

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

MEETING AGENDA

**GEORGE L. GORDON, JR. GOVERNMENT CENTER
BOARD OF SUPERVISOR CHAMBERS
STAFFORD, VIRGINIA**

**MARCH 14, 2024
9:00 AM**

CALL TO ORDER / ROLL CALL

ELECTION OF OFFICERS

- A. APPROVE AGENDA FOR MARCH 14, 2024 MEETING (Tab 1)
APPROVE MINUTES OF NOVEMBER 16, 2023 MEETING**

**PRESENTATIONS BY PUBLIC
PRESENTATIONS BY R-BOARD MEMBERS**

- B. REPORT OF STAFF (Tab 2)**
- 1. Report of Landfill Superintendent (Rick Markwardt)**
 - 2. Report of Assistant Landfill Superintendent (Susan Carpenter)**
 - 3. Environmental Compliance Report (Tyler Schmidt)**
 - 4. Recycling Manager Report (Francesca Johnson)**
 - 5. Community Outreach Supervisor Report (Hope Mikelson)**
- C. REPORT ON FINANCES (Tab 3)**
- 1. Financial Summary; FY2024 (Phillip Hathcock)**
 - 2. Weight & Material Analysis; FY2024 (Phillip Hathcock)**
 - 3. FY2023 Financial Report**
- D. OLD BUSINESS (Tab 4)**
- 1. Annual Pass Senior Citizen Discount Discussion (Phillip Hathcock)**
- E. NEW BUSINESS (Tab 5)**
- 1. FY2025 Budget Presentation**
 - 2. Resolution in Support of a Solar Project**
 - a. RB24-02**
 - 3. Budget and Appropriate VRA Loan Funds**
 - a. RB24-03**
 - 4. Resolution Authorizing a Contract to Construct Cell G1/G3**
 - a. RB24-04**
 - 5. R-Board Meeting Date/Time Discussion**

CLOSED SESSION (if needed)

NEXT SCHEDULED MEETING

**May 16, 2024, Board of Supervisors Chambers, George L. Gordon, Jr. Government Center,
10:00 a.m.**

ADJOURNMENT

DRAFT MINUTES
RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOVEMBER 16, 2023
Board of Supervisors Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 10:04 a.m. on November 16, 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; Rick Markwardt, Landfill Superintendent; Susan Carpenter, Assistant Landfill Superintendent; Francesca Johnson, Recycling Manager; Hope Mikelson, Community Outreach Supervisor; Pamela Timmons, Clerk; and Phillip Hathcock, Director.

Mr. Kelly motioned, seconded by Ms. Bohmke to approve the agenda.

By roll call, the vote was:

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

Approval of the minutes of prior meeting: Ms. Bohmke motioned, seconded by Mr. Kelly, to approve the minutes from the August 17, 2023 meeting.

By roll call, the vote was:

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

Plastic Litter Awareness: Mr. Bryon Southall introduced Ms. Karen Brown to present the plastic litter awareness that is progressing within the region.

Ms. Bohmke reported that she has seen what a good job Ms. Brown is doing and would like to reach out to the schools on litter control and education.

Mr. Gerlach thanked Ms. Brown and agreed that microplastics are a problem.

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

Tim Rudy - Thanked staff and continues the wish that a consideration be given to senior citizens in the form of a small discount for annual passes.

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

Mr. Gerlach presented Mr. Kelly with a proclamation for the many years and hard work as a member of the R-Board.

Mr. Kelly thanked everyone. He was happy that the PPEA process was adopted, and also spoke to Marcy Parker (VDOT) regarding road improvements. Feels it is time to start talks regarding the building of a MRF facility. It will be a big step forward.

Ms. Bohmke agrees with Mr. Kelly and would like to move forward as a Board. She thanked him for his contributions over the years.

Ms. Gary also thanked Mr. Kelly for the work he has done as an R-Board member.

Mr. Gerlach asked Mr. Hathcock to continue looking into a PPEA.

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

F-Cells Operation & Status: Fill operations continue within the F-Cells without any issues at this time. On July 11, 2023, TRC conducted the semi-annual airspace survey of the active cells. Overall, an estimated 252,721 cubic yards of airspace was consumed between January 20, 2023, and July 11, 2023. Based on the elevations gathered during the airspace survey, the remaining capacity in the active cells is approximately 858,812 cubic yards, which is equivalent to 1.7 years of remaining life.

Cell G-1/G-3 Construction: Planning for Cell G-1/G-3 construction is currently ongoing. The R-Board is expecting to receive completed construction plans by January/February 2024 timeframe. Bidding for the project will begin shortly after, with the notice to proceed given by March/April 2024.

New Equipment FY24: The R-Board has received a quote from Carter Cat for a new D6 dozer, however, this order has not been placed at this time.

Mr. Markwardt reported that the D6 dozer is now on its way. Mr. Bohmke asked about the original time frame. He replied that it was originally scheduled for a January, 2024 order, but another landfill cancelled its order.

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

Staffing The R-Board is currently authorized for a total of 42 positions, of which 37 are fulltime and 5 are part-time, and at this time we are fully staffed. We have a new staff member to join our team, Nathan Peebles. Nathan has been hired as a Landfill Gate Attendant. Eddie Carico was hired as a Maintenance Worker II. Eddie has a background in the ground maintenance field. Also hired was Jason Bishop as a Landfill Heavy Equipment Mechanic. Jason has seven years of mechanic maintenance experience.

Training and Career Development Phil Hathcock and Susan Carpenter attended the Solid Waste Regulatory training through SWANA. We received 5 CEU credit hours towards our Waste Management Facility Operator's License. Susan Carpenter attended the Refresher Course for Sediment and Erosion, in which I received 6 credits toward my Erosion and Sediment Control Program Administrative License. Kim

McElroy and Mike Whitt attended the Waste Management Facility's Operator Class provided by Burrows Technical Writing Specialists.

Accolades The most important rule in providing excellent customer service is being friendly, always smiling, and being courteous. Bill Froelich a Landfill Gate Attendant was working the gate when Mr. Carey a resident of Stafford came in over the weekend. Bill was very helpful in directing Mr. Carey to the right containers and provided him with excellent customer service. The following week Bill had a visitor and to his amazement, it was Captain Steve Carey of the Stafford Sheriff's Office. Captain Carey recognized Bill with a public service coin for his excellent customer service. The coin reads, "For distinguished and dedicated service of excellence." Bill has been with the R-Board for four years.

Safety Safety meetings are essential to promote a safety culture and to ensure everyone's well-being in the workplace. Safety meetings also allow employees an opportunity to relay safety concerns or improvement ideas. The landfill staff are required by DEQ to hold a monthly safety meeting. The following are some of our safety topics: August – Using Fire Extinguishers September – PPE Hand Protection October – Dealing with Drug and Alcohol Abuse for Employee

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

VA DEQ Wetland Corrective Action Plan (Update): The R-Board awarded ECS Mid-Atlantic the contract for the Wetlands Annual Monitoring (Year 2). ECS conducted surveying of the wetlands on October 4, 2023. Based on the preliminary results, the wetlands meet the success criteria listed in the corrective action plan. The R-Board is expecting to receive the draft report during November.

VA DEQ Quarterly Solid Waste Inspection: On September 19, 2023, VA DEQ conducted its quarterly review of the R-Board landfill. The result of the inspection led to a deficiency letter based on one observation of exposed waste and insufficient cover. Corrective actions were immediately implemented and VA DEQ was notified formally on September 28, 2023.

