chambers, George L. Gordon, Jr. Government Center,
8:30 a.m.**

ADJOURNMENT

DRAFT MINUTES
RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
FEBRUARY 15, 2023
Board of Supervisors Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 8:31 a.m. on February 15, 2023.

Roll Call: The following members were present: Timothy J. Baroody; Meg Bohmke; Monica Gary; Jon A. Gerlach; Matthew J. Kelly; and Randy Vosburg.

Also in attendance were: Bill Hefty, R-Board Attorney (by telephone); Rick Markwardt, Landfill Superintendent; Susan Carpenter, Assistant Landfill Superintendent; Francesca Johnson, Recycling Manager and Community Outreach Supervisor; Pamela Timmons, Clerk; and Phil Hathcock, Director.

Approval of the minutes of prior meeting: Mr. Kelly motioned, seconded by Ms. Gary, to approve the minutes from the November 16, 2022 meeting.

By roll call, the vote was:

Yea:	(6)	Baroody, Bohmke, Gary, Gerlach, Kelly, Vosburg
Nay:	(0)	

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

Tim Rudy - Thanked staff and Mr. Hathcock for their efforts, as well as the adjustment of Landfill weekend operation hours. He noted that it has well-received and is appreciative of Mr. Hathcock and the Landfill employee's can-do attitude.

Ms. Bohmke motioned, seconded by Mr. Kelly, to move the public hearing regarding tipping fees, to be heard following R-Board members presentations.

By roll call, the vote was:

Yea:	(6)	Baroody, Bohmke, Gary, Gerlach, Kelly, Vosburg
Nay:	(0)	

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

Mr. Kelly - Had conversations with Fredericksburg's sister city regarding its similar issues on trash, recycling, and composting. As there are many similarities, conversations will continue.

Ms. Bohmke - Echoes Mr. Rudy's comments regarding Mr. Hathcock. Is concerned with the issues that residents continue to experience with GFL. The Board of Supervisors will be discussing going to the Attorney General for assistance, because the issue has become too large at the local level. Mr. Hathcock will continue communication with GFL.

Ms. Gary - Agrees with Ms. Bohmke's comments. Thanked Mr. Vosburg for his assistance with forwarding communications to the Attorney General's office.

Public Hearing re. Tipping Fees: Mr. Hathcock reported on the following:

Prior to the R-Board implementing flow control, a discounted tipping fee schedule was established. This discount was based on the tonnage of waste delivered to the landfill per month. An analysis of tipping fees for FY 2022 indicated that \$614,689.57 in discounts was provided to 3 waste haulers that met the minimum amounts. Presently, the fee schedule allows a hauler that delivers greater than 1500 tons per month of waste to the landfill a cost of \$32.96 per ton as opposed to the full rate of \$41.20 per ton. The average tipping fee in Virginia was \$47.50 in 2011 and approximately \$50.00 nationwide in 2021, the RBoard's current price for MSW is \$41.20 with no discount. With the adoption of flow control in 2015, the necessity of a discounted pricing structure is no longer a benefit to the R-Board, and the additional revenue realized by no longer offering volume discounts would fund future cell construction and closure activities. Staff recommends discontinuing the discounted pricing structure effective July 1, 2023.

Mr. Baroody asked if the updated fee is embedded in the FY2024 budget. Mr. Hathcock said the 3% is built in. There is no raise for staff that is currently in the draft budget, but the fees adjustment will make raises doable.

Mr. Kelly asked if GFL was aware of the new proposed rates. Mr. Hathcock stated that it was.

The Chairman opened the public hearing.

The following members of the public desired to speak:

Brian Saunders, Operations Manager GFL Supports the "increase." Noted that customers will likely see an increase in their bills of approximately \$3 - \$5.

Tim Rudy Questioned financial incentives. Finds irony in the situation.

Ms. Bohmke noted that she was not happy to hear of GFL looking at an increase for customers, and does not believe that the business model is good. Asked for good will on GFL's part, and not raise customer's bills.

Ms. Gary supported Ms. Bohmke's comments. She iterated that this is not an "increase," as the prior rate was a temporary incentive.

Mr. Kelly noted that the change was overdue, as the Landfill is self-supportive.

Ms. Bohmke motioned, seconded by Mr. Kelly, to approve proposed Resolution RB23-05.

By roll call, the vote was:

Yea: (6) Baroody, Bohmke, Gary, Gerlach, Kelly, Vosburg

Nay: (0)

Resolution RB23-05 reads as follows:

A RESOLUTION TO AUTHORIZE CHANGES TO THE FEE SCHEDULE REGARDING TIPPING FEES AT THE RAPPANNOCK REGIONAL LANDFILL

WHEREAS, prior to the implementation of flow control, a discounted tipping fee schedule was established; and

WHEREAS, an analysis of tipping fees for FY2022 indicated that discounts were provided to waste haulers that met the minimum amounts; and

WHEREAS, there is a disparity between the current discounted tipping fee charge of \$32.96 per ton, and the full rate of \$41.20 per ton; and

WHEREAS, the average tipping fee in Virginia was approximately \$50 nationwide in 2021; and

WHEREAS, staff recommends an updated tipping fee of \$41.20 per ton;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this 15th day of February, 2023, that the R-Board be and it hereby does authorize the amended fee schedule regarding tipping fees in the amount of Forty-one Dollars and 20 cents (\$41.20) per ton, effective July 1, 2023, for commercial haulers. The tipping fee schedule is as follows:

Current Fee Schedule	
MSW	Fee/Ton
>1000 <1500 tons per month	\$39.14
> 1500 tons per month	\$32.96

Proposed Fee Schedule	
MSW	Fee/Ton
>1000 <1500 tons per month	\$41.20
> 1500 tons per month	\$41.20

Report of the Landfill Superintendent: Mr. Markwardt reported on the following:

Cell F3 Operations Cell F-3 is filling without any issues at this time. The last flyover event took place on 20 January, 2023. Staff is currently awaiting the site life report from SCS, and will continue to excavate in Cell G-1.

New Equipment FY23 Staff is still awaiting a build date for the 963 Track Loader. This is the last piece of equipment that is still pending from FY23.

Ms. Bohmke requested that Mr. Markwardt email the R-Board after the next flyover if necessary.

Report of the Assistant Landfill Superintendent: Ms. Carpenter reported on the following:

Staffing The R-Board is currently authorized for a total of 42 staff positions, of which 37 are full-time and 5 are part-time. Most recently, Donald Mitchem was hired to fill the Landfill Gate Attendant position at the Belman Road facility, and Michael Martinez as Landfill Heavy Equipment Mechanic. Staff is currently recruiting for the position of Landfill Scale Technician.

Training and Career Development Staff members are currently working on the 2022 Annual Performance Reviews through Cornerstone. Shaun Bowling a Landfill Heavy Equipment Operator I, is studying Entry Driver Level Training for his CDL A.

Accolades Kim Sowers, along with her creative staff members, decorated the residential site for Christmas using recycle items brought to the landfill. When the residents come into the landfill, they really seem to be pleased with the decorations. Decorating the landfill helps make the community more aware of recycling and shows them how they can reuse items for other things.

Renovation Renovating the conference room involved new flooring, new painting, more outlets, and new blinds. Finally, the renovation is completed, and we want to give special thanks to Phil Hathcock and the maintenance staff for all their hard work. We like to acknowledge Mary Ann Coulombe for her participation in getting the room furnished. In this new conference room, we will be able to hold our monthly safety meetings, staff meetings, and luncheons for staff.

Safety Boot Policy Chris Hoover (Utilities), Benjamin Orto (Parks and Recreation), and I were selected to work together on a cross-department committee. The committee has created the first Safety Boot Policy for Stafford County and the R-Board. This policy is for the issuance and use of safety footwear that has been established to ensure uniform and fair practices among Stafford County and R-Board employees who are required, as part of their occupation, to wear such footwear. This policy increases the allowance amount, sets guidelines for employees and went into effect January 18, 2023.

Mr. Hathcock commended Ms. Carpenter for her good work.

Environmental Compliance Report: Mr. Schmidt reported on the following:

VA DEQ Corrective Action Plans (Updates): Below is an update of where the R-Board is, regarding the two Corrective Action Plans (CAP):

1. Sediment Basins: The R-Board has finished the corrective measures outlined in the stormwater CAP. Additional lime applications and treatment actions will be conducted, when necessary, to prevent future noncompliance for stormwater discharge. Submission of the CAP Report to VA DEQ for the July-December 2022 period was done by SCS on January 9, 2023. The Work Order relating to the removal of SB-F-2 (Outfall 008) from SCS was received by the R-Board on January 9, 2023. The R-Board is evaluating its options to remove the troublesome sediment basin. Lastly, the R-Board has pulled its application to the Stormwater Local Assistance Fund (SLAF) after having further discussions with VA DEQ about the project submitted.

2. Wetlands: ECS submitted the Year 1 Monitoring Report to VA DEQ on December 29, 2022. The R-Board is currently waiting for VA DEQ to review the report.

VA DEQ Quarterly Inspection: On December 12, 2022, VA DEQ conducted its quarterly review of the R-Board landfill. The result of the inspection led to a no deficiency letter.

Groundwater Monitoring & Reporting: On December 13, 2022, SCS conducted the 4th Quarter Ground Water Monitoring (GWM) for the active landfill. The 3rd Quarter GWM draft report for the active landfill and the 2nd Semi-Annual GWM draft report for the closed landfill were received by the R-Board on January 26, 2023, with no exceedances detected.

Ms. Gary asked why the application was pulled. Mr. Schmidt replied that it did not fit the guidelines.

Recycling and Community Outreach Report: Ms. Johnson reported on the following:

Single-Stream Update Single-stream recycling value per ton started to decrease rapidly beginning in July 2022. The rates continue to decline slightly and appear to be stabilizing. The decreased value per ton has caused the total monthly cost to be above \$14,000 since September 2022. November 2022 and December

2022 saw a more significant increase of greater than \$17,000. The recycling monthly costs are expected to remain above \$14,000 for the next few months and possibly the rest of the fiscal year 2023. R-Board staff will provide an update at the next R-Board meeting.

DEQ Report Work The staff are preparing for the mandated Department of Environmental Quality, (DEQ) recycling percentage report. An essential component necessary to meet the mandated percentage of recycling is a voluntary Commercial Recycling Audit. Staff is well underway with this audit. R-Board staff will bring statistics regarding 2022 data versus 2021 data at the next meeting.

Ms. Bohmke asked if there has been any thought to change the writing of checks for recycling. Mr. Vosburg asked about changes in recycling of the costly recyclables. Mr. Kelly does not want to jump too quickly before looking at the recycling issue wholistically. Mr. Hathcock said that the committee is looking at reducing recycling costs. Ms. Bohmke also suggested talking to Mr. Southall in the Parks and Recreation Department to consider the opportunities to educate children.

Recycle Education The R-Board recently updated the R-Board website to include visual examples of what the R-Board accepts and does not accept in single-stream recycling. R-Board staff provides recycling education through community outreach. Social media posts are planned to continue recycling education.

Fredericksburg Preschool Programs The R-Board discussed recycling at the Fredericksburg Preschool Programs. R-Board staff provided recycling education followed by a craft to over 150 students. The students and teachers gave us a beautiful thank you card at the end of our visit.

James Monroe High School Litter Cleanup The R-Board coordinated a litter clean up at Old Mill Park for James Monroe High School students to honor the legacy of Dr. Martin Luther King Jr. through community service. Five adult volunteers and seventeen students participated in the Martin Luther King, Jr., National Day of Service. The R-Board provided supplies to the group and reached out to Fredericksburg Parks and Rec to obtain permission for the group to clean. The total amount of trash collected in two hours was 200 pounds! The R-Board thanks the students, and volunteers for their hard work.

First Annual Compost-a-Thon The R-Board applied for and was awarded a \$10,000 Virginia Department of Environmental Quality Competitive Grant to continue offering composting classes and a spring Compost-a-Thon event. The R-Board is hosting Fredericksburg's first-ever Compost-A-Thon, a community-wide event to celebrate International Compost Awareness Week, hosted by the U.S. Composting Council. International Compost Awareness Week (ICAW) is the largest and most comprehensive education initiative in the compost industry. It is celebrated nationwide and in other countries each year during the first full week of May. The Compost-a-Thon will educate the community on how to compost correctly and increase the percentage of composting households in the City of Fredericksburg and Stafford County. The event is being held at Hurkamp Park in Fredericksburg, VA on Friday, May 12, from 5 p.m. until 8 p.m.

R-Board Solid Waste Management Advisory Committee The R-Board Solid Waste Management Advisory Committee met on February 8th. The committee listened to public/private partnership opportunities.

Central Rappahannock Regional Library Webinars The R-Board continues to support “Backyard Composting 101” classes with the Central Rappahannock Regional Library. Two virtual classes and one in-person event have been held since the last R-Board meeting. The R-Board also held a class to encourage recycling correctly that included a craft. Thirty-six attendees made a reusable shopping bag from an old t-shirt.

Litter Collection The R-Board collaborates with the Rappahannock Regional Jail (RRJ) to utilize the adult probationer community service requirement for roadside litter cleanup. The court assigns probationers a certain number of hours to be completed by a set date. Through this cooperation, from November 1, 2022 through January 31, 2023, there have been:

34 active adult probationers currently in the program; 273.25 non-paid hours; 314 bags of roadside litter collected; and 114.2 miles of roads cleaned.

14 adult probationers completed the program; 702.25 non-paid hours; 748 bags of roadside litter collected; and 185.8 miles of roads cleaned.

Staff also works with the Rappahannock Regional Adult & Juvenile Drug Court located at 618 Kenmore Avenue. The premise is the same as the RRJ assignees, but these folks have fewer hours and a quicker turnaround time. The court meets on Mondays and staff receives a new list of assignees on Tuesdays. The following information is provided from November 1, 2022 through January 31, 2023:

5 active assignees; 30 assignees completed the program; 309.25 non-paid hours; 287 bags of roadside litter collected; and 101.25 miles of roads cleaned.

Ms. Bohmke motioned, seconded by Mr. Kelly, to adopt proposed Resolution RB23-03.

By roll call, the vote was:

Yea:	(6)	Baroody, Bohmke, Gary, Gerlach, Kelly, Vosburg
Nay:	(0)	

Resolution RB23-03 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT GRANT FUNDING REGARDING THE COMPOSTING CLASSES AND COMPOST-A-THON EVENT FOR THE RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD (R-BOARD)

WHEREAS, the R-Board has been approved for the Virginia Department of Environmental Quality’s competitive grant of \$10,000 for composting classes and a Compost-a-Thon event for the period of July 1, 2022, to June 30, 2023; and

WHEREAS, these funds will enable the continuation of composting classes and a new composting event; and

WHEREAS, staff recommends the acceptance and approval of these funds;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this 15th day of February, 2023, that the R-Board be and it hereby does authorize the acceptance of the Virginia Department of Environmental Quality's competitive grant, in the total amount of Ten Thousand Dollars (\$10,000).

Ms. Bohmke motioned, seconded by Mr. Kelly, to adopt proposed Resolution RB23-04.