Groundwater Monitoring & Reporting: Below is a list of the groundwater monitoring reports submitted to VA DEQ. No exceedances were detected in any of the reports:

Groundwater Monitoring Reports Contractor Report Submission Date TRC 2nd Semi-Annual Closed Landfill (2023) September 11, 2023 SCS 2nd QTR Active Landfill (2023) September 15, 2023 TRC 3rd QTR Active Landfill (2023) October 9, 2023 TRC Annual GWMR Closed Landfill (2023) October 13, 2023 Upcoming GWMR: 4th QTR Active Landfill (2023) TO: R-Board Members FROM: Francesca Johnson, Recycling Manager DATE: November 16, 2023 SUBJECT: Recycling Report Single-Stream Update The TFC contract was renewed for September 1, 2023, through August 31, 2024. The transportation costs remained the same at \$425 per load. Single-stream per ton recycling rates continue to remain stable.

Recycling Report: Ms. Johnson reported on the following:

Single-Stream Update The TFC contract was renewed for September 1, 2023, through August 31, 2024. The transportation costs remained the same at \$425 per load. Single-stream per ton recycling rates continue to remain stable.

Bicycle Restoration The R-Board has started a bicycle restoration program. The program is collecting gently used bicycles at the landfill. Stafford Crossing Community Church has agreed to be the community partner that will be responsible for refurbishing collected bicycles through repairs. The first set of bicycles will be distributed in Spring 2024. The R-Board will provide updates as more bicycles are received and restored.

Household Hazardous and Electronics Waste Collection Day The Household Hazardous Waste Collection was held on September 30, 2023. Over 700 vehicles from the City of Fredericksburg and Stafford County were in attendance. R-Board and MXI Environmental Services staff did an outstanding job at keeping the traffic moving to ensure residents did not experience long wait times. The R-Board received great feedback from residents about how smoothly the event went.

Ms. Bohmke asked about the latex drop-off. Ms. Johnson said that signage was ordered and it will be much easier for residents to locate.

Community Outreach Supervisor Ms. Mikelson reported on the following:

Educational Trailer:

- National Night Out – October 3, 2023 – (700 educational backpacks & 150 reusable store bags were distributed)
- Stafford Parks and Rec. Fall Family Fun Festival – October 7, 2023 – (175 educational backpacks & 75 reusable store bags were distributed).

Non-trailer Activities:

- Mini Compost -A- Thons:
 - o Hurkamp Park - October 14, 2023(34 Food Scrap Countertop Collectors given out, spoke with 75 adults and distributed 25 educational backpacks)
 - o Long Family Markets – October 15, 2023(27 Food Scrap Countertop Collectors given out, spoke with 60 adults and distributed 15 educational backpacks)
 - o Spring Mini Compost-A-Thons will be scheduled the first weekend the markets are open for the new season. They will be funded by the VA DEQ Competitive Grant which we were awarded \$15,000.

• **Backyard Composting 101 - Central Rappahannock Regional Library**

- o Howell Branch – August 12, 2023 (7 adults)
- o Fredericksburg Branch – September 12, 2023 (6 adults)
- o Fredericksburg Branch – October 6, 2023 (3 adults)
- o Last class of this year Howell Branch – November 14 ,2023 (30 interested)

Community Meetings and Outreach Connections:

- Contacted 22 HOA's and Communities offering clean up supplies, composting information, and litter prevention information.
- Met with Annamarie Bollino and E. Smith from Stafford County Schools October 31, 2023 to finalize Recycled Art Contest launch.

Upcoming Events:

- Recycled Art Contest launching in December with judging in March 2024, at Stafford County's Fine Arts Festival.

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 August 1, 2023 through October 31, 2023, there have been: • 41 active adult probationers currently in the program (Out of the 41 probationers, 12 have only completed training. There are 15 more due to come onboard.) o 524 non-paid hours o 534 bags of roadside litter collected o 149.2 miles of roads cleaned • 12 adult probationers completed the program o 469 non-paid hours o 573 bags of roadside litter collected o 161.5 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 August 1, 2023 through October 31, 2023: • 2 active assignees • 13 assignees completed the program o 75.25 non-paid hours o 75 bags of roadside litter collected o 25.5 miles of roads cleaned 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 August 1, 2023 through October 31, 2023 the following areas have been cleaned: v 8/14/23: Stafford Wayside collected 26 bags of litter v 8/20//23: Stafford Wayside collected 19 bags of litter v 8/21/23: Blue Gray Parkway collected 42 bags of litter v 10/16/23: Blue Gray Parkway collected 19 bags of litter v 10/17/23: Blue Gray Parkway collected 22 bags of litter v 10/23/23: Eskimo Hill Road collected 25 bags of litter.

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

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

- FY2024 revenue through October reflects a total of \$3,768,181, which is 38% of \$9,823,000 in budgeted revenue for FY2024, not including cash transfers for cell development. At the end of the reporting period, the R-Board held \$20,024,600.96 in cash and short-term investments.

- FY2024 expenses through October reflect \$2,600,370 expended (21.4%) of an approved budget of \$12,580,634.

- Permitted charge account collections reflect three out of seventy accounts that are over 60 days.

Annual Pass Senior Citizen Discount: Mr. Hathcock reported that research indicated that approximately 16% of residents are seniors. With a \$12 discount, it would result in an annual loss of approximately \$3,876.

Mr. Baroody asked if staff was aware of any other landfills that offer discounts to senior citizens, and Mr. Hathcock responded that he does not believe so. It would also add another layer to the application, since an age would be required to receive the discount.

Ms. Bohmke said that she is not opposed to the idea, but it could be a slippery slope. She would like to see additional data for the costs.

Ms. Gary believes that it is a good idea and would like to see staff continue to explore.

Mr. Kelly stated that a cost benefit analysis would be beneficial, as well as to identify the time and cost to staff.

Virginia Department of Environmental Quality Grant Acceptance Ms. Mikelson presented.

Ms. Bohmke motioned, seconded by Mr. Kelly to approve proposed Resolution RB23-12.

By roll call, the vote was:

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

Resolution RB23-12 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT GRANT FUNDING REGARDING THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY FY2024 COMPETITIVE LITTER PREVENTION AND RECYCLING GRANT

WHEREAS, according to the EPA, approximately 40% of residential waste is food waste; and

WHEREAS, the R-Board encourages backyard composting by providing educational classes and composting supplies to reduce food waste in the landfill; and

WHEREAS, the R-Board has been approved for the Virginia Department of Environmental Quality's competitive grant of \$15,000 for litter prevention and recycling program activities to support composting education and supplies for the period of July 1, 2024, to June 30, 2025; and

WHEREAS, the R-Board was awarded \$15,000 for the competitive grant;; and

WHEREAS, these funds will enable the continuation of the backyard composting education 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 16th day of November, 2023, that the R-Board be and it hereby does authorize the acceptance of the Virginia Department of Environmental Quality's FY2024 Competitive Litter Prevention and Recycling Grant, in the total amount of Fifteen Thousand Dollars (\$15,000).

Ms. Bohmke motioned, seconded by Mr. Kelly to approve proposed Resolution RB23-13.

By roll call, the vote was:

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

Resolution RB23-13 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT FY2024 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 \$60,315 for litter prevention and recycling program activities and the Extended Polystyrene (EPS) campaign for the period of July 1, 2023, to June 30, 2024; and

WHEREAS, the City of Fredericksburg was awarded \$13,887 for the non-competitive grant and EPS campaign; and

WHEREAS, Stafford County was awarded \$46,428 for the non-competitive grant and 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 16th day of November, 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 Sixty Thousand Three Hundred and Fifteen Dollars (\$60,315).

LSC Environmental Posi-Shell Purchase Mr. Hathcock reported the following:

The landfill is permitted to use Posi-Shell as an alternative daily cover to satisfy regulatory requirements. Posi-Shell is a patented blend of clay binders, reinforcing fibers, and polymers, that when mixed with water, produces a spray applied thin durable plaster which is applied to the working face daily as opposed

to covering with 6" of soil.

Through utilizing this product, the R-Board effectivity maximizes airspace efficiency by removing the use of bulky soils for daily cover. This expanded capacity furthers the life of each landfill cell and operational cost are reduced by limiting the amount of labor hours, gallons of fuel and equipment hours needed to provide daily cover to the MSW.

Procurement policy requires that a resolution authorizing the purchase of the material as the expected expenditure over the contract period exceeds \$200,000.

Mr. Kelly motioned, seconded by Ms. Gary to approve proposed Resolution RB23-14.

By roll call, the vote was:

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

Resolution RB23-14 reads as follows:

A RESOLUTION TO AUTHORIZE EXPENSES FOR LSC ENVIRONMENTAL PRODUCTS, LLC

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

WHEREAS, funding in the amount of \$135,000 has been budgeted and appropriated in the adopted FY2024 budget for the purchase of Posi-Shell alternative daily cover material;

NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Solid Waste Management Board on this the 16th day of November, 2023, that the R-Board director is authorized to purchase Posi-Shell in the total amount of One Hundred and Thirty-Five Thousand Dollars (\$135,000) for FY2024.

Adjournment: The meeting was adjourned at 10:56 a.m.

Future Session: A regular meeting will be held on February 15, 2024, at 10:00 a.m., in the Board Chambers.

Phillip Hathcock, Director

Pamela L. Timmons, Clerk

Item B: Report of Staff



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: March 14, 2024

RE: Report of the Landfill Superintendent

Cell F3 Operations

Cell F-3 continues to fill without any issues at this time. The Semi-Annual flyover event took place on 11 January, 2024. From the period of July 2023 to January of 2024 we filled about 198,228 cubic yards. We have an approximate 687,715 cubic yards of remaining capacity left in the active cells.





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CELL G1/G3 CONSTRUCTION

Bids were opened for the construction of Cell G1/G3 on February 28, 2024. Sargent was the low bidder out of 4 Companies.



Rappahannock Regional Solid Waste Management Board

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To: R-Board Members
From: Susan Carpenter, Assistant Landfill Superintendent
Date: March 14, 2024
Subject: Personnel Report

Staffing

The R-Board is currently authorized for 42 positions, of which 37 are full-time and 5 are part-time. We are currently hiring (2) Maintenance Workers positions and (1) PT Landfill Gate Attendant position.

We have two new staff members to join our team.

David Bishop has been hired as a Heavy Equipment Operator II and has 30 years of experience in site development and landfill management.

Walter Sanderson has been hired as a Maintenance Worker II and has 18 years of management experience.

Training and Career Development

I attended the SWANA Health and Safety Seminar in Henrico that was provided by TRC. It was a great opportunity to see a variety of speakers talk about relevant safety topics and solutions for our industry. Some of the topics that were discussed are Severe Injury and Fatality Prevention, Lock out/Tag out, and Workplace Violence and De-escalation Tactics.

Staff attended the Hazardous Waste Sorting and Safety Training provided by MXI. We learned that flammable combustible liquids are commonly used in the manufacturing process of household items such as paints, cosmetics, personal care products, cleaning products, and pharmaceuticals. These liquids can ignite easily and pose a significant risk of fires and explosions.



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Maintenance Workers, Jeff Gassaway and Walter Sanderson completed the flagger's course and are now certified Flaggers.

Safety

Safety meetings are an important part of our workplace. They provide a platform for the R-Board and the staff to discuss safety topics and ensure that everyone is aware of the safety protocols in place. Here are a few of our latest topics:

GHS Safety Data Sheets – (SDS) are documents that provide extensive information on chemical or mixtures, their suppliers, and the safe handling and use of them.

Caught In/In Between Hazards – Injuries result when a worker gets squeezed, caught, crushed, pinched, or compressed between two or more objects or parts of the object.

Accident Investigations – Focus on identifying and correcting root causes, not on finding fault or blame, also improve workplace morale and increase productivity, by demonstrating an employer's commitment to a safe and healthful workplace.



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Tyler Schmidt, Landfill Environmental Coordinator
DATE: March 14, 2024
SUBJECT: Environmental Compliance

VA DEQ Wetland's Consent Order (Update):

On January 24th, 2024, VA DEQ conducted a site visit of the impacted wetlands area in which the visit confirmed the results provided in the Year 2 monitoring report. On January 29th, the R-Board received the termination letter from VA DEQ for the 2021 Wetland's Consent Order.

VA DEQ Stormwater eDMRs:

On January 4th, 2024, R-Board submitted the 2nd Semi-Annual eDMR for 2023 with one effluent exceedance. On January 13th, the R-Board received a warning letter from VA DEQ regarding a time sampling permit condition within the R-Board's VPDES permit for the 1st Semi-Annual eDMR of 2023. The R-Board has formally responded to both and is in the process of implementing corrective actions.

VA DEQ Quarterly Solid Waste Inspection:

On December 20, 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 January 12th, 2024, TRC submitted the 4th QTR 2023 Active Landfill GWMR to VA DEQ with no verified exceedance reported. During the week of February 19th, TRC conducted the 1st QTR Active Landfill & 1st Semi-Annual Closed Landfill 2024 GWM events. The R-Board is currently waiting to receive and review the reports before submittal to VA DEQ.



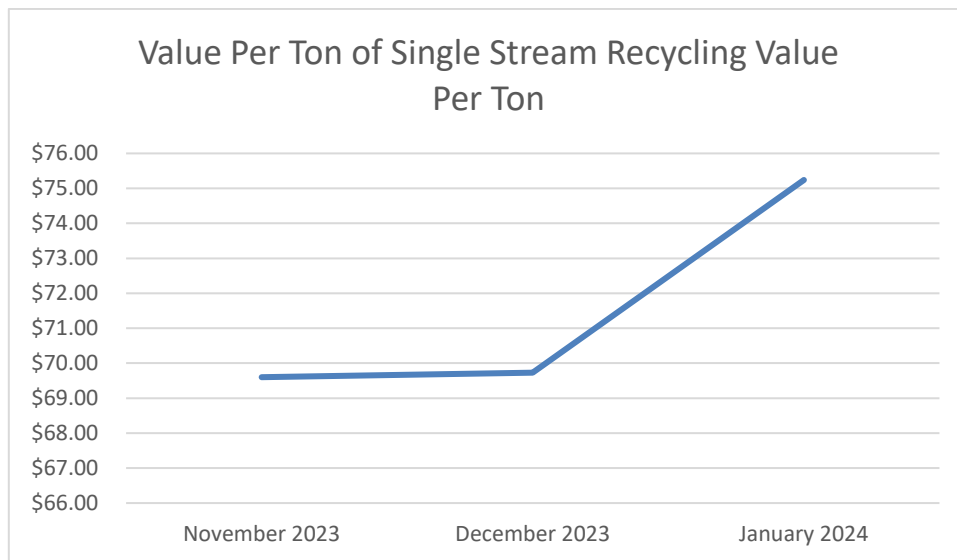
Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Francesca Johnson, Recycling Manager
DATE: March 14, 2024
SUBJECT: Recycling Report

Single-Stream Update

TFC performed the yearly recycling audit on February 22, 2024. This audit determines the percentages of materials in our single-stream mix that will be used to calculate invoices in the future. The material audit percentages remained similar to last year's results so our invoices will not see much change unless the values per ton change drastically. However, single-stream per ton recycling rates continue to remain stable. Overall, this is good news for the R-Board.



Department of Environmental Quality (DEQ) Mandated Recycling Rate

The Calendar Year 2022 recycling rate was approved at 32.5% by the Department of Environmental Quality (DEQ). The R-Board was required to meet or exceed a 25% mandated recycling rate based upon the requirements established in 9VAC20-130-125.