By roll call, the vote was:

Yea: (6) Baroody, Bohmke, Gary, Gerlach, Kelly, Vosburg
Nay: (0)

Resolution RB23-04 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT GRANT FUNDING REGARDING THE LITTER PREVENTION AND RECYCLING PROGRAM FOR THE CITY OF FREDERICKSBURG AND STAFFORD COUNTY

WHEREAS, the R-Board has been approved for the Virginia Department of Environmental Quality's non-competitive grant of \$48,980 for litter prevention and recycling program activities and the Extended Polystyrene (EPS) campaign for the period of July 1, 2022, to June 30, 2023; and

WHEREAS, the City of Fredericksburg was awarded \$10,620 for the non-competitive grant, and \$1,429.50 for the EPS campaign; and

WHEREAS, Stafford County was awarded \$35,508 for the non-competitive grant, and \$1,429.50 for the EPS campaign; and

WHEREAS, these funds will enable the continuation of the litter prevention and recycling program; and

WHEREAS, staff recommends the acceptance and approval of these funds;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this 15th day of February, 2023, that the R-Board be and it hereby does authorize the acceptance of the Virginia Department of Environmental Quality's non-competitive grant for the City of Fredericksburg and Stafford County, in the total amount of Forty-eight Thousand Nine Hundred Eighty-seven Dollars (\$48,987).

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

- FY2023 revenue through January reflects a total of \$6,184,266, which is 65% of budgeted revenue for FY2023. At the end of the reporting period, the R-Board held \$16,198,720 in cash and short-term investments.

- FY2023 expenses through January reflect \$4,098,114 expended (43.3%) of an approved budget of \$9,460,522.
- Permitted charge account collections reflect only two out of seventy accounts that are just over 60 days past due

FY2024 Budget Presentation Mr. Hathcock presented the proposed budget.

The proposed budget of \$11,865,854 which is supported by \$9,823,000 in projected revenue and \$2,042,854 of prior year fund balance. The prior year fund balance includes \$2,000,000 for construction costs of cell G-1. Projected revenue for FY2024 includes a 5% increase in commercial revenue, and a slight decrease in residential fees in response to the new trailer fees implemented January 2022. Proposed operating expenditures does not yet include employee compensation (these are provided by the Stafford County budget), which will potentially increase these lines. This proposed budget does include increased single stream processing costs and other increased operational expenditures. Proposed decreases include equipment rental costs and new equipment costs as many essential equipment replacements were made over the past several years. Capital expenditure items include \$695,000 for the replacement of an existing Caterpillar D-5 dozer with a Caterpillar D-6 dozer, lease payments for recently purchased equipment, \$2,000,000 for the construction of cell G-1, and existing debt service payment. The R-Board presently has adequate cash and invested reserves to fully fund VA-DEQ closure and post closure costs and support short term equipment and infrastructure needs.

Mr. Kelly asked if there was still a consideration of a volume v. flat fee. Mr. Hathcock stated that at a previous locality, he said the experience was large backups occurring regularly. He believes the scales are a good idea, but there is still the issue of the backup, and the fee will not cover the delta at this time.

Ms. Bohmke commended Mr. Hathcock on a phenomenal budget, and Ms. Gary agrees. Mr. Gerlach was also pleased and looking forward to bringing the budget back to the May meeting. Mr. Baroody asked again about the salaries, and will the raises be covered and shown in the final budget. Mr. Hathcock said that it will.

Discuss Public/Private Partnerships

Mr. Kelly said that the discussions of the Advisory Committee continue regarding trash and food waste programs. He would like to look at Prince William County operations, flush out what a partnership would look like, as well as an option where the R-Board provides the land and the partner(s) provide, "their part to be determined." The May meeting discussion will be on composting and what other counties are doing regarding recycling.

Ms. Bohmke left the meeting at 9:42.

Discuss the R-Board Meeting Schedule Ms. Gary was in favor of changing the meeting dates, as was Ms. Bohmke. Mr. Kelly stated that he would be available any day of the week except Friday. Mr. Vosburg will

draft a schedule and bring a recommendation to the May meeting. Following discussion, Mr. Hathcock stated that he considered as many members commitments as he could and concluded that the following 2023 dates be offered: May 18th, August 17th, and November 16th. All present R-Board members agreed to those dates.

Adjournment: The meeting was adjourned at 9:54 a.m.

Future Session: A regular meeting will be held on May 18, 2023, at 8:30 a.m., in the Activities Room.

Phil Hathcock, Director

Pamela L. Timmons, Clerk



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: Rick Markwardt, Landfill Superintendent

Date: May 18, 2023

RE: Report of the Landfill Superintendent

Cell F3 Operations

Cell F-3 is filling without any issues at this time. The Semi-Annual flyover event took place on 20 January, 2023. We have filled approximately 88% of Cells F-1, F-2, F-3 and E. There is approximately 853,000 CY remaining which gives us about 1.8 years of remaining life. We continue to excavate in Cell G-1.





Rappahannock Regional Solid Waste Management Board

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New Equipment FY23

We have received word that the 963 track loader should be delivered around the end of June to Mid-July.



Rappahannock Regional Solid Waste Management Board

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

To: R-Board Member
From: Susan Carpenter, Assistant Landfill Superintendent
Date: May 18, 2023
Re: Personnel Report

Staffing

The R-Board is currently authorized for a total of 42 staff positions, 37 are full-time and 5 are part-time. Most recently, Triniti Bennett was hired to fill the full-time Landfill Scale Technician position. Hope Mikelson has been with R-Board for 5 years as a Scale Tech and is now our new Community Outreach Supervisor. Francesca Johnson has been our Community Outreach Supervisor for 2 years and is the new Recycling Manager. Dylan Morrow was promoted to Heavy Equipment Operator. We are currently recruiting for the position of Maintenance Worker I.

Training and Career Development

Michael Estur, Charlie Morrow, Kim Sowers, and Susan Carpenter were certified in OSHA 10 training.

Susan Carpenter is a certified First Aid/CPR/AED Instructor.

The following attended the 2023 Virginia Solid Waste Seminar:

Susan Carpenter	Dennis Kenworthy
Timothy Pickett	Tyler Schmidt
Michael Wolfrey	Michael Cross
Phil Hathcock	Rick Markwardt

The seminar provided (4) CPE/T contact hours towards VA DPOR requirements for Class I and II license renewal.



Rappahannock Regional Solid Waste Management Board

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Welcome Leo's Electronics Recycling to the Belman Convenience Center

People are recycling electronics at a higher rate as time goes on, which may be attributed to a combination of people being more aware of e-waste hazards as well as national, state, and local laws requiring electronics recycling.



Electronic products are made from valuable resources and materials, including metals, plastics, and glass, all of which require energy to mine and manufacture. Donating or recycling consumer electronics conserves our natural resources and avoids air and water pollution, as well as greenhouse gas emissions that are caused by manufacturing virgin materials.



Rappahannock Regional Solid Waste Management Board

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Accolades

It saddens us to announce the retirement of Roy Whaling. He started working at the landfill on November 21, 1994, as a Heavy Equipment Operator. His last day working will be May 31, 2023.



Roy has been an integral part of our landfill for the last 29 years. Being an operator is not just about playing with big toys in the dirt, it is about safety and competency, which Roy has shown in all of his years of service. His hard work, commitment, and dedication are worthy of admiration.

Roy started his career with S.W. Rodgers and then proceeded to Prince William County Schools. One day Keith English, the superintendent of the landfill at that time, saw him working at a school site and offer him a job at the landfill and the rest is history.

“Retirement is not the end of your former life, but a fresh new beginning.”



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: Tyler Schmidt, Landfill Environmental Coordinator
DATE: May 18, 2023
SUBJECT: Environmental Compliance

VA DEQ Corrective Action Plans (Updates):

Below is an update of the R-Board's progress regarding the two Corrective Action Plans (CAP):

- 1. Sediment Basins:** As stated in the consent order for this CAP, a full return to compliance shall be determined by demonstrating compliance with permitted effluent limits for stormwater discharges from the Facility at all permitted outfalls. The R-Board is currently waiting for an opportunity to sample the permitted outfalls to demonstrate this compliance.

Regarding the removal of SB-F-2 (Outfall 008); the R-Board has decided instead to replace the outfall and treat the pond with lime on a regular basis. This will temporarily resolve the issues faced at this sediment basin until its removal.

- 2. Wetlands:** VA DEQ had no comment or questions regarding the Year 1 Monitoring Report. The R-Board is currently seeking three quotes to conduct the Year 2 Monitoring Report.

VA DEQ Quarterly Inspection:

On March 22, 2023, VA DEQ conducted its quarterly review of the R-Board landfill. The result of the inspection led to a no deficiency letter.

Groundwater Monitoring & Reporting:

On April 28, 2023, SCS submitted the 2022 Annual Groundwater Monitoring Report for the Active Landfill to VA DEQ. No verified exceedances were detected during 2022.



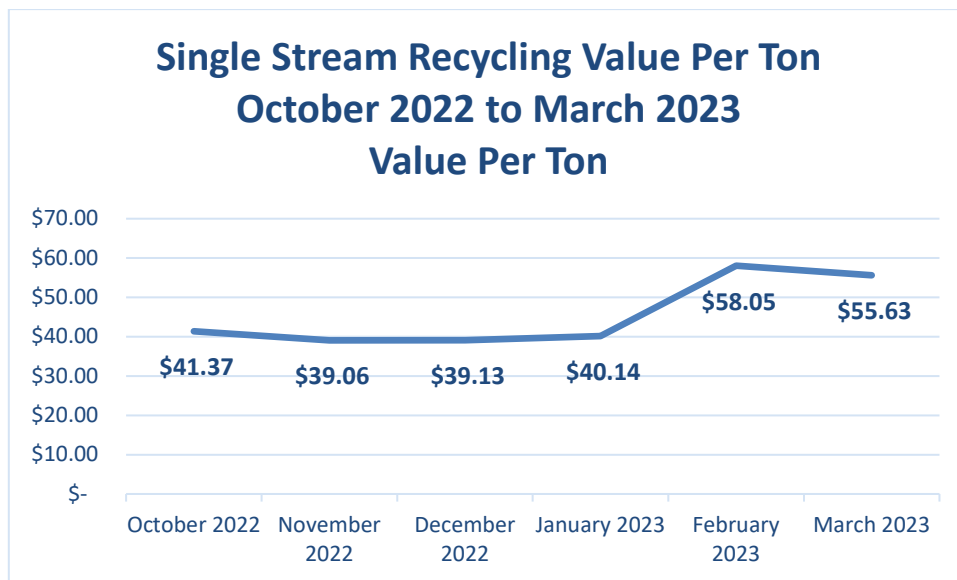
Rappahannock Regional Solid Waste Management Board

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

TO: R-Board Members
FROM: Francesca Johnson, Recycling Manager
DATE: May 18, 2023
SUBJECT: Recycling Report

Single Stream Update

The single stream value per ton was increased during the renegotiation of the commercial audit. The increased value per ton has lowered the monthly recycling charges to the R-Board. January 2023's invoice was \$18,668.16 and March's invoice was \$13,244.72. R-Board staff will provide an update at the next R-Board meeting.



DEQ Report Work

Section 9 VAC 20-130-120 B & C of the Virginia State Regulations requires that a minimum recycling rate of the total municipal solid waste generated annually in each solid waste planning unit be maintained. For populations over 100,000 the report is done annually, due by April 30th. For population densities over 100 per square mile, the required rate is 25%. We estimate that our service area has a population of 185,500 and the population density is 660. The report is submitted to the State of Virginia Department of Environmental Quality, DEQ. Staff submitted R-Board's report on April 19th. The report estimates that we achieved a 32.5% recycling rate. This rate is subject to DEQ approval. Last year the approved rate was 36.5%. The voluntary commercial recycling audit showed an decrease in the reporting of scrap metals being recycled which attributed to the lower recycling rate.



Rappahannock Regional Solid Waste Management Board

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Food Scrap Collection

The R-Board will begin residential composting. Beginning May 15, City of Fredericksburg and Stafford County residents can drop off their food scraps at the Belman Road Convenience Center and Regional Landfill. The Compost-a-Thon is announcing this new endeavor and will allow City of Fredericksburg and Stafford County residents to receive a free compost kit (first come, first served). The kit includes a food scrap collection bin. The food scrap collection bin is useful for collecting food scraps for backyard composting or dropping off at the R-Board.

Plastic Bag Recycling

The R-Board received requests from residents to begin accepting plastic bags for recycling. Plastic bag recycling began in March. Residents can recycle their empty, clean, and dry plastic grocery or retail bags at the Regional Landfill or Belman Road Convenience Center. Staff researched options and found a great solution at no charge to the R-Board. The R-Board is partnering with Fauquier County Environmental Services to have the bags recycled by Trex.

Electronics Recycling Expansion

The Stafford Middle School Leo Club expanded their electronics recycling to the Belman Road Convenience Center. The Stafford Middle School Leo Club was working on expanding last year. However, due to funding availability the expansion was postponed to 2023. The R-Board is excited to have electronics recycling offered at the Belman Road Convenience Center.





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: Hope Mikelson, Community Outreach Supervisor
DATE: May 18, 2023
SUBJECT: Community Outreach

Landfill Tours:

- Colonial Forge High School AP Environmental Science class – March 9, 2023 (**19 students and teacher**)
- The Commonwealth Governor’s School - March 29, 2023 (**53 students**)

Educational Trailer:

- Lafayette Elementary - March 29-30, 2023 (**228 students**)
- Grafton Village Elementary - April 1, 2023 (**150 students and parents**)
- Dixon-Smith Middle School - April 17-18, 2023 (**318 students**)
- Stafford High School - April 19-21, 2023 (**316 students**)
- Earth Day on the Rappahannock - April 22, 2023 (**175 residents**)

Non-trailer Activities:

- Compost Talk at Grafton Village Elementary- April 6, 2023 (**125 students and parents**)
- Earth Day upcycle craft at Porter Library- April 7, 2023 (**8 people**)

Compost-A-Thon:

- May 12, 5-8 pm at Hurkamp Park
- 4 speakers and panel for questions
- Compost demonstrations
- Countertop scrap collection and Large compost bin giveaway
- On all local radio station events calendars and doing a Town Talk with Ted Schubel.

R-Board Solid Waste Management Advisory Committee Meeting:

The committee has meet once since the last board meeting were public and private partnership has been discussed.