Staff are preparing for the 2023 recycling percentage report. The R-Board depends heavily on the commercial recycling audit to meet the mandated recycling rate. R-Board staff are working hard to ensure we meet the mandated recycling rate again this year. R-Board staff will report statistics regarding 2023 data versus 2022 data at the next R-Board meeting.



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Bicycle Restoration

The commitment of R-Board employees to implementing the bicycle restoration program has paid off. The program has been fully implemented and continues to see success. Since October 2023, the program has collected over 60 gently used bicycles at the landfill. The bicycle restoration group at Stafford Crossing Community Church has volunteered their time to refurbish these bicycles. Three bicycles were distributed to foster children for Christmas. The R-Board will provide updates as more bicycles are received and restored. The R-Board is thankful for Stafford Crossing Community Church. This program would not be possible without their dedication and support.

2023 Recycling Update

Overall, 2023 was an exciting year for recycling at the R-Board. Four new recycling programs were implemented at the R-Board including plastic bag recycling, rechargeable battery recycling, clothing and shoe recycling, and fruit and vegetable scrap collection. These programs encourage residents to recycle and divert waste from the landfill. These programs were all implemented at no cost to the R-Board.

Habitat for Humanity ReThink Days

Habitat for Humanity will hold Rethink Days on the first Saturday in April and May. They will be holding these days at the Belman Road Convenience Center. If Habitat for Humanity has a good turnout, they plan to hold more throughout the year. These days will allow residents to donate gently used appliances, flooring, building materials, tools, and furniture. This is a great opportunity to allow residents an alternative to landfilling items.



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Hope Mikelson, Community Outreach Supervisor
DATE: **March 14, 2024**
SUBJECT: Community Outreach

Non-trailer Activities:

- Pack 907 Atomic Black Bird Patrol Tour-December 3,2023 - 6 Adults, 8 Youth
- MLK – January 15,2024 James Monroe – 200 lbs. of litter cleaned up
- 3rd Annual Intern Expo- February 6,2024 - Spoke with 90 students from 14 schools
- Mom’s Field Trip March 1,2024 – 1 Mom & 3 Youth
- Backyard Composting 101 - Central Rappahannock Regional Library
 - Fredericksburg Branch – March 18,2024
 - Porter Branch – April 22, 2024
 - Howell Branch- May 20,2024

Community Meetings and Outreach Connections:

- Contacted **28 HOA’s** and Communities offering clean up supplies, composting information, and litter prevention educational information.
- Met with Hugh Mercer Faculty- March 4,2024 to discuss the pilot program for recycling at the school.

Upcoming Events:

- Get Rid of Litter 3-D Art Contest, March 23-24 2024, at Stafford County’s Fine Arts Festival at Brooke Point High School. (all Stafford Public Schools)
- 6 - Mini-Compost-A-Thons - 1 weekend each month in April, May and June. Saturdays at Hurkamp Park Fredericksburg and Sundays at Long Farms Market in Stafford.
- Rappahannock Earth Day– April 20, 2024 Old Mill Park
- Stafford Earth Day- April 22, 2024 Pratt Park
- Stafford D.A.R.E Day- May 21,2024 Pratt Park



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Joyce Brent, Community Service Coordinator
DATE: March 1, 2024
SUBJECT: Litter Collection

Litter Collection

The R-Board collaborates with the Rappahannock Regional Jail (RRJ) and District 21 to utilize the adult probationer community service requirement for roadside litter cleanup. The courts assign probationers a certain number of hours to be completed by a set date. Through this cooperation, from November 1, 2023 through February 29, 2024, there have been:

- 23 active adult probationers currently in the program (there are 14 probationers due to come onboard)
 - 278 non-paid hours
 - 341 bags of roadside litter collected
 - 67 miles of roads cleaned
- 20 adult probationers completed the program
 - 633.25 non-paid hours
 - 602 bags of roadside litter collected
 - 156.5 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, 2023 through February 29, 2024:

- 3 active assignees
- 19 assignees completed the program
 - 413.75 non-paid hours
 - 523 bags of roadside litter collected
 - 101 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 November 1, 2023 through February 29, 2024 the following areas have been cleaned:

- 12/21/23: Potomac Run Road collected 28 bags of litter
- 01/08/24: Leeland Road and Potomac Run Road collected 17 bags of litter
- 01/22/24: Kings Highway collected 26 bags of litter
- 01/23/24: Blue Gray Parkway collected 19 bags of litter
- 01/24/24: Kings Highway collected 15 bags of litter
- 01/29/24: Stafford Wayside (North Side) collected 14 bags of litter
- 02/03/24: Kings Highway collected 21 bags of litter
- 02/05/24: Stafford Wayside (South Side) collected 19 bags of litter
- 02/06/24: Kings Highway/Blue Gray Parkway collected 23 bags of litter
- 02/14/24: Warrenton Road collected 21 bags of litter

The following roads/streets have been cleaned from November 1, 2023 through February 29, 2024:

American Legion Road
Andrew Chapel Road
Austin Ridge Drive
Bells Hill Road
Berea Church Road
Bethel Church Road
Blue and Gray Parkway
Brennan Road
Brooke Road
Butler Road
Caisson Road
Centreport Parkway
Chapel Green Road
Chatham Heights
Coals Landing
Cool Springs Road
Courthouse Road
Deacon Road
Decatur Road
Dixon Street
Doc Stone Road
Dunbar Drive
Ebenezer Church Road
Emancipation Highway
Enon Road
Eskimo Hill Road
Express Drive
Fall Hill Avenue
Falls Run Drive
Forbes Street
Forest Lane Road
Garrisonville Road
Greenspring Drive
Harrell Road
Holly Corner Road
Hollywood Farm Road
Hulls Chapel Road
Joshua Road
Juggins Road
Kellogg Mill Road
Kings Highway
Lafayette Boulevard
Lakewood Drive
Layhill Road

Leeland Road
Little Forest Church Road
Manning Drive
McWhirt Loop
Mine Road
Mount Olive Road
Mountain View Road
Old Concord Road
Old Forge Drive
Onville Road
Plantation Drive
Poplar Road
Potomac Run Road
Ramothe Church Road
Richmond Highway
Ridgewood Drive
Rockhill Church Road
Rocky Stone Drive
Shackelford Well Road
Shelton Shop Road
South Gateway Drive
Staffordboro Boulevard
Stefaniga Road
Stony Hill Road
Sunflower Drive
Telegraph Road
Towne and Country Drive
Truslow Road
Twin Lakes Drive
Tyler Street
University Boulevard
Warrenton Road
Widewater Road
Winding Creek Road
Wyche Road

Fredericksburg Area:

Carl D. Silver Parkway

Caroline Street

Central Park

Cowan Boulevard

Dixon Street

Emancipation Highway

Fall Hill Avenue

Gordon Shelton Boulevard

Lafayette Boulevard

Mary Washington Boulevard

Mayfield area

Plank Road

Princess Anne Street

Roffman Road

Wicklows Drive

Item C: Report of Finances



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: March 14, 2024
RE: Financial Report

Financial Status- July through January, FY 2024

R-Board finances are in good standing through January as outlined below:

- FY2024 revenue through January reflects a total of \$6,653,642, which is 67% of \$9,823,000 in budgeted revenue for FY2024, not including cash transfers for cell development. At the end of the reporting period, the R-Board held \$20,127,263 in cash and short-term investments.
- FY2024 expenses through February reflect \$6,311,645 expended (52%) of an approved budget of \$12,580,634.
- Permitted charge account collections reflect two out of seventy accounts that are over 60 days past due.