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Joyce Brent, Community Service Coordinator
DATE: May 4, 2023
SUBJECT: Litter Collection

Litter Collection

The R-Board collaborates with the Rappahannock Regional Jail (RRJ) to utilize the adult probationer community service requirement for roadside litter cleanup. The court assigns probationers a certain number of hours to be completed by a set date. Through this cooperation, from February 1, 2023 through April 30, 2023, there have been:

- 26 active adult probationers currently in the program (18 more due to come onboard)
 - 449 non-paid hours
 - 471 bags of roadside litter collected
 - 180 miles of roads cleaned
- 17 adult probationers completed the program
 - 690.25 non-paid hours
 - 669 bags of roadside litter collected
 - 222.6 miles of roads cleaned

Staff also works with the Rappahannock Regional Adult & Juvenile Drug Court located at 618 Kenmore Avenue. The premise is the same as the RRJ assignees, but these folks have fewer hours and a quicker turnaround time. The court meets on Mondays and staff receives a new list of assignees on Tuesdays. The following information is provided from February 1, 2023 through April 30, 2023:

- 3 active assignees
- 25 assignees completed the program
 - 188.25 non-paid hours
 - 169 bags of roadside litter collected
 - 61.2 miles of roads cleaned



Rappahannock Regional Solid Waste Management Board

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We also contract with RRJ to clean road areas needing more intensive attention. RRJ provides 1 officer to oversee a crew of inmates (usually about 5 individuals). From February 1, 2023 through April 30, 2023 the following areas have been cleaned:

- 2/2/23: Eskimo Hill Road collected 36 bags of litter
- 2/3/23: Brooke Road/Eskimo Hill Road collected 27 bags of litter
- 2/6/23: Brooke Road collected 22 bags of litter
- 2/7/23: Route 3 East collected 42 bags of litter
- 2/13/23: Route 3 East collected 34 bags of litter
- 2/14/23: Route 3 East collected 32 bags of litter
- 2/15/23: Hope Road collected 21 bags of litter
- 2/23/23: Warrenton Road collected 37 bags of litter
- 2/24/23: Warrenton Road collected 40 bags of litter
- 3/6/23: Route 3 East collected 29 bags of litter
- 3/7/23: Route 3 East collected 47 bags of litter
- 3/22/23: Eskimo Hill Road collected 20 bags of litter
- 4/4/23: Stafford Wayside collected 35 bags of litter
- 4/10/23: Potomac Run Road collected 19 bags of litter
- 4/17/23: Richmond Highway North collected 23 bags of litter
- 4/19/23: Richmond Highway North collected 34 bags of litter
- 4/24/23: Telegraph Road collected 29 bags of litter
- 4/27/23: Telegraph Road collected 29 bags of litter

The following roads have been cleaned from February 1, 2023 through April 30, 2023:

Austin Ridge Drive
Bells Hill Road
Bethel Church Road
Berea Church Road
Bethel Church Road
Blue and Gray Parkway
Brooke Road
Butler Road
Chapel Green Road
Clift Farm Road
Centreport Parkway
Coals Landing
Cool Springs Road
Courthouse Road
Deacon Road
Enon Road
Eskimo Hill Road
Express Drive
Fall Hill Avenue
Falls Run Drive
Ferry Road
Fleetwood Farm Road
Forbes Street
Forest Lane Road
Garrisonville Road
Greenspring Drive
Harrell Road
Hartwood Road
Holly Corner Road
Hollywood Farm Road
Hospital Boulevard
Joshua Road
Kelloggs Mill Road
King's Highway
Lafayette Boulevard
Layhill Road
Leeland Road
Litchfield Boulevard
McWhirt Loop
Mine Road
Morton Road
Mount Olive Road
Mountain View Road
Musselman Road

Old Forge Drive
Onville Road
Plantation Drive
Poplar Road
Potomac Run Road
Primmer House Road
Ramoath Church Road
Reservoir Road
Richmond Highway
Ringgold Road
Shackelford Well Road
South Gateway Drive
Staffordboro Boulevard
Telegraph Road
Towne and Country Drive
Truslow Road
University Boulevard
Warrenton Road
White Oak Road
Widewater Road
Winding Creek Road
Worth Avenue
Wyche Road

Fredericksburg Area:

Carl D. Silver Parkway
Caroline Street
Central Park
Dixon Street
Fall Hill Avenue
Gordon Shelton Boulevard
Lafayette Boulevard
Mayfield area
Princess Anne Street
Richmond Highway
Route 3 West
Washington Avenue



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: Phil Hathcock, Regional Landfill Director
Date: May 8, 2023
RE: Financial Report

Financial Status- July through January, FY 2023

R-Board finances are in good standing through April, 2023 as outlined below:

- FY2023 revenue through April reflects a total of \$8,612,719, which is 91% of budgeted revenue for FY2023. At the end of the reporting period, the R-Board held \$18,218,847 in cash and short-term investments.
- FY2023 expenses through April reflect \$5,796,511 expended (61.3%) of an approved budget of \$9,460,522.
- Permitted charge account collections reflect only two out of seventy accounts that are just over 60 days past due.

Through April 30, 2023

	A	B	C	D	E	F
1	Weight and Material Analysis Report FY2023					
2						
3						
4		April 2023	April 2022	FY2023 Y-T-D	FY2022 Y-T-D	Difference
5	CATEGORY	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>	<u>%</u>
6	Billable					
7	Commercial Waste	5,193.07	5,736.12	55942	53989	4%
8	Residential Waste	4,800.51	4,051.01	45511	46981	-3%
9	Fredericksburg	577.05	545.58	5702	5219	9%
10	Eskimo Hill	1,744.76	1,453.59	14051	14675	-4%
11	Belman Road	113.44	130.68	1073	1214	-12%
12	Debris Waste	7,499.21	7,636.59	73434	64825	13%
13	Dirt	403.83	13.03	1639	371	341%
14	Sludge (city)	324.31	430.37	3900	3608	8%
15	Sludge (county)	1,000.26	1,226.30	9469	10162	-7%
16	Yardwaste	111.88	157.26	1290	1755	-26%
17						
18	BILLABLE TONNAGE	21,768.32	21,380.53	212010	202799	5%
19						
20	Non-Billable					
21	Litter/Cleanups	10.76	4.52	78	33	134%
22						
23	Recycling	624.14	426.16	3964	7453	-47%
24						
25	TOTAL TONNAGE	22,403.22	21811	216052	210286	3%

Through April 30, 2023

	G	H	I	J	K	L
1						
2						
3						
4		April 2023	April 2022	YTD FY23	YTD FY22	Difference Feb-Jun
5	CATEGORY	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>%</u>
6						
7	Commercial Waste	\$ 187,448.11	\$ 209,069.73	\$ 2,001,185	\$ 1,911,529	5%
8	Residential Waste	\$ 161,688.50	\$ 134,175.54	\$ 1,531,761	\$ 1,530,822	0%
9	Fredericksburg	\$ 20,657.10	\$ 19,511.10	\$ 204,740	\$ 182,193	12%
10	Eskimo Hill	\$ 48,555.70	\$ 54,565.00	\$ 736,262	\$ 586,944	25%
11	Belman Road	\$ 3,099.30	\$ 3,483.00	\$ 46,910	\$ 36,417	29%
12	Debris Waste	\$ 319,177.23	\$ 324,470.43	\$ 3,092,555	\$ 2,638,013	17%
13	Dirt	\$ 380.38	\$ 338.78	\$ 7,065	\$ 8,957	-21%
14	Sludge (city)	\$ 9,080.68	\$ 12,053.16	\$ 106,555	\$ 101,452	5%
15	Sludge (county)	\$ 27,007.02	\$ 33,156.58	\$ 255,312	\$ 275,553	-7%
16	Yardwaste	\$ 5,031.62	\$ 6,850.25	\$ 53,334	\$ 76,654	-30%
17						
18	BILLABLE TONNAGE	\$ 782,126	\$ 797,674	\$ 8,035,680	\$ 7,348,532	9%
19						
20	Non-Billable					
21	Litter/Cleanups	\$ -	\$ 59.86	\$ -		
22						
23	Recycling	\$ 3,544.00	\$ 4,243.50	\$ 41,124	45689	-9.99%
24						
25	TOTAL REVENUE	\$ 785,670	\$ 801,977	\$ 8,076,804	\$ 7,394,222	9%

		FY2023 Budget	FY2023 Adj/Budget	Actual Spent to Date	% spent	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Total Actuals
53-05	Motor Vehicle	27,500	22,500	0	0.0%	0	0	0	0	0	0	0	0	0	0	0
53-20	Insurance	0	16,842	16,842	100.0%	0	0	0	16,842	0	0	0	0	0	0	16,842
54-10	Equipment	540,000	518,676	10,400	2.0%	3,584	335	480	0	847	2,500	933	335	335	1,051	10,400
54-20	Building or Office	5,000	5,000	0	0.0%	0	0	0	0	0	0	0	0	0	0	0
55-10	Mileage/Parking/Tolls	1,200	1,200	705	58.8%	0	0	223	0	0	111	0	0	371	0	705
55-40	Seminars & Conferences	5,000	5,000	1,185	23.7%	0	0	0	0	310	0	0	0	875	0	1,185
55-41	Meeting Expenses	2,000	3,000	1,757	58.6%	0	0	43	97	434	618	146	152	103	164	1,757
58-01	Dues & Membership	1,500	2,500	1,837	122.5%	0	0	517	0	245	0	250	50	485	290	1,837
60-01	Office	8,500	12,500	9,230	108.6%	0	190	450	213	681	453	3,627	1,014	686	1,916	9,230
60-03	Agricultural-Lawn Care	55,000	113,000	75,783	67.1%	0	0	0	0	37,213	0	0	37,402	757	411	75,783
60-05	Custodial-Janitorial	12,000	12,000	2,051	17.1%	0	102	441	481	477	80	84	127	125	134	2,051
60-07	Repairs & Maintenance	729,000	690,986	407,528	59.0%	0	24,255	17,208	53,034	39,830	30,120	38,984	107,988	36,201	59,908	407,528
60-08	Vehicle Fuels	605,000	605,000	417,775	69.1%	0	97,752	31,204	41,079	16,396	56,320	66,891	42,718	33,508	31,907	417,775
60-11	Uniform & Wea Apparel	36,000	42,000	30,149	71.8%	1,543	3,467	2,214	2,196	3,117	2,781	7,432	5,091	913	1,395	30,149
60-12	Books/Subscrptns/Sf Media	1,000	2,000	1,464	73.2%	0	0	637	229	0	229	0	0	39	330	1,464
60-14	Operating	6,000	9,000	5,927	65.9%	500	1,510	0	500	0	0	1,602	1,798	17	0	5,927
60-17	Computer-Software	0	5,087	4,373	86.0%	0	3,261	0	0	0	0	0	0	0	1,112	4,373
60-19	Personnel Safety Equip	4,500	6,500	4,621	71.1%	150	230	759	361	548	0	198	322	1,324	729	4,621
60-20	Vehicle Parts & Tires	55,250	55,250	25,709	46.5%	0	0	3,300	0	4,411	993	3,974	4,079	7,548	1,404	25,709
60-31	Machinery & Equipment	31,000	22,750	20,743	91.2%	0	0	1,642	9,267	0	286	0	522	5,963	3,063	20,743
60-32	Furniture & Fixtures	2,000	7,000	2,531	36.2%	0	90	0	0	0	119	1,560	360	402	0	2,531
60-33	Communications Equip	500	3,000	2,572	85.7%	0	0	56	2,415	0	80	0	21	0	0	2,572
60-34	Computer Equipment	5,500	18,163	6,113	33.7%	0	262	35	2,729	129	35	875	34	0	2,014	6,113
60-47	Site Improvements	65,000	87,315	72,397	82.9%	0	0	2,020	4,000	8,072	5,419	15,757	13,550	18,270	5,309	72,397
81-01	Machinery & Equipment	160,000	160,000	11,895	7.4%	0	0	11,745	11,895	0	0	0	-11,745	0	0	11,895
82-01	Machinery & Equipment	695,000	272,999	85,350	31.3%	0	0	64,500	0	0	0	0	0	20,850	0	85,350
82-12	Improvements to Bldg	50,000	50,000	0	0.0%	0	0	0	0	0	0	0	0	0	0	0
82-30	Cell F-3		11,307	0	0.0%	0	0	0	0	0	0	0	0	0	0	0
92-10	Debt County	466,357	466,357	363,137	77.9%	0	0	0	0	0	363,137	0	0	0	0	363,137
97-03	Bad Debt Expense		2,200	2,108	95.8%	0	0	0	0	2,108	0	0	0	0	0	2,108
97-05	Fredericksburg Debt	466,357	466,357	370,170	79.4%	0	0	0	273,709	0	89,414	0	0	0	7,047	370,170
91-12	Principle-Capt leases		505,000	329,685	65.3%	36,157	32,395	22,487	32,690	49,963	22,805	43,339	22,983	33,365	33,501	329,685
91-22	interest-Capt lease		92,000	56,508	61.4%	10,324	5071.82	4453.53	6639.28	1754.97	4135.26	8379.7	3958	5964	5828	56,508
	Totals	9,460,522	9,882,506	5,796,511	61.3%	196,876	561,578	588,918	751,941	375,463	1,026,024	597,313	674,151	425,962	532,014	5,796,511

Rappahannock Regional Solid Waste Management Board (R-Board)



FY2024 PROPOSED BUDGET

R-BOARD REVENUE

	Adopted FY 2022	2022 YTD Actual	Adopted FY 2023	Proposed FY 2024
315.01-02 Interest	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00
316.25-01 Recycling	\$ 70,000.00	\$ 137,712.00	\$ 90,000.00	\$ 100,000.00
316.25-02 Commercial	\$ 6,597,500.00	\$ 7,535,759.00	\$ 7,300,000.00	\$ 7,900,000.00
324.04-07 Grants	\$ 25,000.00	\$ 38,471.00	\$ 25,000.00	\$ 48,000.00
316-25-06 Residential Fees	\$ 710,000.00	\$ 844,230.00	\$ 800,000.00	\$ 800,000.00
Municipal Services				
316.25-04 Fredericksburg	\$ 300,000.00	\$ 270,240.00	\$ 270,000.00	\$ 270,000.00
316-25-03 Stafford	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Sludge/Utilities				
316-25-05 Stafford	\$ 350,000.00	\$ 345,063.00	\$ 340,000.00	\$ 340,000.00
316-26-05 Fredericksburg	\$ 140,000.00	\$ 126,636.00	\$ 120,000.00	\$ 120,000.00
316-25-10 Ameresco Lease	\$ 50,000.00	\$ 14,889.00	\$ 40,000.00	\$ 40,000.00
315-02-35 Milestone Lease	\$ 12,000.00	\$ 18,676.00	\$ 15,000.00	\$ 15,000.00
318-99-01 Miscellaneous Sources	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00
Subtotal	\$8,309,500.00	\$9,371,676.00	\$9,055,000.00	\$9,688,000.00
341.06-00 Prior Yr Fund Balance	\$1,273,601.00	\$0.00	\$405,522.00	\$2,448,874.00
Total	\$9,583,101.00	\$9,371,676.00	\$9,460,522.00	\$12,136,874.00

Percent Difference

5% increase + discount removal
Increased state grant funding

Transfer \$2,000,000 for cell G-1 from reserves, D-6 Dozer Replacement

EXPENDITURES

	Adopted FY 2022	FY2022 Actuals	Adopted FY 2023	Proposed FY 2024
10-01 Salaries-Regular	\$ 1,857,380.00	\$ 1,842,446.79	\$ 2,006,560.00	\$ 2,199,974.00
10-02 Salaries-Overtime	\$ 100,000.00	\$ 155,580.66	\$ 150,000.00	\$ 150,000.00
10-03 Salaries-Part Time	\$ 81,150.00	\$ 141,403.23	\$ 122,000.00	\$ 142,515.00
21-01 Social Security/Medicare	\$ 148,310.00	\$ 160,334.78	\$ 162,780.00	\$ 179,661.00
22-10 VRS	\$ 200,090.00	\$ 181,400.53	\$ 258,350.00	\$ 288,637.00
22-11 ICMA Hybrid Employer	\$ 10,010.00	\$ 19,201.77	\$ 10,880.00	\$ 12,577.00
23-01 Anthem	\$ 390,000.00	\$ 323,298.78	\$ 375,125.00	\$ 375,125.00
23-03 Opt-Out	\$ 4,380.00	\$ 9,224.12	\$ 9,000.00	\$ 15,000.00
24-01 Life Insurance	\$ 24,400.00	\$ 24,208.79	\$ 26,000.00	\$ 27,000.00
25-01 Unemployment	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00
25-21 Hybrid Disability Program	\$ 5,760.00	\$ 5,091.72	\$ 6,320.00	\$ 7,546.00
27-20 Workers Compensation	\$ 88,000.00	\$ 61,211.42	\$ 85,000.00	\$ 85,000.00
28-05 Chg Post-retirement Benefit	\$ 110,000.00	\$ 280,709.00	\$ 130,000.00	\$ 130,000.00
28-09 License/Certifications	\$ 12,000.00	\$ 6,989.82	\$ 12,000.00	\$ 12,000.00
28-20 Education/Tuition Assist	\$ 1,500.00	\$ 280.00	\$ 1,500.00	\$ 1,500.00
Subtotal Compensation	\$3,042,980.00	\$3,211,381.41	\$3,365,515.00	\$3,636,535.00
Acquired Services				
30-15 Fees for Services	\$ 12,000.00	\$ 14,193.86	\$ 15,000.00	\$ 25,000.00
31-08 Physical Exams	\$ 1,000.00	\$ 31.52	\$ 500.00	\$ 500.00
31-20 Audit Fee's	\$ 8,750.00	\$ 8,750.00	\$ 9,000.00	\$ 14,000.00
31-30 Management Services	\$ 250,000.00	\$ 96,703.05	\$ 180,000.00	\$ 180,000.00
31-44 Environmental Monitoring	\$ 120,000.00	\$ 247,525.68	\$ 270,000.00	\$ 270,000.00
31-50 Legal Services	\$ 24,000.00	\$ 24,000.00	\$ 26,000.00	\$ 27,300.00
31-52 Permit Fee's	\$ 45,000.00	\$ 44,961.52	\$ 55,000.00	\$ 55,000.00
31-54 Fire Permit	\$ -	\$ 200.00	\$ 200.00	\$ 200.00
31-63 Custodial-Cleaning	\$ -	\$ 3,933.24	\$ -	\$ 5,000.00
31-64 Single Stream Processing	\$ 150,000.00	\$ 45,638.11	\$ 75,000.00	\$ 175,000.00
31-67 CFL & HHW Bulb Disposal	\$ 90,000.00	\$ 51,241.90	\$ 90,000.00	\$ 100,000.00
31-68 Tire Disposal	\$ 100,000.00	\$ 930.00	\$ 25,000.00	\$ 25,000.00

These numbers are generated (10-01 to 28-05) from Budget Office

Job Enhancement for Employees
Education Reimbursement Must be H.R. approved.

Credit Card Fees
Employee Physicals and Vaccinations
Auditors (Ask Randy Helwig for amt)
Professional Consultants
Gas and Groundwater Monitor; Lab Analysis
R-Board Attorney; Bill Hefty
Govt. Permitting Needs
Yearly inspection costs

Single-stream Processing (TFC)
HHW and FL Bulbs Only
Tire Disposal Only

Maintenance

33-09	Facilities-Buildings	\$	10,000.00	\$	-	\$	10,000.00	\$	10,000.00	0%	Repairs: gutters furnaces etc.
33-10	Repairs & Maintenance	\$	425,000.00	\$	329,574.74	\$	706,000.00	\$	611,000.00	-13%	Labor on Equipment Repairs & Transport Costs
33-20	Contracts	\$	80,000.00	\$	37,545.25	\$	50,000.00	\$	50,000.00	0%	Copiers, Porta John, Water, Compactor Rental (\$10,800)
	Transportation										
34-05	Transportation	\$	1,500.00	\$	598.72	\$	2,000.00	\$	2,000.00	0%	Vehicle Inspections and Titles
35-01	Printing & Binding	\$	6,000.00	\$	5,634.78	\$	6,000.00	\$	6,000.00	0%	Annual Stickers, Coupon Books, Envelopes, Flyers, Business Cards, etc.
36-11	Public Notification	\$	500.00	\$	-	\$	500.00	\$	500.00	0%	Advertising
36-12	Other	\$		\$	220.00	\$		\$			
39-10	Litter Control	\$	68,000.00	\$	43,845.60	\$	68,000.00	\$	68,000.00	0%	Education, Outreach, Litter Grant, Office on Youth Reg. Jail
	Internal Services										
40-07	Admin Charges-Fiscal Agnt	\$	348,563.00	\$	348,563.00	\$	351,643.00	\$	369,225.00	5%	County Expertise (Finance, H.R. Purchasing etc)
	Utilities, Vehicle Repair & Office										
51-10	Electrical	\$	25,200.00	\$	23,257.38	\$	24,000.00	\$	27,000.00	13%	
51-30	Water & Sewer	\$	11,500.00	\$	6,805.58	\$	10,000.00	\$	10,000.00	0%	
52-10	Postage	\$	3,000.00	\$	719.33	\$	2,000.00	\$	2,000.00	0%	
52-30	Phone	\$	16,500.00	\$	13,538.90	\$	16,500.00	\$	16,500.00	0%	Landlines Only
52-31	Mobile Phones	\$	15,000.00	\$	18,399.19	\$	15,000.00	\$	15,000.00	0%	Cell Phones Only
52-38	VOIP Eqp Billing	\$	6,000.00	\$	5,773.53	\$	6,500.00	\$	6,500.00	0%	Comcast (Two Invoices/mo (LF & Sales Shed))
53-04	Property	\$	47,250.00	\$	17,445.00	\$	45,000.00	\$	45,000.00	0%	Insurance
53-05	Motor Vehicle	\$	28,875.00	\$	6,812.00	\$	27,500.00	\$	27,500.00	0%	Insurance
54-10	Equipment	\$	56,500.00	\$	82,838.08	\$	540,000.00	\$	200,000.00	-63%	Equipment Rentals
54-20	Building or Office	\$	5,000.00	\$	-	\$	5,000.00	\$	5,000.00	0%	Maint of Offices Building
	Travel & Training										
55-10	Mileage/Parking/Tolls	\$	1,200.00	\$	211.76	\$	1,200.00	\$	1,200.00	0%	
55-40	Seminars & Conferences	\$	5,000.00	\$	1,301.94	\$	5,000.00	\$	5,000.00	0%	Attending Meetings or Conferences
55-41	Meeting Expenses	\$	2,000.00	\$	1,916.50	\$	2,000.00	\$	2,000.00	0%	Employees - Holidays, Retirements, etc.
58-01	Dues & Membership	\$	1,500.00	\$	1,239.00	\$	1,500.00	\$	1,500.00	0%	SWANA, VRA
	Misc. Supplies										
60-01	Office	\$	8,000.00	\$	8,534.25	\$	8,500.00	\$	8,500.00	0%	Office Supplies
60-02	Materials and Supplies-Food Service	\$	-	\$	-	\$	-	\$	2,000.00		Separated from line 60-07
60-03	Agricultural-Lawn Care	\$	4,700.00	\$	76,614.77	\$	55,000.00	\$	145,000.00	164%	Posi-Shell Cover Material
60-05	Custodial-Janitorial	\$	12,000.00	\$	6,965.47	\$	12,000.00	\$	12,000.00	0%	
60-07	Repairs & Maintenance	\$	475,000.00	\$	511,093.45	\$	729,000.00	\$	720,000.00	-1%	Heavy Equipment Maintenance Parts
60-08	Vehicle Fuels	\$	425,000.00	\$	403,409.77	\$	605,000.00	\$	605,000.00	0%	Fleet Fuels / Universal Environment (Oil Recycling)
60-11	Uniform & Wearing Apparel	\$	35,000.00	\$	33,189.48	\$	36,000.00	\$	36,000.00	0%	
60-12	Books/Subscripns/SF Media	\$	1,000.00	\$	891.92	\$	1,000.00	\$	2,000.00	100%	Trade Journals, Certificate Work Text Books,Safety Meetings
60-14	Operating	\$	6,000.00	\$	4,700.08	\$	6,000.00	\$	6,000.00	0%	Waste Works Scale Tickets, Statements, Envelopes
60-17	Computer Software	\$		\$	3,094.43	\$	-	\$	7,000.00		Waste Works Scale program updates
60-19	Personnel Safety Equipment	\$	5,000.00	\$	6,892.26	\$	4,500.00	\$	20,000.00	344%	PPE Apparel and Boots
60-20	Vehicle Parts & Tires	\$	42,500.00	\$	33,725.90	\$	55,250.00	\$	55,250.00	0%	
60-21	Materials and Supplies-Tools	\$	-	\$	-	\$	-	\$	3,000.00		Separated from line 60-07
60-31	Machinery & Equipment	\$	30,725.00	\$	29,659.73	\$	31,000.00	\$	31,000.00	0%	Supplies Under \$5,000
60-32	Furniture & Fixtures	\$	2,000.00	\$	1,121.89	\$	2,000.00	\$	2,000.00	0%	
60-33	Communications Equipment	\$	1,000.00	\$	181.46	\$	500.00	\$	500.00	0%	Cell Phones
60-34	Computer Equipment	\$	5,500.00	\$	611.04	\$	5,500.00	\$	5,500.00	0%	
60-47	Site Improvements	\$	55,000.00	\$	52,402.46	\$	65,000.00	\$	65,000.00	0%	Stone/Mulch; Commercial Entrance Upgrade, etc.
	Subtotal Operations		\$3,073,263.00		\$2,657,437.52		\$4,257,293.00		\$4,083,675.00	-4%	
	Capital Costs										
81-01	Machinery & Equipment (Replace)	\$	157,000.00	\$	-	\$	695,000.00	\$	695,000.00	0%	Proposed equip purchase
82-01	Machinery & Equipment (New)	\$	1,380,000.00	\$	72,615.00	\$	160,000.00	\$	50,000.00	-69%	
82-11	Improvements to Site (Cell F2 Debt)	\$	575,000.00	\$	7,779.00	\$		\$			
82-12	Improvements to Building	\$	15,000.00	\$	-	\$	50,000.00	\$	50,000.00	0%	
	New Cell	\$	358,000.00	\$	-	\$		\$	2,000,000.00		
82-13	Scalehouse Renovations	\$		\$		\$		\$			
82-15	Closure debt and Future	\$		\$		\$		\$			
91-12	Lease Principle Payment	\$		\$		\$		\$	621,950.00		
91-22	Lease Interest Payments	\$		\$	3,448.11	\$		\$	67,000.00		
92-10	County Debt	\$	524,108.00	\$	523,875.66	\$	466,357.00	\$	466,357.00	0%	Schedules for are on file
97-05	City Debt	\$	457,750.00	\$	457,517.66	\$	466,357.00	\$	466,357.00	0%	Schedules for are on file
	Subtotal Capital		\$3,466,858.00		\$1,065,235.43		\$1,837,714.00		\$4,416,664.00	140%	
	TOTAL		\$9,583,101.00		\$6,934,054.36		\$9,460,522.00		\$12,136,874.00	28%	



Rappahannock Regional Solid Waste Management Board

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

RB23-01

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023:

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Barody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO ADOPT THE FISCAL YEAR 2024 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 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 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;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 18th day of May, 2023, that the proposed Fiscal Year 2024 Budget presented herein and in the amount of Twelve Million, One Hundred Thirty-six Thousand, Eight Hundred Seventy-four Dollars (\$12,136,874) be and it hereby is approved.



Rappahannock Regional Solid Waste Management Board

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

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phil Hathcock Director



Rappahannock Regional Solid Waste Management Board

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

TO: R-Board Members
FROM: Phil Hathcock, R-Board Director
DATE: March 6, 2023
SUBJECT: Cost of disposal of recyclable materials

DISCUSSION:

Please find attached two reports that detail the cost per ton to the R-Board for placing waste in cell F-3, and the cost of disposing recyclable materials for July through March of FY2023.

In summary, the average cost per ton to recycle materials for the period is \$99.27 per ton, the cost to landfill waste in cell F-3 is \$32.36 per ton.

As recycling costs have risen substantially during the past several months, this cost of business is necessary as VA-DEQ regulations mandate a 25% recycling rate per year, the recycling rate for 2022 was 36%.

Cell F-3 Disposal Cost

Construction/Closure costs

Construction:	\$510,064/acre (7.2 acres)	\$3,672,460.80
Closure:*	\$266,047.73/acre (7.2 acres)	<u>\$1,915,543.63</u>
		\$5,588,004.43

Volume of F-3

Permitted Volume	1,235,856 cy	
Waste Density (12/2023)	0.65 tons/cy	
Tons of waste in F-3	1,235,856 cy / 0.65 tons/cy=	803,306 tons
Construction/Closure cost/ton	\$5,588,044.43 / 803,306 tons=	\$6.96/ton

Operating Costs

Life of Cell F-3	803,306 tons / 255,000 tons/yr	3.1 years
Actual expenditures	FY20	\$6,787,140.47
	FY21	\$6,683,275.06
	FY22	<u>\$6,934,054.36</u>
		\$20,404,469
Operating costs	\$20,404,469 / 803,306 tons	\$25.40/ton

Total Cost

\$6.96 + \$25.40 **\$32.36/ton**

*Closure costs are estimated.

Monthly Recycling Prices Per Commodity

Commodity	Percentage of Load	July 22' (\$/Ton)	August 22' (\$/Ton)	September 22' (\$/Ton)	October 22' (\$/Ton)	November 22' (\$/Ton)	December 22' (\$/Ton)	January 23' (\$/Ton)	Average (\$/Ton)	Total
OCC	11.3%	\$ 155.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 1,407.14
SRPN #56	15.3%	\$ 130.00	\$ 130.00	\$ 105.00	\$ 45.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 74.29	\$ 856.88
Mixed Paper	18.1%	\$ 75.00	\$ 45.00	\$ 15.00	\$ 55.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 73.57	\$ 856.88
PETE	3.0%	\$ 650.00	\$ 180.00	\$ 150.00	\$ 180.00	\$ 195.00	\$ 225.00	\$ 248.00	\$ 33.75	\$ 856.88
HDPE - Natural	0.9%	\$ 950.00	\$ 950.00	\$ 880.00	\$ 950.00	\$ 1,270.00	\$ 1,270.00	\$ 1,315.00	\$ 1,072.86	\$ 856.88
HDPE - Colored	1.3%	\$ 510.00	\$ 290.00	\$ 135.00	\$ 135.00	\$ 205.00	\$ 205.00	\$ 205.00	\$ 240.71	\$ 856.88
Plastic #1,#7	0.6%	\$ 1,550.00	\$ 1,550.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,350.00	\$ 1,407.14	\$ 856.88
Aluminum	0.9%	\$ 195.00	\$ 190.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 157.50	\$ 180.00	\$ 856.88
Steel	1.3%	\$ 133.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 133.00	\$ 856.88
Glass	11.9%	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ (47.35)	\$ 856.88
Residue	15.4%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 856.88
Total Tonnage/Month	100.0%	155.77	144.07	137.23	117.195	131.24	138.26	138.62	138.62	\$98,932.77
Included Amount from TFC		\$6,445.70	\$9,626.92	\$14,033.52	\$14,579.24	\$17,330.36	\$17,322.99	\$19,518.16		\$98,932.77
Disposal Cost/Ton		\$38.88	\$68.24	\$102.26	\$124.40	\$125.36	\$125.29	\$127.05		\$98,932.77
Fredericksburg Tonnage		79.29	85.42	78.63	69.67	82.11	86.29	91.84		\$98,932.77
Cost to Rebound for Tonnage Recycling		\$3,083.06	\$5,829.24	\$8,040.92	\$8,667.06	\$10,293.66	\$11,668.71	\$11,668.71		\$98,932.77
Revenue from Fredericksburg		\$4,083.49	\$4,399.19	\$3,945.94	\$4,483.50	\$4,105.50	\$4,314.50	\$4,592.00		\$98,932.77
Stafford Tonnage		86.48	55.65	58.60	47.53	56.13	51.97	61.78		\$98,932.77
Cost to Rebound for Stafford Recycling		\$3,362.64	\$3,797.68	\$5,992.60	\$5,912.18	\$7,096.70	\$6,511.47	\$7,849.45		\$98,932.77
Total Cost to Rebound		\$2,362.21	\$5,227.73	\$10,087.58	\$11,095.74	\$13,224.86	\$13,008.49	\$14,926.16		\$98,932.77
Percentage Fredericksburg		48%	61%	57%	59%	59%	62%	60%		\$98,932.77

Notes:
 Disposal Cost/Ton includes hauling fees.
 Stafford residents recycle at no charge.