FY2024	R-Board		Expenses		Remaining Balance	% spent	YTD Actual July	YTD Actual Aug	YTD Actual Sept	YTD Actual Oct	YTD Actual Nov	YTD Actual Dec	YTD Actual Jan	YTD Actual Feb	Total Actuals
	FY2024 Budget	FY2024 Adj/Budget	Actual Spent to Date	Balance											
10-01	Salaries-Regular	2,199,974	2,199,974	1,389,719	810,255	63.2%	42,724	157,511	287,933	157,110	248,062	156,914	159,254	180,211	1,389,719
10-02	Salaries-Overtime	150,000	150,000	80,479	69,521	53.7%	1,747	5,060	6,870	10,122	27,375	10,027	14,608	4,670	80,479
10-03	Salaries-Part Time	142,515	142,515	66,317	76,198	46.5%	2,892	7,217	10,353	7,503	13,683	9,022	8,615	7,032	66,317
21-01	Social Security/Medicare	179,661	179,661	114,877	64,784	63.9%	3,537	12,682	22,910	13,031	21,635	13,225	13,585	14,272	114,877
22-10	VRS	288,637	288,637	166,724	121,913	57.8%	10,103	20,677	30,802	20,228	31,327	10,570	19,688	23,329	166,724
22-11	ICMA Hybrid Employer	12,577	25,577	17,715	7,862	69.3%	1,068	2,176	3,323	2,216	3,404	1,145	2,044	2,339	17,715
23-01	Anthem	375,125	375,125	223,595	151,530	59.6%	16,001	26,401	40,186	27,006	41,387	16,785	25,828	30,001	223,595
23-03	Opt-Out	15,000	15,000	3,600	11,400	24.0%	225	450	675	450	675	225	450	450	3,600
24-01	Life Insurance	27,000	27,000	18,709	8,291	69.3%	1,133	2,318	3,462	2,276	3,523	1,189	2,204	2,604	18,709
25-01	Unemployment	10,000	10,000	0	10,000	0.0%	0	0	0	0	0	0	0	0	0
25-21	Hybrid Disability Program	7,546	7,546	4,817	2,729	63.8%	273	567	881	587	923	313	559	714	4,817
27-20	Workers Compensation	85,000	85,000	42,272	42,728	49.7%	1,356	4,886	8,906	4,923	8,091	4,952	4,358	4,800	42,272
28-05	Chg Post-Retirement Benefit	130,000	130,000	0	130,000	0.0%	0	0	0	0	0	0	0	0	0
28-09	License/Certifications	12,000	12,000	3,349	8,651	27.9%	0	1,232	1,083	1,083	255	769	0	10	3,349
28-20	Education/Tuition Assist	1,500	1,500	248	1,252	16.5%	0	0	0	0	50	29	169	0	248
30-15	Fees for Services	25,000	25,000	16,221	8,779	64.9%	1,760	1,976	1,884	1,884	5,855	0	4,666	80	16,221
31-08	Physical Exams	500	500	273	227	54.6%	0	0	0	0	0	0	273	0	273
31-20	Audit Fee's	14,000	14,000	7,704	6,296	55.0%	0	0	704	0	0	0	7,000	0	7,704
31-30	Management Services	180,000	192,039	34,439	157,600	17.9%	0	7,184	157	16,515	603	1,363	211	8,406	34,439
31-43	Building & site	0	50,715	50,713	2	100.0%	0	0	0	0	0	0	0	0	50,713
31-44	Environmental Monito	270,000	305,820	165,496	140,324	54.1%	0	10,859	11,960	58,674	19,891	24,744	20,249	19,119	165,496
31-50	Legal Services	27,300	27,300	18,200	9,100	66.7%	2,275	10,626	13,766	2,275	2,275	2,275	4,550	2,275	18,200
31-52	Filing Fees	55,000	55,000	42,520	12,480	77.3%	0	7,125	35,395	0	0	0	0	0	42,520
31-54	Permits & Inspections	200	200	0	200	0.0%	0	0	0	0	0	0	0	0	0
31-63	Cleaning Services	5,000	5,000	2,561	2,439	51.2%	0	420	420	440	420	0	441	420	2,561
31-64	Single Stream Process	175,000	175,000	77,675	97,325	44.4%	0	10,626	13,766	11,899	9,680	10,033	10,106	11,565	77,675
31-67	Household Hazardous Wst	100,000	100,000	56,402	43,598	56.4%	0	3,336	0	89	49,687	0	3,290	0	56,402
31-68	Tire Disposal	25,000	25,000	0	25,000	0.0%	0	0	0	0	0	0	0	0	0
33-09	Facilities-Buildings	10,000	10,000	0	10,000	0.0%	0	0	0	0	0	0	0	0	0
33-10	Repairs & Maintenance	611,000	529,582	214,464	315,118	40.5%	9,197	8,510	29,454	13,757	85,330	5,713	18,515	43,988	214,464
33-20	Contracts	50,000	62,200	34,151	28,049	54.9%	709	2,526	3,029	2,226	9,165	9,499	4,532	2,465	34,151
34-05	Transportation	2,000	5,000	294	4,706	5.9%	0	151	0	0	0	20	0	123	294
35-01	Printing & Binding	6,000	6,000	2,058	3,942	34.3%	0	0	155	559	662	543	139	0	2,058
36-11	Public Notification	500	500	0	500	0.0%	0	0	0	0	0	0	0	0	0
39-10	Litter Control	68,000	143,315	20,903	122,412	14.6%	0	264	1,464	5,020	3,604	113	9,118	1,320	20,903