Monthly Recycling Prices Per Commodity

Commodity	Percentage of Load	Feb 23' (\$/Ton)	Mar 23' (\$/Ton)	Average (\$/Ton)	Total
OCC	42.7%	\$ 35.00	\$ 35.00	\$ 35.00	35.00
SRPN #56	0.0%	\$ 30.00	\$ -	\$ 15.00	15.00
Mixed Paper	12.3%	\$ -	\$ 5.00	\$ 2.50	2.50
PETE	2.8%	\$ 275.00	\$ 290.00	\$ 282.50	282.50
HDPE - Natural	0.8%	\$ 1,315.00	\$ 1,455.00	\$ 1,385.00	1,385.00
HDPE - Colored	1.1%	\$ 205.00	\$ 295.00	\$ 250.00	250.00
Plastic #1-#7	0.0%	\$ -	\$ -	\$ -	-
Aluminum	2.3%	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00	1,550.00
Steel	2.0%	\$ 157.50	\$ 183.00	\$ 170.25	170.25
Glass	8.8%	\$ (33.85)	\$ (34.00)	\$ (33.93)	(33.93)
Residue	26.2%	\$ (47.35)	\$ (70.00)	\$ (58.68)	(58.68)
	99.0%				
Total Tonnage/Month		105.87	141.07		

Invoiced Amount from TFC \$9,327.06 \$13,244.72 \$22,571.78

Disposal Cost/Ton \$88.10 \$93.89

Fredericksburg Tonnage 60.94 79.18

Cost to R-Board for Fburg Recycling \$5,368.76 \$7,434.02

Revenue from Fredericksburg \$3,047.00 \$3,959.00 \$7,006.00

Stafford Tonnage 44.93 61.89

Cost to R-Board for Stafford Recycling \$3,958.30 \$5,810.70

Total Cost to R-Board \$6,280.06 \$9,285.72 \$15,565.78

Percentage Fredericksburg 58% 56%

Notes: Disposal Cost/Ton includes hauling fees.
Stafford residents recycle at no charge.



RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD (R-BOARD)
1259 Courthouse Road, Suite 104, P.O. Box 339 Stafford, VA 22555

November 19, 2002

William H. Hefty, Esq.
HEFTY & WILEY, P.C.
Old City Hall, Suite 230
1001 East Broad St.
Richmond, VA 23219

RE: R-Board Bylaws

Dear Bill:

Enclosed is an executed copy of the Rappahannock Regional Solid Waste Management Board's Bylaws as approved at its October 16, 2002 meeting per Resolution RB02-16.

If you have any questions, please call me.

Sincerely,

Patricia S. Rowe
Clerk to the R-Board

Enclosure

FAX (540) 658-4523
PHONE (540) 658-4590

2002
12/23/02
12/23/02

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Rappahannock Regional Solid Waste Management Board was created by an Agreement dated December 9, 1987 between the Board of Supervisors of Stafford County and the City Council of Fredericksburg pursuant to Section 15.1-21 of the Code of Virginia for the purpose of operating a regional landfill serving the City and the County. The Agreement has been amended on July 26, 1990 and December 30, 1994.

1.2 Membership. The Board shall consist of six members, specifically two Members of the governing bodies of each jurisdiction, appointed by the governing body for terms fixed by the governing body; the Stafford County Administrator; and the Fredericksburg City Manager.

1.3 Alternates. Alternates may be appointed by the governing bodies of the City And the County to serve whenever a member of the Board who is also a member of the governing body cannot attend a meeting. In the event one alternate is appointed by a governing body, he may serve for either member who is absent. In the event two alternates are appointed by the governing body, either may serve for a member who is absent. The alternate or alternates selected by the City Council of Fredericksburg need not be members of the governing body. In addition, the County Administrator and City manager may each select an alternate, who shall be a deputy or assistant. Alternates shall have the same voting rights as members.

1.4 Vacancies. Should any vacancy occur on the Board, either in the regular membership or in the alternates, the appropriate governing body shall appoint a new person to that position within thirty days of the effective date of the vacancy.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall elect a Chairman from among its membership. The Chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as shall be prescribed in these bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice Chairman shall preside over meetings of the Board in the absence of the Chairman.

2.3 Clerk. The Board shall also appoint a Clerk of the Board, who shall be

responsible for recording minutes of Board meetings and keeping the records of the Board. The Clerk may be an employee of the City or County.

2.4 Terms. Offices shall be elected annually, and shall serve for a term of one year beginning on July 1 and ending on the following June 30.

2.5 Vacancies. Vacancies in either office shall be filled by the Board when they occur.

2.6 Representation. Either the Chairman or Vice-Chairman shall at all times be a representative of the City and the other shall at all times be a representative of the County.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of at least four members of the Board. (including alternates if a Board member cannot attend). Once a quorum is established, action may be taken by the affirmative vote of a majority of the quorum except that all votes in order to pass must have an affirmative vote of at least one member from the City and County.

3.2 Regular meetings. Regular meetings of the Board shall be held at a time and place determined by the Board.

3.3. Special meetings. Special meetings of the Board may be called by the Chairman or any two members (not including alternates) of the Board. The Clerk shall cause notice of any special meeting to be delivered at least twenty-four hours before the time designated for such meeting to the address of each member of the Board. The notice shall contain a statement of the item or items of business to be transacted at the meeting. No other business shall be transacted at such meeting except by the unanimous consent of all members of the Board. The delivery of formal written notice of a special meeting may be waived by any member by furnishing a written waiver of notice.

3.4 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous regular and special meetings at its next subsequent regular meeting, and the Chairman shall sign the minutes as approved.

3.5 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANACIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. The Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the two jurisdictions no later than March 1 of each year.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the landfill. A copy of the audit shall be furnished to the clerk of each governing body.

4.4 Rates. The Board shall periodically establish rates to be charged to the City and County and commercial haulers for the disposal of all refuse, garbage and other waste material delivered to the Landfill.

ARTICLE V – AMENDMENTS

5.1 Amendments. These bylaws may be amended, to the extent such amendments are not inconsistent with the Agreement between the City and County, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on October 16, 2002



Chairman

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

FINANCIAL STATEMENTS



Year Ended
June 30, 2022

Serving
Stafford County and
City of Fredericksburg, Virginia

Board of Directors

Meg Bohmke, Chairman

Matthew J. Kelly, Vice-Chairman

Monica Gary

Jonathan A. Gerlach.

Tim Baroody

Randal E. Vosburg

Administration

Phillip W. Hathcock, Director

Ricky L. Markwardt, Superintendent

Jonathon C. Munch, Chief Financial Officer

Alan R. (Randy) Helwig, Controller

Mary Ann Coulombe, Accounting Technician

Diane Jones, Recycling Coordinator

Pam Timmons, Administrative Specialist

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February 6, 2023

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 hereinwith. This report has been prepared in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board which are uniform minimum standards and principles 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, 2022 and to provide an accurate and effective 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 (MD&A), the financial statements, notes to the financial statements, required supplementary information 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.

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, Virginia (the County) and the City of Fredericksburg, Virginia (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 Director who manages operations with day to day direction from the County Administration Office and policy direction from the R-Board.

The R-Board does not provide waste collection services. These services are provided by various commercial haulers including the Fredericksburg Public Works Department who dispose of collected solid waste at the landfill. Residents of the County and the City may also dispose of household solid waste and recyclables at the landfill for a tipping fee. 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 and mandates also play a substantive role in operations and fiscal policies.

The solid waste disposal facility charges tipping fees to commercial haulers and residential customers. On average there are 70-75 commercial customers who are billed monthly for their tonnage. There are also numerous cash customers. During fiscal year 2022, the County and the City paid tipping fees for their use of the landfill.

The recycling program promotes various activities to encourage proper recycling habits and the litter control/ recycling programs seeks state grant funds.

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

The trend from FY20 and FY21 continued during FY22 with the Covid-19 pandemic changing the composition of the waste volume into the landfill. Commercial waste was reduced with business closures lock downs, and mandates limiting travel. The residential volume increased almost proportionately with work from home, school closures and stay at home initiatives.

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 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 ensure 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 Director submits the proposed budget to the R-Board for consideration. Budgetary compliance is monitored and reported to the R-Board by the Director. 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, PBMares, 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.

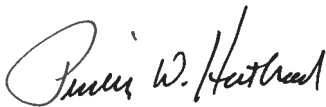
Risk Management

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.

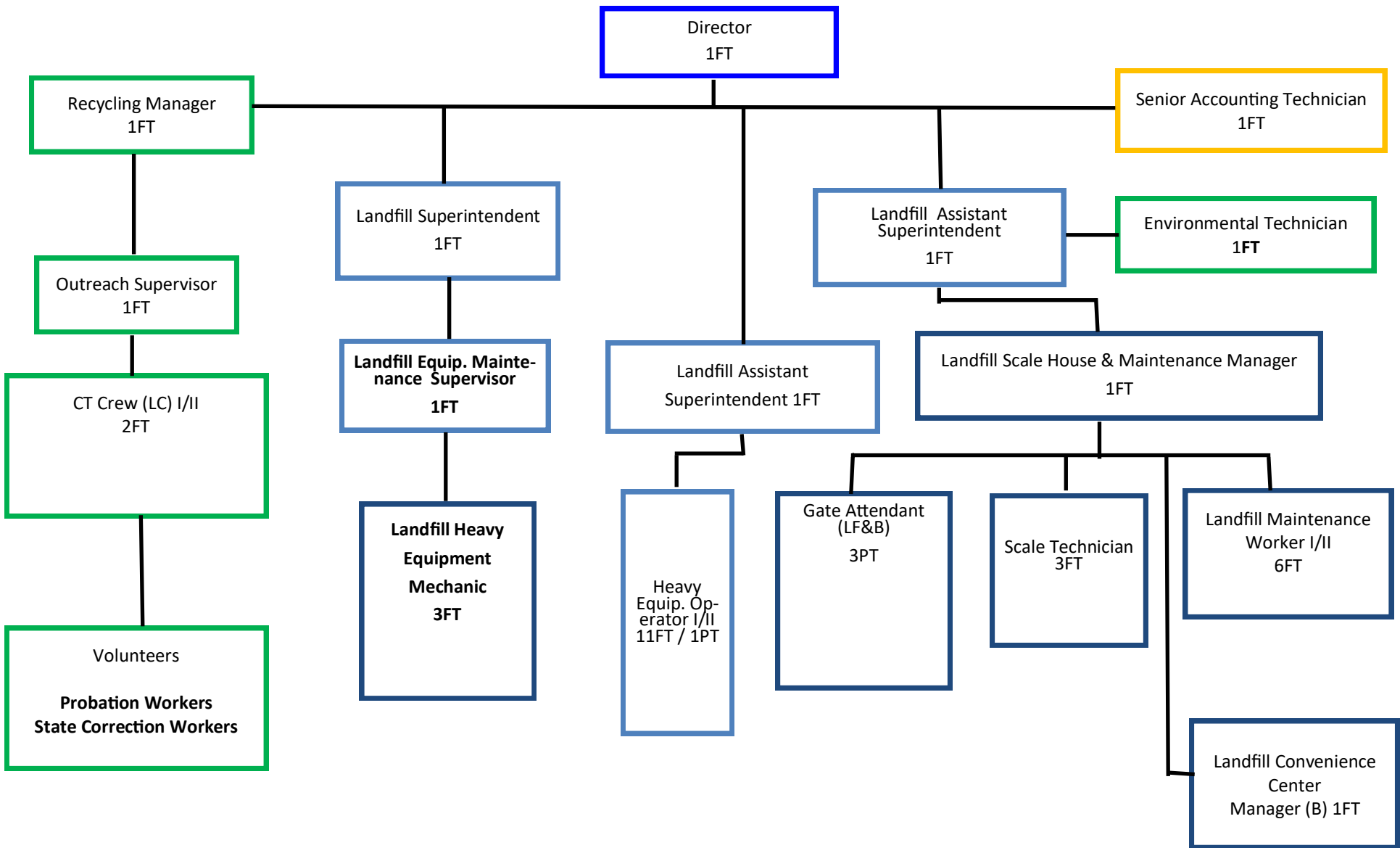
Acknowledgements

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,



Phillip W. Hathcock
Director





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Rappahannock Regional Solid Waste Management Board (R-Board), as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the R-Board, as of June 30, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the R-Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the R-Board, as of and for the year ended June 30, 2021, were audited by other auditors, whose report dated March 11, 2022, expressed an unmodified opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the R-Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 R-Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the R-Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 4-7 and 61-69, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in the financial statements. The other information comprises the introductory section as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023 on our consideration of the R-Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the R-Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering R-Board's internal control over financial reporting and compliance.

PBMarus, LLP

Harrisonburg, Virginia
February 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2022. 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 an enterprise fund activity, which is a proprietary fund type. The R-Board charges fees to users for services provided. As an enterprise type activity, the financial statements are comprised of this MD&A, the financial statements, notes to the financial statements and required supplementary information.

The financial statements include:

- * The Statement of Net Position – presents information on the R-Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the net difference being 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

- * Assets increased approximately \$2.5 million primarily due to an increase in cash driven by increase in cash provided by operating activities. Revenues were up \$ 0.8 million year on year and expenses were down about the same. Accounts receivable and capital assets combined went up about \$ 0.2 million.
- * Current liabilities increased \$0.2 million mainly from a current portion of finance leases entered into for heavy duty equipment.
- * Net position increased approximately \$1.6 million, resulting in an unrestricted surplus balance of \$3.7 million, due to current year operating income of \$ 2.7 million.

FINANCIAL ANALYSIS

As noted earlier, net position may serve as an indicator of the R-Board's financial condition. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17.9 million at the close of fiscal year 2022.

A large portion of the R-Board's net position reflects its investment in capital assets (land, land improvements, buildings, machinery, right to use lease assets and equipment, etc.). These assets are used in operations to provide services to customers and are therefore not available for future spending. The remaining balance of net position, a surplus of \$4.9 million, is classified as unrestricted. The following table presents a condensed Statement of Net Position in a comparative format.

TABLE 1
Summary of Net Position
June 30,

	2022	2021
Current assets	\$ 11,656,039	\$ 14,141,675
Noncurrent assets	<u>19,146,266</u>	<u>14,141,297</u>
Total assets	<u>30,802,305</u>	<u>28,282,972</u>
Total deferred outflows of resources	<u>1,394,729</u>	<u>1,146,154</u>
Current liabilities	1,136,867	920,617
Noncurrent liabilities	<u>11,580,028</u>	<u>11,587,246</u>
Total liabilities	<u>12,716,895</u>	<u>12,507,863</u>
Total deferred inflows of resources	<u>1,530,523</u>	<u>520,352</u>
Net position:		
Investment in capital assets	13,051,788	14,141,297
Unrestricted	<u>4,897,828</u>	<u>2,259,614</u>
Total net position	<u>\$ 17,949,616</u>	<u>\$ 16,400,911</u>

The increase in net position of \$1.6 million is attributed to these factors:

- * Results of FY22 operating income at \$2.7 million.
- * FY22 interest and investment losses of 0.2 million
- * Return of contributions to the County and City of \$(0.9) million.

The following table shows how revenues and expenses contributed to the change in net position between fiscal years 2021 and 2022.

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

	2022	2021
Revenues:		
Operating revenues:		
Charges for services	\$ 9,314,528	\$ 8,428,684
Miscellaneous	<u>18,676</u>	<u>124,709</u>
Total operating revenues	<u>9,333,204</u>	<u>8,553,393</u>
Nonoperating revenues:		
Interest on investments	(206,171)	31,180
Grants	38,471	26,778
Gains on sale of assets	<u>26,741</u>	<u>1,825</u>
Total nonoperating revenues	<u>(140,959)</u>	<u>59,783</u>
Expenses:		
Operating expenses:		
Landfill operations	<u>6,618,301</u>	<u>7,428,164</u>
Nonoperating expenses:		
Recycling program	43,846	40,862
Return of contributions	<u>981,393</u>	<u>916,514</u>
Total nonoperating expenses	<u>1,025,239</u>	<u>957,376</u>
Change in net position	1,548,705	227,636
Net position, beginning	<u>16,400,911</u>	<u>16,173,275</u>
Net position, ending	<u>\$ 17,949,616</u>	<u>\$ 16,400,911</u>

- * Total operating revenues increased by \$0.8 million over the previous fiscal year.
- * Interest income on investments decreased by \$0.3 million from fiscal year 2021 due to market changes.
- * Overall, operating expenses decreased \$0.8 million compared to amounts reported for fiscal year 2022, mainly due to a decrease in personnel expenses and a reduction in the closure-post closure estimate.
- * Nonoperating expenses increased by \$0.1 million due to reinstated contribution repayments to the County and City.

The R-Board’s investment in capital assets as of June 30, 2022 was \$14.2 million (net of accumulated depreciation). This includes land, land improvements, construction in progress, buildings and building improvements, furniture, fixtures and equipment, technology infrastructure, right to use lease assets and vehicles. The following table summarizes the change in capital assets for fiscal year 2022.

TABLE 3
Change in Capital Assets

Additional information about the R-Board’s capital assets is presented in Note 6 of the Notes to the Financial Statements.

	Balance June 30, 2021	Additions/ Deletions, net	Balance June 30, 2022
Capital assets not being depreciated:			
Land	\$ 1,419,640	\$ -	\$ 1,419,640
Capital assets not being depreciated	<u>1,419,640</u>	<u>-</u>	<u>1,419,640</u>
Capital assets being depreciated:			
Land improvements	22,009,451	-	22,009,451
Buildings and building improvements	1,263,371	-	1,263,371
Furniture, fixtures and equipment	7,265,536	808,547	8,074,084
Technology infrastructure	536,085	-	536,085
Vehicles	1,540,510	(109,362)	1,431,148
Accumulated depreciation	<u>(19,893,296)</u>	<u>(619,775)</u>	<u>(20,513,071)</u>
Total	<u>\$ 14,141,297</u>	<u>\$ 79,410</u>	<u>\$ 14,220,707</u>

LONG-TERM OBLIGATIONS

The R-Board has a \$7.5 million obligation to close the landfill site and perform postclosure monitoring. During FY22 the R-Board also entered into 3 finance leases for heavy equipment. Other long-term obligations include employee accrued vacation pay and the R-Board’s proportionate share of Net Pension and other postemployment benefits (OPEB) obligations. Additional information on the R-Board’s long-term liabilities is presented in Notes 4, 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 R-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 Chief Financial Officer, County of Stafford, P.O. Box 339, Stafford, Virginia 22555-0339.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF NET POSITION
As of June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 6,710,776
Investments	4,051,670
Accounts receivable, net	873,779
Prepaid expenses	7,853
Lease assets, net	10,961
Other assets	1,000
Total current assets	<u>11,656,039</u>

Noncurrent assets:

Investments	4,925,559
Capital assets:	
Land	1,419,640
Land improvements and cell construction	22,009,451
Buildings and building improvements	1,263,371
Furniture, fixtures and equipment	8,074,083
Technology infrastructure	536,085
Vehicles	1,431,148
Less accumulated depreciation	<u>(20,513,071)</u>
Total capital assets	<u>14,220,707</u>
Total noncurrent assets	<u>19,146,266</u>
Total assets	<u>30,802,305</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	550,230
Deferred outflows related to OPEB	844,499
Total deferred outflows of resources	<u>1,394,729</u>

LIABILITIES

Current liabilities:

Accounts payable	220,305
Accrued salaries and benefits	162,158
Insurance claims incurred but not reported	18,316
Deposits held in escrow	87,994
Compensated absences	111,810
Landfill closure/postclosure liability	257,229
Current portion of lease liabilities	5,049
Current portion of long-term debt	274,006
Total current liabilities	<u>1,136,867</u>

Noncurrent liabilities:

Non-current portion of long-term debt	895,581
Non-current portion of lease liabilities	5,244
Compensated absences	184,567
Landfill closure/postclosure liability	7,234,133
Net OPEB liability	2,909,186
Net pension liability	351,317
Total noncurrent liabilities	<u>11,580,028</u>
Total liabilities	<u>12,716,895</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	663,051
Deferred inflows related to OPEB	867,472
Total deferred inflows of resources	<u>1,530,523</u>

NET POSITION

Net investment in capital assets	13,051,788
Unrestricted	4,897,828
Total net position	<u>\$ 17,949,616</u>

See notes to the financial statements

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

OPERATING REVENUES:

Charges for services	\$ 9,314,528
Miscellaneous	18,676
Total operating revenues	<u>9,333,204</u>

OPERATING EXPENSES:

Personal services	2,574,010
Contractual services	1,260,245
Materials and supplies	1,173,088
Utilities	67,775
Capital outlay	82,838
Depreciation	1,177,541
Amortization	4,243
Landfill closure/postclosure	227,603
Miscellaneous	50,958
Total operating expenses	<u>6,618,301</u>

Operating income 2,714,903

NON-OPERATING REVENUES (EXPENSES):

Interest on investments	(202,723)
Interest expense	(3,448)
Grants	38,471
Gain on sale of assets	26,741
Recycling program	(43,846)
Total non-operating revenues, net	<u>(184,805)</u>

Income before capital contributions 2,530,098

Return of capital contributions to County and City (981,393)

Change in net position 1,548,705

Net position, beginning	<u>16,400,911</u>
Net position, ending	<u>\$ 17,949,616</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

Cash flows from operating activities:

Receipts from customers	\$ 9,256,835
Payments to suppliers	(2,748,181)
Payments to employees	(2,910,447)
Net cash provided by operating activities	<u>3,598,207</u>

Cash flows from non-capital financing activities:

Receipts from state-supported recycling program	38,471
Recycling program payments	(43,846)
Net cash used in noncapital financing activities	<u>(5,375)</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(68,980)
Capital payments	(981,393)
Net cash used in capital and related financing activities	<u>(1,050,373)</u>

Cash flows from investing activities:

Interest and dividends on investments	(202,723)
Net cash provided by investing activities	<u>16,266</u>

Net increase in cash and cash equivalents 2,558,725

Cash and cash equivalents, beginning of year 4,152,051

Cash and cash equivalents, end of year \$ 6,710,776

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 2,714,903
Depreciation expense	1,177,541
Amortization expense	4,243

Changes in assets and liabilities:

Increase in accounts receivable	(81,375)
Increase in prepaid expenditures	(7,853)
Increase in accounts payable	(109,643)
Decrease in accrued salaries and benefits	24,444
Decrease in accrued insurance claims incurred but not reported	4,219
Decrease in deposits and escrows	5,006
Increase in closure/postclosure liability	227,603
Decrease in compensated absences	(13,283)
Decrease in pension related liabilities and deferrals	(66,889)
Decrease in OPEB related liabilities and deferrals	(280,709)
Total adjustments	<u>883,304</u>
Net cash provided by operating activities	<u>\$ 3,598,207</u>

Supplemental disclosure of noncash capital and related financing activities:

Equipment finance agreements	\$ 1,169,587
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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 (U.S. GAAP) applicable to enterprise fund type 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 County's 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. 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 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 U.S. GAAP. 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.

Cash and cash equivalents: Cash and cash equivalents consist of all demand deposits and short-term investments. 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 except for money market mutual funds and certificates of deposit investments and commercial paper, which are carried at amortized cost.

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 to the extent the R-Board's capitalization threshold of \$5,000 is met. Donated property is recorded at acquisition value. 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 building improvements	10 – 40 years
Furniture, fixtures and equipment	3 – 10 years
Technology infrastructure	5 years
Vehicles	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)

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period which will not be recognized as an outflow of resources (expense) until then. The R-Board has two items that meets this criterion – the pension and other postemployment retirement benefits deferrals relate to contributions made to the corresponding plans in the 2022 fiscal year and changes in actuary calculations. Changes in actuarial assumptions are deferred and amortized over the remaining service life of all participants and investment experience amounts are deferred and amortized over a closed five-year period. Contributions reported as deferred outflows of resources will be amortized in the following year.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources (revenue) until then. The R-Board has two items that meet this criterion such as deferrals of pension expense and OPEB related to changes in actuary calculations. Changes in actuarial assumptions are deferred and amortized over the remaining service life of all participants and investment experience amounts are deferred and amortized over a closed five-year period. These are explained in more detail in a separate note to the financial statements.

Net Position: The financial statements utilize a net position presentation. Net position is presented in two components – net investment in capital assets and unrestricted.

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition, construction, or improvement of those assets including deferred outflows and inflows of resources related to total borrowings.

Unrestricted – This component consists of financial statement elements that do not meet the definition of net invested in capital assets.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Pensions: The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan, presented as a cost-sharing plan in the R-Board's financial statements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the R-Board's Retirement Plan and the additions to/deductions from the R-Board's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB: The Stafford County Retired Employees Health Insurance Plan (SCREHIP) is a single-employer defined benefit plan, presented as a cost-sharing plan in the R-Board's financial statements. It provides postemployment healthcare insurance benefits for retired employees.

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan, presented as a cost-sharing plan in the R-Board's financial statements. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers.

The Political Subdivision Health Insurance Credit Program (HIC) is a multiple-employer, agent defined benefit plan, presented as a cost-sharing plan in the R-Board's financial statements, that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The HIC was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended.

For purposes of measuring the net GLI and net HIC OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the GLI and HIC OPEB, and GLI and HIC OPEB expense, information about the fiduciary net position of the VRS GLI and HIC OPEB and the additions to/deductions from the VRS GLI and HIC OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Risk Management: The R-Board is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by a combination of commercial insurance purchased from independent third parties and participation in public entity risk pools. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering recent settlement trends including frequency and amount of pay-outs.

The R-Board participates in the County's Risk management plan. Additional details related to the risk management plans can be found in the County's Annual Comprehensive Financial Report which may be obtained by writing to Stafford County, Controller, PO Box 339, Stafford, Virginia 22554 or at the County website, <https://staffordcountyva.gov/ArchiveCenter/ViewFile/Item/3490>.

Note 2. Deposits and Investments

Deposits: Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and the excess is 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 insured or collateralized.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments: 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, bankers’ acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP) and the Commonwealth of Virginia State Non-Arbitrage Program (SNAP).

The following table shows the Board’s total deposits and investments at June 30, 2022:

	<u>Fair Value</u>
U.S. Agencies and Securities	\$ 5,456,080
Municipal Bonds	198,314
Corporate Notes and Bonds	614,780
Commercial Paper	762,009
Certificates of Deposit	1,919,818
Money Market Mutual Funds	<u>26,228</u>
Total Investments	8,977,229
Cash held by the Treasurer of Stafford County	6,709,976
Petty Cash	<u>800</u>
Total Deposits and Investments	<u>\$15,688,005</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

The Board has the following recurring reported value measurements as of June 30, 2022:

Investment Type	Valuation Method	Reported Value	Significant Other Observable Inputs (Level 2)
U.S. Agencies and Securities	Fair Value	\$ 5,456,080	\$ 5,456,080
Municipal Bonds	Fair Value	198,314	198,314
Corporate Notes and Bonds	Fair Value	614,780	614,780
Certificates of Deposit	Amortized Cost	1,919,818	-
Commercial Paper	Amortized Cost	762,009	-
Money Market Mutual Funds	Amortized Cost	26,228	-
Total		\$ 8,977,229	\$ 6,269,175

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt and equity securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

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, 2022 and the ratings are presented below using the Standard & Poor's rating scale.

Held in County's Name as Fiduciary	AAAm	A-1	AAA	AA
U.S. Agencies and Securities	\$ -	\$ -	\$ 5,254,254	\$ 201,827
Municipal Bonds	-	-	-	198,314
Corporate Notes and Bonds	-	-	102,780	512,001
Commercial Paper	-	762,009	-	-
Certificates of Deposit	-	1,919,818	-	-
Money Market Mutual Funds	26,228	-	-	-
Total	\$ 26,228	\$ 2,681,827	\$ 5,357,033	\$ 912,141

As of June 30, 2022, all investments were in compliance with the State Statutes administering investments of Public Funds. All investments are rated by Standard & Poor's and/or Moody's. Ratings must comply with the investment policy prior to any purchase.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

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 U.S. GAAP, if certain investments in any single issuer represent 5% of total investments, except U.S. government guaranteed obligations, there must be a disclosure for the amount and the issuer.

At June 30, 2022, the Board had no investments exceeding 5% of the total investments.

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 investment policy generally sets a 5-year maximum maturity from the date of purchase. Additionally, 25% of the liquid funds are required to be invested in over-night funds while the remaining 75% will 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. These guidelines are established to minimize investment risk in the portfolio.

Investment Type	Investment Maturities (In Years)			
	Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years
U.S. Agencies and Securities	\$ 5,456,080	\$ 1,040,143	\$ 4,403,299	\$ 12,638
Municipal Bonds	198,314	198,314	-	-
Corporate Notes and Bonds	614,780	105,158	509,623	-
Certificates of Deposit	1,919,818	1,919,818	-	-
Commercial Paper	762,009	762,009	-	-
Money Market Mutual Funds	26,228	26,228	-	-
Total	<u>\$ 8,977,229</u>	<u>\$ 4,051,669</u>	<u>\$ 4,912,921</u>	<u>\$ 12,638</u>

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 participate in the same benefits as all other County employees, which includes participation in the VRS the pension plan is presented as a cost-sharing plan in the R-Board's financial statements.

A. PLAN DESCRIPTION

Name of Plan: Virginia Retirement System
Identification of Plan: Agent Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System

All full-time, salaried permanent employees of the R-Board are automatically covered by VRS upon employment. The plan is administered by the VRS along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to the VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave and previously refunded service.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

VRS administers three different benefit structures for covered employees – Plan 1, Plan 2 and a Hybrid plan. Each of these benefits has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <i>Defined Benefit Component:</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <i>Defined Benefit Component:</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contributions Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <i>Defined Benefit Component:</i> See definition under Plan 1.</p> <p><i>Defined Contribution Component:</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier <i>Defined Benefit Component:</i> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivision hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <i>Defined Benefit Component:</i> VRS: Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p>Political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <i>Defined Benefit Component:</i> VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivision hazardous duty employees: Age 50 with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility <i>Defined Benefit Component:</i> VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI- U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <i>Defined Benefit Component:</i> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p><i>Defined Contribution Component:</i> Not applicable.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

B. Contributions

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The R-Board's contractually required contribution rate for the year ended June 30, 2022 was 10.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan by the R-Board were \$181,401 and \$166,561 for the years ended June 30, 2022 and 2021, respectively.

C. Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net position.