	FY2024 Budget	FY2024 Adj//Budget	Actual Spent to Date	Remaining Balance	% spent	YTD Actual July	YTD Actual Aug	YTD Actual Sept	YTD Actual Oct	YTD Actual Nov	YTD Actual Dec	YTD Actual Jan	YTD Actual Feb	Total Actuals
40-07 Admin Charge-Fiscal Agnt	369,225	369,225	276,919	92,306	75.0%	0	92,306	0	0	0	0	184,613	0	276,919
51-10 Electrical	27,000	34,181	19,386	14,795	56.7%	2,673	2,973	3,146	2,156	332	2,450	4,856	800	19,386
51-30 Water & Sewer	10,000	10,000	11,201	-1,201	112.0%	0	1,087	1,516	1,075	949	3,515	25	3,034	11,201
52-10 Postage	2,000	2,000	746	1,254	37.3%	3	0	14	198	0	0	531	0	746
52-30 Phone	16,500	16,528	7,316	9,212	44.3%	919	968	875	920	972	901	959	802	7,316
52-31 Mobile Phones	15,000	15,000	8,107	6,893	54.0%	0	0	1,339	1,330	1,362	1,347	2,729	0	8,107
52-38 VOIP Equip Billing	6,500	6,500	1,278	5,222	19.7%	157	163	158	158	157	160	163	162	1,278
53-04 Property	45,000	45,000	18,600	26,400	41.3%	16,873	0	0	0	1,727	0	0	0	18,600
53-05 Motor Vehicle	27,500	27,500	7,153	20,347	26.0%	0	0	0	0	7,153	0	0	0	7,153
54-10 Equipment	200,000	200,000	30,497	169,503	15.2%	0	335	335	335	503	335	26,370	2,284	30,497
54-20 Building or Office	5,000	5,000	0	5,000	0.0%	0	0	0	0	0	0	0	0	0
55-10 Mileage/Parking/Tolls	1,200	1,200	64	1,136	5.3%	0	0	0	0	0	0	0	64	64
55-40 Seminars & Conferences	5,000	5,000	800	4,200	16.0%	0	0	0	0	0	0	800	0	800
55-41 Meeting Expenses	2,000	2,000	88	1,912	4.4%	0	0	0	88	0	0	0	0	88
58-01 Dues & Membership	1,500	1,500	539	961	35.9%	0	0	249	290	0	0	0	0	539
60-01 Office	8,500	8,500	3,418	5,082	40.2%	0	392	674	176	198	673	1,305	0	3,418
60-02 Food & water	2,000	4,000	2,216	1,784	55.4%	0	67	421	388	438	238	664	0	2,216
60-03 Agricultural-Lawn Care	145,000	115,000	36,797	78,203	32.0%	0	0	36,797	0	0	0	0	0	36,797
60-05 Custodial-Janitorial	12,000	12,000	758	11,242	6.3%	0	0	432	432	163	0	163	0	758
60-07 Repairs & Maintenance	720,000	674,027	303,867	370,160	45.1%	25,319	28,808	32,889	25,646	27,095	52,125	66,802	45,183	303,867
60-08 Vehicle Fuels	605,000	641,384	254,393	386,991	39.7%	17,775	20,074	34,574	26,296	37,398	29,333	54,783	34,160	254,393
60-11 Uniform & Wea Apparel	36,000	36,000	16,231	19,769	45.1%	1,061	1,216	1,841	977	1,274	6,215	2,663	984	16,231
60-12 Books/Subscripns/Sf Media	2,000	2,000	1,283	717	64.2%	0	0	1,145	0	0	0	138	0	1,283
60-14 Operating	6,000	6,000	105	5,895	1.8%	0	0	0	105	0	0	0	0	105
60-17 Computer-Software	7,000	14,600	9,470	5,130	64.9%	0	500	3,207	650	298	295	0	4,520	9,470
60-19 Personnel Safety Equip	20,000	20,076	3,699	16,377	18.4%	0	246	138	0	246	1,146	1,923	0	3,699
60-20 Vehicle Parts & Tires	55,250	55,250	20,735	34,515	37.5%	0	1,279	7,168	2,592	1,888	955	2,992	3,861	20,735
60-21 Tool under \$500.00	3,000	3,000	1,459	1,541	48.6%	0	0	493	0	170	551	245	0	1,459
60-31 Machinery & Equipment	31,000	41,000	8,195	32,805	20.0%	0	0	439	1,156	0	0	6,600	0	8,195
60-32 Furniture & Fixtures	2,000	2,000	194	1,806	9.7%	0	0	0	0	0	0	194	0	194
60-33 Communications Equip	500	500	134	366	26.8%	0	35	27	0	0	0	72	0	134
60-34 Computer Equipment	5,500	15,162	8,975	6,187	59.2%	0	8,706	45	45	44	45	45	45	8,975
60-47 Site Improvements	65,000	66,926	28,871	38,055	43.1%	0	1,925	571	5,506	0	2,810	6,402	11,657	28,871
81-01 Machinery & Equipment	695,000	690,000	669,148	20,852	97.0%	0	0	0	0	0	669,148	0	0	669,148
81-21 Computer Software Prgrms	0	35,200	33,137	2,063	94.1%	0	0	0	0	4,497	5,972	21,193	1,475	33,137
82-01 Machinery & Equipment	50,000	470,035	420,035	50,000	89.4%	0	420,035	0	0	0	0	0	0	420,035
82-11 Improvements to Site	2,000,000	1,949,285	150,426	1,798,859	7.7%	0	0	26,768	25,654	56,288	33,885	7,658	173	150,426

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2	Weight and Material Analysis Report FY2024					
3						
4		January 2024	January 2023	FY2024 Y-T-D	FY2023 Y-T-D	Difference
5	CATEGORY	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>	<u>%</u>
6	Billable					
7	MSW	11,658	9,889	76,315	73,027	5%
8	Debris Waste	8,340	6,065	57,355	52,579	9%
9	Dirt	398	288	2,966	474	526%
10	Sludge (city)	406	422	2,799	2,834	-1%
11	Sludge (county)	1,234	1,245	6,563	6,590	0%
12	Yard waste	274	82	1,206	1,012	19%
13						
14	BILLABLE TONNAGE	22,310	17,992	147,205	136,517	8%
15						
16	Non-Billable					
17	Litter/Cleanups	121	11	193	36	441%
18						
19	Recycling	490	240	4,401	3,379	30%
20						
21	TOTAL TONNAGE	22,921	18,244	151,799	139,932	8%

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

FINANCIAL STATEMENTS



Year Ended
June 30, 2023

Serving
Stafford County and
City of Fredericksburg, Virginia

Board of Directors

Jonathan A. Gerlach, Chairman

Monica Gary, Vice-Chairman

Meg Bohmke

Matthew J. Kelly

Tim Baroody

Randal E. Vosburg

Administration

Phillip W. Hathcock, Director

Ricky L. Markwardt, Superintendent

Alan R. (Randy) Helwig, Controller

Mary Ann Coulombe, Accounting Technician

Francesca Johnson, Recycling Coordinator

Pam Timmons, Administrative Specialist

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February 19, 2024

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, 2023 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 2023, 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 FY21 and FY22 went back to pre-pandemic levels during FY23 with the composition of commercial waste to residential being higher in volume during FY23.

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.

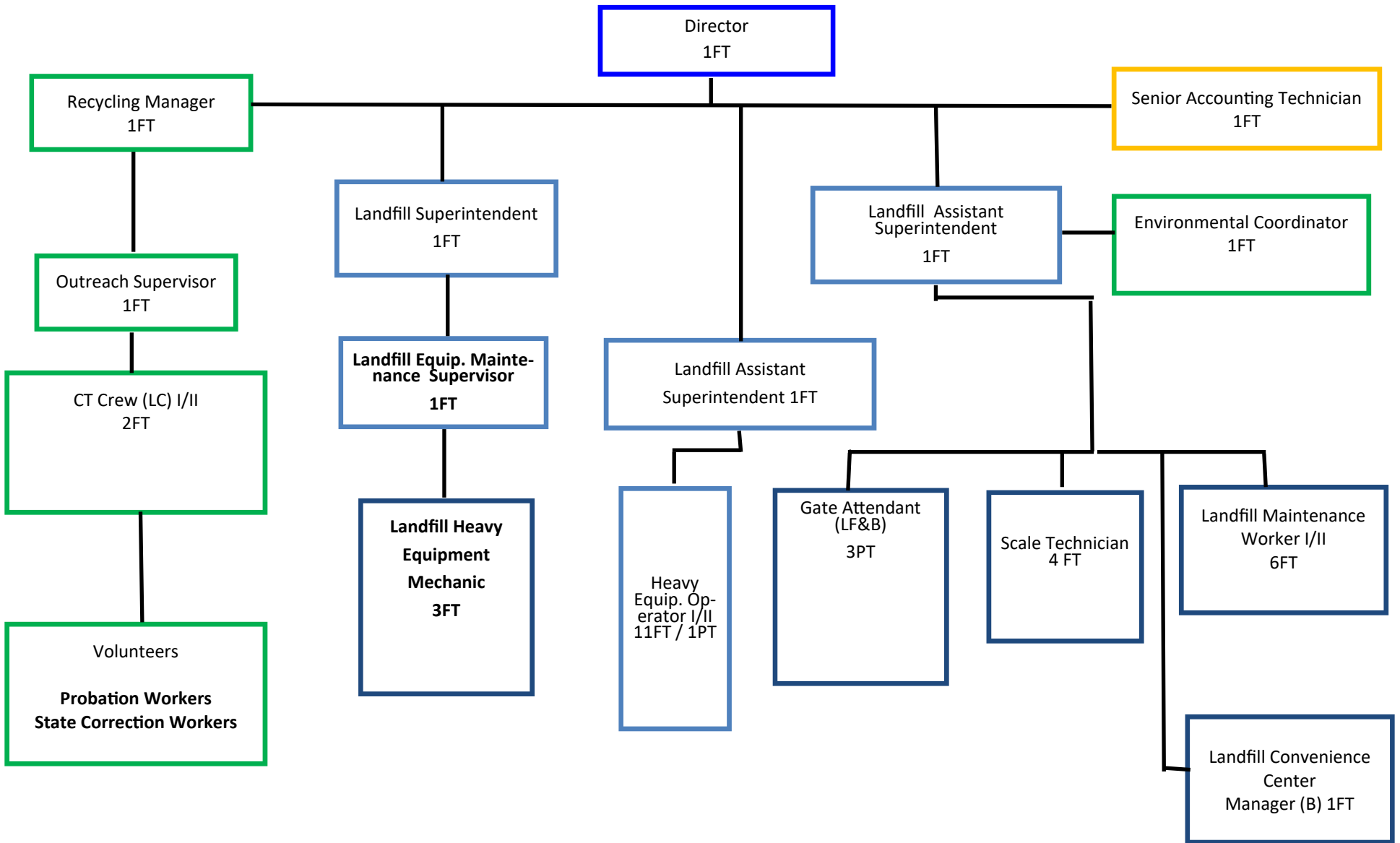
Acknowledgements

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, 2023, 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, 2023, 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 (*Government Auditing Standards*); 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.