The R-Board's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

At June 30, 2022, the County, the George Washington Regional Commission (GWRC) and the R-Board reported a collective pension liability of \$14,405,945 for its proportionate share of the VRS net pension liability (collectively the County). This amount is comprised of \$13,897,630 for the County, \$156,998 for GWRC and \$351,317 for the R-Board. The County's proportion of the net pension liability was based on the County's actuarially determined employer contributions to the pension plan for the valuation date of June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022 the R-Board's portion was 2.44 % as compared to 2.40 % at June 30, 2021.

D. Actuarial Assumptions

The total pension liability for the VRS retirement plan was based on an actuarial valuation as of June 30, 2020, using the entry age normal actuarial cost method and the following assumptions, applied to all periods including in the measurement and rolled forward to the measurement date as of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

Mortality rates:

Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Mortality Rates (Pre-retirement, post retirement healthy, and disabled) – Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Retirement Rates – Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Withdrawal Rates – Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability Rates – No change
- Salary Scale – No change
- Line of Duty Disability – No change
- Discount Rate – No change

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

E. Long-Term Expected Rate of Return

The long-term expected rate of return on pension VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

As s e t Class (Strategy)	Long Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return *
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	*Expected arithmetic nominal return		<u>7.39%</u>

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

F. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability

G. Sensitivity of the R-Board’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the R-Board’s proportionate share of the net pension liability, using the discount rate of 6.75%, as well as what the R-Board’s net pension liability would be if they were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension liability	\$ 1,281,124	\$ 351,317	\$ (300,454)

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the R-Board recognized pension expense of \$103,886. At June 30, 2022, the R-Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$663,051
Changes in assumptions	249,822	
Difference between expected and actual experience	119,007	-
County contributions subsequent to the measurement date	181,401	-
Total	<u>\$550,230</u>	<u>\$663,051</u>

\$181,401 reported as deferred outflows of resources related to pensions resulting from R-Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Fiscal Year ended June 30:	<u>Amount</u>
2023	(8,701)
2024	(43,706)
2025	(52,778)
2026	(189,037)
2027	-
Thereafter	-
	<u>(294,222)</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

I. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

A copy of the separately issued financial statements for the County, which contain financial information and disclosures for the County's pension plan, may be obtained by writing to Stafford County, Controller, PO Box 339, Stafford, Virginia 22554 or from the County website, <https://staffordcountyva.gov/ArchiveCenter/ViewFile/Item/3490>.

Note 5. Other Postemployment Benefits

The employees of the R-Board participate in the same benefits as all County employees, which includes other postemployment benefits such as health care, group life insurance and health insurance credit program. The OPEB plans are presented as a cost-sharing plan in the R-Board's financial statements.

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 County provides postemployment healthcare insurance benefits for retired employees through a single-employer defined benefit plan. The employees receiving benefits under this plan include employees of Stafford County, employees of the R-Board and employees of the GWRC. Stafford County has an operating agreement to manage the R-Board landfill effectively giving the R-Board employees the same benefits as Stafford County employees. 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. The plan is managed by an OPEB Committee consisting of three members – the Treasurer, the Chief Financial Officer and a member of the Board of Supervisors.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

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. Contributions

The R-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 of \$1.50 for each year of service up to a maximum of \$45.00 per month. The HIC can be used to reduce 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. Post Medicare retirees 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.

D. Actuarial Methods and Assumptions

An actuarial valuation was performed as of January 1, 2021 and updated procedures were used to roll forward the total OPEB liability to the OPEB plan's measurement date of June 30, 2022.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

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

An experienced study has not been completed for the OPEB plan. The demographic assumptions used on this valuation are based on those used by the VRS. The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	<i>General employees:</i> 5.35% initially, decreasing to 3.50% over 20 year period, including inflation; depends on service <i>Sheriff/Fire:</i> 4.75% initially, decreasing to 3.50% over 20 year period, including inflation; depends on service
Investment rate of return	6.75%, including inflation
Discount rate	3.69% as of 6/30/2022
Bond rate	2.45% as of 6/30/2022
Healthcare cost trend rate	4.00%-5.20%

Mortality rates for general employees and healthy retirees were based on a Pub-2010 Healthy Table, sex distinct fully generational using Scale MP-2018, while Sheriff and Fire and Rescue employee rates were based on Pub-2010 Healthy Table, sex distinct, fully generational using Scale MP-2018. Mortality rates for disabled retirees were based on Pub-2010 Disabled Table, sex distinct fully generational using Scale MP-2018.

The municipal bond rated used as of June 30, 2021 is 2.45%. This rate is based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

E. Net OPEB Liability

At June 30, 2022, the R-Board reported a liability of \$2,817,547 for its proportionate share of the Net OPEB Liability. The actuary calculated total OPEB Liability was based on participant data collected as of January 1, 2021, using the entry age actuarial cost method with a measurement date of June 30, 2022. The R-Board proportion of the net OPEB Liability was based on a projection of the R-Board’s long-term share of contributions to the OPEB plan. At June 30, 2022 and June 30, 2021, the R-Board’s proportion was 1.99% and 2.10% respectively.

F. Sensitivity of the R-Board’s proportionate share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the R-Board’s proportionate share of the plan’s Net OPEB Liability and the effects of using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate of 3.69%.

	1% Decrease 3.69 % decreasing to 2.69%	Discount Rate 3.69%	1% Increase 3.69 % increasing to 4.69%
Net OPEB liability	\$ 3,495,449	\$ 2,817,547	\$ 2,294,892

G. Sensitivity of the R-Board’s proportionate share of the Net OPEB Liability to Changes in the Healthcare Cost Trends Rate

The following table presents the R-Board’s proportionate share of the plan’s Net OPEB Liability and the effects of using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the medical trend rate of 4.00%.

	1% Decrease 4.00 % decreasing to 3.00%	Medical Trend Rate 4.00%	1% Increase 4.00 % increasing to 5.00%
Net OPEB liability	\$ 2,197,687	\$ 2,817,547	\$ 3,662,811

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

H. OPEB Expense and Deferred Inflows and Outflows of Resources

For the year ended June 30, 2022, the R-Board recognized OPEB expense in the amount of \$62,912. At June 30, 2022, the R-Board reported deferred inflows and outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,484	\$ 663,505
Changes in assumptions	799,778	138,386
Net difference between projected and actual earnings on OPEB plan investments	-	28,368
County's contributions made after measurement date	-	-
	<u>\$ 801,262</u>	<u>\$ 830,259</u>

There were no contributions during FY22 as such \$0 reported as deferred outflows of resources resulting from the RBoard's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022.

Other amount reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in the OPEB expense in the future reporting periods as follows:

Fiscal Year ended June 30th	<u>Balance</u>
2023	\$ (15,385)
2024	(14,848)
2025	(14,128)
2026	27,634
2027	37,767
Thereafter	(50,037)
	<u>\$ (28,997)</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

Additional disclosures on changes in the Net OPEB Liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

I. OPEB Fiduciary Net Position

A copy of the separately issued financial statements for the County, which contain financial information and disclosures for the County's OPEB plan and detailed information about the OPEB plan's fiduciary net position, may be obtained by writing to Stafford County, Controller, PO Box 339, Stafford, Virginia 22554 or from the County website, <https://staffordcountyva.gov/ArchiveCenter/ViewFile/Item/3490>.

Virginia Retirement System Group Life Insurance OPEB (GLI)

J. Plan Description

All full-time, salaried permanent employees of the R-Board are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS, along with pensions and other OPEB, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board <p>Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest</p>
<p>Benefit Amounts The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none"> • Natural Death Benefit – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit – The accidental death benefit is double the natural death benefit. • Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p>Reduction in benefit Amounts The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$ 8,722 effective June 30, 2022.</p>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

K. Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the R-Board were \$13,791 and \$8,477 for the years ended June 30, 2022 and June 30, 2021, respectively.

L. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2022, the R-Board reported a liability of \$89,949 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the R-Board's proportion was 2.44 % as compared to 2.40 % at June 30, 2021.

For the year ended June 30, 2022, the R-Board recognized GLI OPEB expense of \$6,873. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

At June 30, 2022, the R-Board reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,264	\$ 686
Changes in assumptions	4,962	12,314
Net difference between projected and actual earnings on OPEB plan investments	-	21,480
Change in proportion	11,942	-
County's contributions made after measurement date	13,791	-
	<u>\$ 40,959</u>	<u>\$ 34,480</u>

\$13,791 reported as deferred outflows of resources related to the GLI OPEB resulting from the R-Board's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Fiscal Year ended June 30th	<u>Balance</u>
2023	\$ (1,247)
2024	(601)
2025	(927)
2026	(4,463)
2027	(73)
	<u>\$ (7,312)</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

M. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.5%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected Page 11 of 25 generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

N. Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the program’s total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	<u>2,413,074</u>
Employers’ Net GLI OPEB Liability	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The total GLI OPEB liability is calculated by the VRS’s actuary, and each plan’s fiduciary net position is reported in the VRS’s financial statements. The net GLI OPEB Liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

O. Long-Term Expected Rate of Return

The long-term expected rate of return on VRS’s investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

As s e t Class (Strategy)	Long Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return *
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.39%

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

P. Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Q. Sensitivity of the R-Board’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the R-Board’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease <u>6.75 % decreasing to 5.75%</u>	Discount Rate <u>6.75%</u>	1% Increase <u>6.75 % increasing to 7.75%</u>
R-Board's proportionate share of GLI Net OPEB liability	\$ 131,489	\$ 89,949	\$ 56,491

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

R. Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2021 Financial Report. A copy of the 2021 VRS Financial Report may be downloaded from the VRS website at <http://varetire.org/pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

VRS Political Subdivision Health Insurance Credit Program (HIC)

S. Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS HIC Program upon employment. This plan is administered by the VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The specific information about the Political Subdivision HIC Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC)
<p>Eligible Employees</p> <p>The Political Subdivision Retiree HIC Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees of participating are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p>Benefit Amounts</p> <p>The political subdivision’s Retiree HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• <u>At Retirement</u> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.• <u>Disability Retirement</u> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
<p>Health Insurance Credit Program Notes:</p> <ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount.• No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans.• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

T. Contributions

The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The R-Board’s contractually required employer contribution rate for the year ended June 30, 2022 was 0.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the R-Board to the Political Subdivision HIC Program were \$1,095 and \$995 for the years ended June 30, 2022 and June 30, 2021, respectively.

U. Net HIC OPEB liability

At June 30, 2022, the R-Board reported a liability of \$1,690 for its proportionate share of the Net HIC OPEB liability. The actuary calculated total HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. At June 30, 2022, the R-Board’s proportion was 2.44% as compared to 2.40% at June 30, 2021.

V. Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5 %
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75 %, net of investment expenses, including inflation*

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – Non-Largest 10 Locality Employers – General Employees

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

W. Long-Term Expected Rate of Return

The long-term expected rate of return on VRS’s investments was determined using a log- normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

As s e t Class (Strategy)	Long Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return *
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u><u>7.39%</u></u>

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

X. Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100 % of the actuarially contribution rate. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Y. Sensitivity of the RBoard’s Proportionate Share of the HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the R-Board’s proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the R-Board’s net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease <u>6.75 % decreasing to 5.75%</u>	Discount Rate <u>6.75%</u>	1% Increase <u>6.75 % increasing to 7.75%</u>
R-Board's proportionate share of Net HIC OPEB liability/(asset)	\$ 4,663	\$ 1,690	\$ (822)

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

Z. HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Program OPEB

For the year ended June 30, 2022, the R-Board recognized HIC Credit Program OPEB expense \$1,095 and reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 406	\$ -
Changes in assumptions	800	225
Net difference between projected and actual earnings on OPEB plan investments	-	2,529
County's contributions made after measurement date	1,095	-
	<u>\$ 2,301</u>	<u>\$ 2,754</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

\$1,095 reported as deferred outflows of resources related to the HIC OPEB resulting from the R-Board's contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Fiscal Year ended June 30th	<u>Balance</u>
2023	\$ (428)
2024	(421)
2025	(341)
2026	(553)
2027	120
Thereafter	76
	<u>\$ (1,548)</u>

AA. Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2021 Financial Report. A copy of the 2021 VRS Financial Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

AB. Reconciliation of OPEB Plans to Financial Statements

As there are three OPEB plans for the R-Board a summary is provided on the next page to reconcile the net OPEB liability, the deferred inflows and deferred outflows to the financial statements:

	Retiree Health	<u>Program</u>		Total
		Insurance	OPEB - GLI	
Net OPEB Liability	2,817,547	89,949	1,690	2,909,186
Deferred Outflows	801,262	40,937	2,301	844,500
Deferred Inflows	830,259	34,461	2,754	867,474
Expense	62,912	5,606	1,095	69,613

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets

A summary of capital assets as of and for the year ended June 30, 2022 is as follows:

	Balance <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 1,419,640	\$ -	\$ -	\$ 1,419,640
Total capital assets not being depreciated	<u>1,419,640</u>	<u>-</u>	<u>-</u>	<u>1,419,640</u>
Capital assets being depreciated:				
Land improvements	22,009,451	-	-	22,009,451
Building and building improvements	1,263,371	-	-	1,263,371
Furniture, fixtures and equipment	7,265,536	1,256,951	(448,404)	8,074,083
Technology infrastructure	536,085	-	-	536,085
Vehicles	<u>1,540,510</u>	<u>-</u>	<u>(109,362)</u>	<u>1,431,148</u>
Total capital assets being depreciated	<u>32,614,953</u>	<u>1,256,951</u>	<u>(557,766)</u>	<u>33,314,138</u>
Less accumulated depreciation for:				
Land improvements	(11,284,565)	(675,484)	-	(11,960,049)
Building and building improvements	(907,137)	(27,008)	-	(934,145)
Furniture, fixtures and equipment	(5,892,011)	(409,779)	448,404	(5,853,386)
Technology infrastructure	(536,084)	-	-	(536,084)
Vehicles	<u>(1,273,499)</u>	<u>(65,270)</u>	<u>109,362</u>	<u>(1,229,407)</u>
Total accumulated depreciation	<u>(19,893,296)</u>	<u>(1,177,541)</u>	<u>557,766</u>	<u>(20,513,071)</u>
Total capital assets being depreciated, net	<u>12,721,657</u>	<u>79,410</u>	<u>-</u>	<u>12,801,067</u>
Total capital assets	<u>\$ 14,141,297</u>	<u>\$ 79,410</u>	<u>\$ -</u>	<u>\$ 14,220,707</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-term Obligations

The following is a summary of long-term obligation transactions of the Board for the year ended June 30, 2022:

	Compensated Absences	Landfill Obligation	Equipment Finance Agreements	Net Pension Liability	OPEB Liability	Totals
Beginning balance, 6/30/21	\$309,660	\$7,263,759	\$ -	\$933,073	\$3,436,623	\$11,943,115
Additions	239,269	227,603	1,176,556	-	-	1,643,428
Reductions	(252,552)	-	(6,969)	(581,756)	(527,437)	(1,368,714)
Ending balance, 6/30/22	\$296,377	\$7,491,362	\$1,169,587	\$351,317	\$2,909,186	\$12,217,829
Due within one year	\$111,810	\$257,229	\$274,006	\$ -	\$ -	\$643,045

Note 8. Related Party Transactions

The R-Board has an ongoing operating agreement with the County to provide management, administrative and personnel services to the Board. Fees for these services were \$348,563 for the year ended June 30, 2022.

The R-Board is owed \$37,495 as of June 30, 2022 from the City for accounts receivable.

Note 9. Major Customers

The R-Board has five customers whose total charges were approximately \$5,080,189, or 54% of operating revenues, for the year ended June 30, 2022. Accounts receivable from the major customers for landfill usage at June 30, 2022 totaled \$635,055.

Note 10. Leases

The R-Board entered into a 43-month lease as Lessee for the use of Ground Space - Eskimo Hill. An initial lease liability was recorded in the amount of \$15,204. As of June 30, 2022, the value of the lease liability is \$10,293. The R-Board is required to make annual fixed payments of \$5,133. The lease has an interest rate of 0.8140%. The value of the right to use asset as of June 30, 2022 of \$15,204 with accumulated amortization of \$4,243 is included in the table found below. The R-Board has two extension options, each for 60 months.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 11. Summary Disclosure of Significant Commitments and Contingencies

During 2016, the County and the City issued debt in the amount of \$1,855,000 each, plus premium for total proceeds of \$4,175,214, which was remitted to the R-Board to fund the construction of Cell F2. During 2017, the County and the City made capital contributions in the amount of \$1,175,535 each, totaling \$2,351,070, which was remitted to the R-Board to assist in funding the closure costs for cells B, C and D. The R-Board is reimbursing the County and City for the capital contributions over 7 years which started in FY18. The R-Board has pledged to reimburse the County and City for the debt service payments each year for the remaining life of the debt. During fiscal year 2022, the R-Board reimbursed the County \$457,518 and the City \$457,518. As of June 30, 2022, the total remaining outstanding debt at the County and City was \$1,070,000 and total capital contributions owed by the R-Board to the County and City was \$1,070,000.

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 postclosure 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 \$7.5 million reported by the Board as landfill closure and postclosure liability at June 30, 2022 represents the cumulative amount reported to date based on the used portion of the total estimated capacity of the landfill, 82 % at June 30, 2022. The R-Board will recognize any remaining estimated costs of closure and postclosure as new phases are developed. These amounts are based on the estimated cost to perform all closure and postclosure care in FY2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill site currently has eight cells. Cells A, B, C, and D have reached 100% capacity and are closed. Cell E is at 91 %, Cell F1 is at 63%, Cell F2 is at 70% and Cell F3 is at 90%.

Note 13. Pending GASB Statements

In March 2020, GASB issued Statement No. 94, Public-private and Public-public Partnership Payment Availability Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The R-Board will implement Statement No. 94 in FY2023.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The standard defines a SBITA and provides guidance on how to record and disclose accounting transactions when a subscription meets that definition. Statement No. 96 will be effective for fiscal years beginning after June 15, 2022. The R-Board will implement Statement No. 96 in FY2023.

In October 2021, GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements, and accounting and financial reporting for financial guarantees. Certain provisions of this standard were implemented in tandem with related standards; others will be implemented as required in FY2023 or FY2024.

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The R-Board will implement Statement No. 100 in FY2024.

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The R-Board will implement Statement No. 101 in FY2025.

**RAPPAHANOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF R-BOARD'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY**

	As of June 30, 2022 *	As of June 30, 2021 *	As of June 30, 2020 *	As of June 30, 2019 *	As of June 30, 2018 *	As of June 30, 2017 *	As of June 30, 2016 *	As of June 30, 2015 *
R-Board's proportion of the net pension liability	2.18880%	2.40144%	2.52448%	2.17949%	2.37540%	2.33820%	2.30990%	2.34300%
R-Board's proportionate share of the net pension liability	\$ 351,317	\$ 933,073	\$ 745,394	\$ 423,993	\$ 485,038	\$ 726,978	\$ 583,829	\$ 776,870
R-Board's covered payroll	\$ 1,566,440	\$ 1,562,670	\$ 1,266,629	\$ 1,317,053	\$ 1,279,727	\$ 1,211,134	\$ 1,205,952	\$ 1,135,451
R-Board's proportionate share of the net pension liability as a percentage of its covered payroll	22.43%	59.71%	58.85%	32.19%	37.90%	60.02%	48.41%	68.42%
Plan fiduciary net position as a percentage of the total pension liability	94.59%	83.53%	87.82%	88.16%	89.27%	68.28%	70.68%	70.88%

Notes to Schedule:

*The amounts presented have a measurement date of the previous fiscal year end.

- (1) **Changes of benefit terms:** There have been no actuarially material changes to VRS benefit provisions since the prior actuarial valuation.
- (2) **Changes of assumptions:** The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Hazardous Duty:

Mortality Rates (Pre-Retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount rate	No change

- (3) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the R-Board will present information for those years which information is available.

**RAPPAHANOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS - VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30, 2022	Fiscal Year June 30, 2021	Fiscal Year June 30, 2020	Fiscal Year June 30, 2019	Fiscal Year June 30, 2018	Fiscal Year June 30, 2017	Fiscal Year June 30, 2016	Fiscal Year June 30, 2015
Contractually required contribution	\$ 181,401	\$ 166,561	\$ 155,303	\$ 116,539	\$ 112,188	\$ 107,480	\$ 129,862	\$ 123,989
Contributions in relation to the contractually required contribution	181,401	166,561	155,303	116,539	112,188	107,480	129,862	123,989
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,874,300	\$ 1,566,440	\$ 1,562,670	\$ 1,266,629	\$ 1,317,053	\$ 1,279,727	\$ 1,211,134	\$ 1,205,952
Contributions as a percentage of covered payroll	9.68%	10.63%	9.94%	9.20%	8.52%	8.40%	10.72%	10.28%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the R-Board will present information for those years which information is available.

**RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF R-BOARD'S PROPORTIONATE SHARE
OF NET OPEB LIABILITY - RETIREE HEALTH INSURANCE**

	As of June 30, 2022 *	As of June 30, 2021 *	As of June 30, 2020 *	As of June 30, 2019*	As of June 30, 2018*
R-Board's proportion of the net OPEB liability	1.99000%	2.10000%	2.10000%	2.44000%	2.44000%
R-Board's proportionate share of the net OPEB liability	\$ 2,817,547	\$ 3,310,994	\$ 2,676,191	\$ 2,581,414	\$ 2,445,734
R-Board's covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*
R-Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	9.29%	5.21%	6.19%	6.38%	5.79%

N/A* - The plan does not make contributions based on payroll; therefore, a Schedule of Contributions is not required and is not included.

Notes to Schedule:

*The amounts presented have a measurement date of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the R-Board will present information for those years for which information is available.

There was no change in benefit terms since the prior actuarial valuation. Changes to the actuary assumptions are as follows:

- a. Update to more current mortality tables of PUB-2010
- b. Inflation rate increased to 2.50%
- c. Discount rate and bond rate decreased to 2.45 %
- d. Update healthcare cost trend rates

**RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SCHEDULE OF R-BOARD'S PROPORTIONATE SHARE OF NET OPEB LIABILITY VRS GROUP LIFE INSURANCE PROGRAM

	As of 6/30/2022*	As of 6/30/2021*	As of 6/30/2020*	As of 6/30/2019*	As of 6/30/2018*
R-Board's Proportion of the Net GLI OPEB Liability	2.43869%	2.40000%	2.52000%	2.18000%	2.27000%
R-Board's Proportionate share of the Net GLI OPEB Liability	\$89,949	\$120,641	\$116,433	\$91,299	\$93,524
R-Board's Covered Payroll	1,566,440	1,562,670	1,266,629	1,190,751	1,146,411
R-Board's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.74%	7.72%	9.19%	7.67%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%

*The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only three years of data is available. However, additional years will be included as they become available.

**RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SCHEDULE OF CONTRIBUTIONS - VRS GROUP LIFE INSURANCE PROGRAM

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	R-Board's Covered Payroll	Contributions as of % of Covered Payroll
2022	\$ 13,791	\$ 13,791	\$ -	\$ 1,722,900	0.80%
2021	8,477	8,477	-	1,566,440	0.54%
2020	8,123	8,123	-	1,562,670	0.52%
2019	6,297	6,297	-	1,266,629	0.50%
2018	6,192	6,192	-	1,190,751	0.52%
2017	5,834	5,834	-	1,146,411	0.51%

This schedule is intended to show information for 10 years. Since 2017 was the first year for this presentation, only four years of data is available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information - GLI
For the Year Ended June 30, 2022**

Changes of benefit terms – There have been no actuarially material changes to VRS benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF R-BOARDS'S PROPORTIONATE SHARE OF VRS HIC NET OPEB LIABILITY

	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018
R-Board's proportion of the Net HIC OPEB liability	2.43853%	2.40011%	2.52000%	2.18000%	2.27000%
R-Board's Proportionate share of the Net HIC OPEB Liability	\$1,690	\$4,988	\$4,067	\$2,810	\$2,916
R-Board's Covered Payroll	857,373	780,425	703,959	684,084	658,796
R-Board's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll	0.20%	0.58%	0.52%	0.43%	0.44%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	93.66%	79.98%	83.76%	86.05%	85.68%

*The amounts presented have a measurement date of the previous fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the R-Board will present information for those years for which information is available.

**RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CONTRIBUTIONS - VRS HEALTH INSURANCE CREDIT PROGRAM**

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	R-Board's Covered Payroll	Contributions as of % of Covered Payroll
2022	\$ 1,095	\$ 1,095	\$ -	\$ 898,883	0.12%
2021	995	995	-	857,373	0.12%
2020	1,075	1,075	-	780,425	0.14%
2019	837	837	-	703,959	0.12%
2018	889	889	-	684,084	0.13%
2017	856	856	-	658,796	0.13%

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only four years of data is available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information - HIC
For the Year Ended June 30, 2022**

Changes of benefit terms – There have been no actuarially material changes to VRS benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



**INDEPENDENT AUDITOR’S 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**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Rappahannock Regional Solid Waste Management Board (R-Board), as of and for the year ended June 30, 2022, 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 February 6, 2023.

Report on 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 R-Board’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 over financial reporting 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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 R-Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
February 6, 2023



Rappahannock Regional Solid Waste Management Board

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RB23-06

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023:

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Baroody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO AUTHORIZE CARTER MACHINERY COMPANY, INC. TO PROVIDE REPAIR SERVICE AND PARTS FOR LANDFILL EQUIPMENT

WHEREAS, the Rappahannock Regional Solid Waste Management Board (R-Board) must comply with DEQ regulations requiring that equipment be maintained in top working condition; and

WHEREAS, the majority of the equipment operated by the R-Board is manufactured by Caterpillar; and

WHEREAS, Carter Machinery, Inc. of Salem, Virginia is the authorized dealer for providing repair service and parts for Caterpillar equipment in the area; and

WHEREAS, staff recommends the R-Board authorize the use of Carter Machinery Company, Inc. to provide repair service and parts for Caterpillar brand landfill equipment during FY2024 in a not-to-exceed amount of \$708,000; and

WHEREAS, funding in the amount of \$708,000 has been budgeted and appropriated in the adopted FY2024 budget for this purpose;



Rappahannock Regional Solid Waste Management Board

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NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Solid Waste Management Board on this the 18th day of May, 2023, that Carter Machinery Company, Inc. is authorized to provide parts and services on landfill equipment in FY2024 in the amount of Seven Hundred and Eight Thousand Dollars (\$708,000).

A Copy, teste:

RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD

Phil Hathcock, Director



Rappahannock Regional Solid Waste Management Board

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RB22-07

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023.

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Baroody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO AUTHORIZE A CONTRACT FOR ENGINEERING, QUALITY ASSURANCE, AND QUALITY CONTROL SERVICES

WHEREAS, the Rappahannock Regional Solid Waste Management Board (R-Board) issued Proposal #23-019-5502-SP, for Professional Services for Environmental Monitoring and Engineering Services; and

WHEREAS, TRC has proposed to provide environmental monitoring and engineering support services for FY2023 in an amount not to exceed \$450,000; and

WHEREAS, staff has reviewed this proposal and determined it is reasonable for the scope of services; and

WHEREAS, funding in the amount of \$450,000 will be available in the adopted FY2024 budget, beginning July 1, 2023, for this purpose;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 18th day of May, 2023 that the County Administrator be and he hereby is authorized to execute a professional services contract with TRC for a period of one (1) year, commencing July 1, 2023 to June 30, 2024, in an amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000), unless modified by a duly-executed contract amendment; and



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RB23-08

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023:

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Baroody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO AUTHORIZE EXPENSES FOR MANSFIELD ENERGY CORPORATION

WHEREAS, the Rappahannock Regional Solid Waste Management Board (R-Board) must operate equipment and vehicles as part of daily operations at the Landfill; and

WHEREAS, funding in the amount of \$605,000 has been budgeted and appropriated in the adopted FY2024 budget for this purpose;

NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Solid Waste Management Board on this the 23rd day of May, 2022, that the R-Board director is authorized to purchase fuel in the total amount of Six Hundred Five Thousand Dollars (\$605,000) for FY2024.

A Copy, teste:

RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD

Phil Hathcock, Director



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BE IT FURTHER RESOLVED that the R-Board will have the option to renew this contract for four (4) additional one-year terms.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phil Hathcock, Director



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RB23-09

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023:

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Baroody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO AUTHORIZE THE PURCHASE OF A CATERPILLAR 963B FOR LANDFILL OPERATIONS

WHEREAS, the Regional Landfill (Landfill) operates with the use of a Caterpillar 963B;
and

WHEREAS, this piece of equipment is currently well past the useful life, and is repeatedly subject to mechanical breakdown, forcing the rental of a backup piece of equipment until our unit can be repaired; and

WHEREAS, the R-Board must comply with DEQ regulations requiring that equipment be maintained in top working condition; and

WHEREAS, staff recommends purchasing or leasing a new 963B track loader; and

WHEREAS, Carter Caterpillar will sell this equipment for the price of \$434,861.07; and



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WHEREAS, funding in the amount of \$695,000 has been budgeted for this purpose in the FY2023 budget, beginning July 1, 2022;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 18th day of May, 2023, that the County Administrator, or his designee, is authorized to execute a contract with Carter Caterpillar in an amount not to exceed \$434,861.07 to purchase a Caterpillar 963B for landfill operations with FY2023 funds.

A Copy, teste:

RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD

Phil Hathcock, Director



Rappahannock Regional Solid Waste Management Board

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RB23-10

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Activities Room, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of May, 2023:

MEMBERS:

Jonathan A. Gerlach, Chairman
Monica L. Gary, Vice Chairman
Timothy J. Baroody
Meg Bohmke
Matthew J. Kelly
Randal E. Vosburg

VOTE:

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

A RESOLUTION TO AUTHORIZE THE PURCHASE OF A CATERPILLAR D6 DOZER FOR LANDFILL OPERATIONS

WHEREAS, the Regional Landfill (Landfill) operates with the use of a Caterpillar D6 Dozer; and

WHEREAS, the Caterpillar D6 Dozer is currently well past the useful life, and is repeatedly subject to mechanical breakdown, forcing the rental of a backup piece of equipment until our unit can be repaired; and

WHEREAS, the R-Board must comply with DEQ regulations requiring that equipment be maintained in top working condition; and

WHEREAS, staff recommends purchasing or leasing a new Caterpillar D6 Dozer for replacement of this critical equipment; and

WHEREAS, Carter Caterpillar will sell this equipment for the price of \$631,544; and



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WHEREAS, funding in the amount of \$695,000 has been budgeted for this purpose in the FY2024 budget, beginning July 1, 2023;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 18th day of May, 2023, that the County Administrator, or his designee, is authorized to execute a contract with Carter Caterpillar in an amount not to exceed \$631,544 to purchase a Caterpillar D6 Dozer for landfill operations with FY2024 funds.

A Copy, teste:

RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD

Phil Hathcock, Director