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 62-72, 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 GAAS, 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.

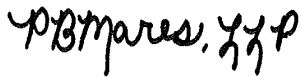
Other Information

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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 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.



Harrisonburg, Virginia
February 19, 2024

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, 2023. 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 \$2.7 million primarily due to an increase in cash driven by increase in revenue and interest income. Revenues were up \$0.8 million year on year and expenses were up \$1.8 million. Accounts receivable and capital assets combined were about the same.
- * Long term liabilities increased \$1.0 million mainly from an increase in closure-post closure liability.
- * Net position increased approximately \$1.2 million, resulting in an unrestricted surplus balance of \$6.8 million, due to current year operating income of \$ 1.6 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 \$19.1 million at the close of fiscal year 2023.

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 \$6.8 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,

	2023	2022
Current assets	\$ 19,784,127	\$ 11,656,039
Noncurrent assets	13,706,303	19,146,266
Total assets	<u>33,490,430</u>	<u>30,802,305</u>
Total deferred outflows of resources	<u>1,175,023</u>	<u>1,394,729</u>
Current liabilities	1,192,201	1,136,867
Noncurrent liabilities	12,584,263	11,580,028
Total liabilities	<u>13,776,464</u>	<u>12,716,895</u>
Total deferred inflows of resources	<u>1,739,259</u>	<u>1,530,523</u>
Net position:		
Investment in capital assets	12,391,559	13,051,788
Unrestricted	6,758,171	4,897,828
Total net position	<u>\$ 19,149,730</u>	<u>\$ 17,949,616</u>

The increase in net position of \$1.2 million is attributed to these factors:

- * Results of FY23 operating income at \$1.6 million.
- * FY23 interest and investment income of \$0.5 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 2022 and 2023.

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

	2023	2022
Revenues:		
Operating revenues:		
Charges for services	\$ 10,065,567	\$ 9,314,528
Miscellaneous	<u>42,444</u>	<u>18,676</u>
Total operating revenues	<u>10,108,011</u>	<u>9,333,204</u>
Nonoperating revenues:		
Interest on investments	460,020	(206,171)
Grants	56,128	38,471
Loss on sale of assets	<u>(619)</u>	<u>26,741</u>
Total nonoperating revenues	<u>515,529</u>	<u>(140,959)</u>
Expenses:		
Operating expenses:		
Landfill operations	<u>8,491,863</u>	<u>6,618,301</u>
Nonoperating expenses:		
Recycling program	67,161	43,846
Return of contributions	<u>864,402</u>	<u>981,393</u>
Total nonoperating expenses	<u>931,563</u>	<u>1,025,239</u>
Change in net position	1,200,114	1,548,705
Net position, beginning	<u>17,949,616</u>	<u>16,400,911</u>
Net position, ending	<u>\$ 19,149,730</u>	<u>\$ 17,949,616</u>

- * Total operating revenues increased by \$0.8 million over the previous fiscal year.
- * Interest income on investments after netting with interest expense increased by \$0.7 million from fiscal year 2022 due to market changes.
- * Overall, operating expenses increased \$1.9 million compared to amounts reported for fiscal year 2022, mainly due to an increase in personnel expenses coupled with an increase in closure-post closure estimate.
- * Nonoperating expenses decreased by \$0.1 million due to return to regular contribution repayments to the County and City.

The R-Board’s investment in capital assets as of June 30, 2023 was \$12.4 million (net of accumulated depreciation, amortization and debt related to capital assets). This includes land, land improvements, construction in progress, buildings and building improvements, furniture, fixtures and equipment, technology infrastructure, and vehicles. The following table summarizes the change in capital assets for fiscal year 2023.

**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, 2022	Additions/ Deletions, net	Balance June 30, 2023
Capital assets not being depreciated:			
Construction in progress	\$ -	\$ 69,392	\$ 69,392
Land	1,419,640	-	1,419,640
Capital assets not being depreciated	<u>1,419,640</u>	<u>69,392</u>	<u>1,489,032</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	8,074,083	315,534	8,389,617
Technology infrastructure	536,085	-	536,085
Vehicles	1,431,148	32,715	1,463,863
Accumulated depreciation	<u>(20,513,071)</u>	<u>(932,045)</u>	<u>(21,445,116)</u>
Total	<u>\$ 14,220,707</u>	<u>\$ (514,404)</u>	<u>\$ 13,706,303</u>

LONG-TERM OBLIGATIONS

The R-Board has a \$8.9 million obligation to close the landfill site and perform postclosure monitoring. During FY23 the R-Board also entered into 1 finance lease 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, 10 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 Director of Finance, 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, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 9,711,145
Investments	9,169,767
Accounts receivable, net	895,497
Lease assets, net	6,718
Other assets	1,000
Total current assets	<u>19,784,127</u>

Noncurrent assets:

Capital assets:

Land	1,419,640
Land improvements and cell construction	22,009,451
Construction in progress	69,392
Buildings and building improvements	1,263,371
Furniture, fixtures and equipment	8,389,617
Technology infrastructure	536,085
Vehicles	1,463,863
Less accumulated depreciation	<u>(21,445,116)</u>
Total noncurrent assets	<u>13,706,303</u>
Total assets	<u>33,490,430</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	450,640
Deferred outflows related to OPEB	724,383
Total deferred outflows of resources	<u>1,175,023</u>

LIABILITIES

Current liabilities:

Accounts payable	177,103
Accrued salaries and benefits	79,297
Insurance claims incurred but not reported	22,403
Deposits held in escrow	92,935
Compensated absences	106,820
Landfill closure/postclosure liability	292,332
Current portion of lease liabilities	5,244
Current portion of long-term debt	416,067
Total current liabilities	<u>1,192,201</u>

Noncurrent liabilities:

Non-current portion of long-term debt	900,151
Compensated absences	195,115
Landfill closure/postclosure liability	8,630,331
Net OPEB liability	2,161,501
Net pension liability	697,165
Total noncurrent liabilities	<u>12,584,263</u>
Total liabilities	<u>13,776,464</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	192,339
Deferred inflows related to OPEB	1,546,920
Total deferred inflows of resources	<u>1,739,259</u>

NET POSITION

Net investment in capital assets	12,391,559
Unrestricted	6,758,171
Total net position	<u>\$ 19,149,730</u>

The accompanying notes are an integral part of these financial statements

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

OPERATING REVENUES:

Charges for services	\$ 10,065,567
Miscellaneous	42,444
Total operating revenues	<u>10,108,011</u>

OPERATING EXPENSES:

Personal services	3,154,639
Contractual services	1,219,083
Materials and supplies	1,318,279
Utilities	72,388
Capital outlay	13,581
Depreciation	1,213,264
Amortization	4,243
Bad debt	32,108
Landfill closure/postclosure	1,431,301
Miscellaneous	32,977
Total operating expenses	<u>8,491,863</u>

Operating income 1,616,148

NON-OPERATING REVENUES (EXPENSES):

Interest on investments	532,371
Interest expense	(72,351)
Grants	56,128
Loss on sale of assets	(619)
Recycling program	(67,161)
Total non-operating revenues, net	<u>448,368</u>

Income before capital contributions 2,064,516

Return of contributions to County and City (864,402)

Change in net position 1,200,114

Net position, beginning	<u>17,949,616</u>
Net position, ending	<u><u>\$ 19,149,730</u></u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

Cash flows from operating activities:

Receipts from customers	\$ 10,059,126
Payments to suppliers	(2,687,570)
Payments to employees	(3,205,337)
Net cash provided by operating activities	<u>4,166,219</u>

Cash flows from non-capital financing activities:

Receipts from state-supported recycling program	56,128
Recycling program payments	(67,161)
Net cash used in noncapital financing activities	<u>(11,033)</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(776,879)
Capital payments	(717,771)
Net cash used in capital and related financing activities	<u>(1,494,650)</u>

Cash flows from investing activities:

Interest and dividends on investments	532,371
Net sale and purchase of investments	(192,538)
Net cash provided by investing activities	<u>339,833</u>

Net increase in cash and cash equivalents 3,000,369

Cash and cash equivalents, beginning of year 6,710,776
Cash and cash equivalents, end of year \$ 9,711,145

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

Operating income	\$ 1,616,148
Depreciation expense	1,213,264
Amortization expense	4,243

Changes in assets and liabilities:

Increase in accounts receivable	(21,717)
Decrease in prepaid expenditures	7,853
Decrease in accounts payable	(43,201)
Decrease in accrued salaries and benefits	(82,861)
Increase in accrued insurance claims incurred but not reported	4,087
Increase in deposits and escrows	4,941
Increase in closure/postclosure liability	1,431,302
Increase in compensated absences	5,558
Decrease in pension related liabilities and deferrals	(25,274)
Increase in OPEB related liabilities and deferrals	51,876
Total adjustments	<u>2,550,071</u>
Net cash provided by operating activities	<u>\$ 4,166,219</u>

The accompanying notes are an integral part of these financial statements

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The accounting and reporting policies of the Rappahannock Regional Solid Waste Management Board (Board or R-Board) conform to accounting principles generally accepted in the United States of America (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 2023 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 right to use assests 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, 2023:

	<u>Fair Value</u>
U.S. Agencies and Securities	\$ 6,205,008
Corporate Notes and Bonds	645,703
Commercial Paper	952,312
Certificates of Deposit	1,357,187
Money Market Mutual Funds	<u>9,556</u>
Total Investments	9,169,767
Cash held by the Treasurer of Stafford County	9,710,345
Petty Cash	<u>800</u>
Total Deposits and Investments	<u><u>\$18,880,912</u></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, 2023:

Investment Type	Valuation Method	Reported Value	Significant Other Observable Inputs (Level 2)
U.S. Agencies and Securities	Fair Value	\$ 6,205,008	\$ 6,205,008
Municipal Bonds	Fair Value	-	-
Corporate Notes and Bonds	Fair Value	645,703	645,703
Certificates of Deposit	Amortized Cost	1,357,187	-
Commercial Paper	Amortized Cost	952,312	-
Money Market Mutual Funds	Amortized Cost	9,556	-
Total		\$ 9,169,767	\$ 6,850,711

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, 2023 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	\$ -	\$ -	\$ -	\$ 6,205,008
Municipal Bonds	-	-	-	-
Corporate Notes and Bonds	-	-	-	645,703
Commercial Paper	-	952,312	-	-
Certificates of Deposit	-	1,357,187	-	-
Money Market Mutual Funds	9,556	-	-	-
Total	\$ 9,556	\$ 2,309,499	\$ -	\$ 6,850,711

As of June 30, 2023, 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, 2023, 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	\$ 6,205,008	\$ 3,235,612	\$ 2,960,530	\$ 8,866
Municipal Bonds	-	-	-	-
Corporate Notes and Bonds	645,703	196,186	449,518	-
Certificates of Deposit	1,357,187	1,357,187	-	-
Commercial Paper	952,312	952,312	-	-
Money Market Mutual Funds	9,556	9,556	-	-
Total	\$ 9,169,767	\$ 5,750,853	\$ 3,410,048	\$ 8,866

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 R-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 the benefit structures 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, 2023 was 13.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$234,779 and \$181,401 for the years ended June 30, 2023 and 2022, 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

At June 30, 2023, the County, the George Washington Regional Commission (GWRC) and the R-Board reported a collective pension liability of \$29,055,673 for its proportionate share of the VRS net pension liability (collectively the County). This amount is comprised of \$27,962,162 for the County, \$396,346 for GWRC and \$697,165 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 the R-Board's portion was 2.40 % as compared to 2.19 % at June 30, 2022.

D. Actuarial Assumptions

The total pension liability for the VRS retirement plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

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, 2021, 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:

Asset Class	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long-Term Expected Real Return *
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.83%

*The above allocation provides a one-year expected return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, 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 4. Defined Benefit Pension Plan (Continued)

F. Discount Rate

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that VRS 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 provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary 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 (asset)	\$ 1,671,315	\$ 697,165	\$ (92,174)

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, 2023, the R-Board recognized pension expense of \$214,638. At June 30, 2023, 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
Net difference between projected and actual earnings on pension plan investments	\$ -	\$166,485
Changes in assumptions	\$140,209	-
Difference between expected and actual experience	75,652	25,854
County contributions subsequent to the measurement date	234,779	-
Total	<u>\$450,640</u>	<u>\$192,339</u>

\$234,779 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 ending June 30, 2024. 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:	Amount
2024	\$ 28,873
2025	20,760
2026	(101,089)
2027	74,979
Thereafter	-
	<u>\$ 23,522</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 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-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, Director of Finance, PO Box 339, Stafford, Virginia 22554.

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 cost-sharing plans 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, 2023 and updated procedures were used to roll forward the total OPEB liability to the OPEB plan's measurement date of June 30, 2023.

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 in this valuation are based on those used by the VRS. The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023 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> 2.85% initially, decreasing to 1.00% over 20 year period, including inflation; depends on service
Investment rate of return	6.75%, including inflation
Discount rate	3.86% as of 6/30/2023
Bond rate	1.92% as of 6/30/2023
Healthcare cost trend rate	7.50%-3.94%

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, 2023 is 3.86%. 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, 2023, the R-Board reported a liability of \$2,065,886 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, 2023, using the entry age actuarial cost method with a measurement date of June 30, 2023. 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, 2023 and June 30, 2022, the R-Board’s proportion remained the same at 1.99%.

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 3.86%.

	1% Decrease <u>3.86 % decreasing to 2.86%</u>	Discount Rate <u>3.86%</u>	1% Increase <u>3.86 % increasing to 4.86%</u>
Net OPEB liability	\$ 2,549,923	\$ 2,065,886	\$ 1,688,655

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 <u>4.00 % decreasing to 3.00%</u>	Medical Trend Rate <u>4.00%</u>	1% Increase <u>4.00 % increasing to 5.00%</u>
Net OPEB liability	\$ 1,632,050	\$ 2,065,886	\$ 2,623,675

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, 2023, the R-Board recognized OPEB expense in the amount of \$94,660. At June 30, 2023, 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	\$ 1,237	\$ 572,321
Changes in assumptions	667,157	953,712
Net difference between projected and actual earnings on OPEB plan investments	16,856	-
	<u>\$ 685,250</u>	<u>\$ 1,526,033</u>

There were no contributions during FY23 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, 2024.

Other amounts 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>
2024	\$ (128,975)
2025	(128,255)
2026	(86,493)
2027	(76,360)
2028	(122,423)
Thereafter	(298,277)
	<u>\$ (840,783)</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, Director of Finance, PO Box 339, Stafford, Virginia 22554.

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"> • <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – 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 \$ 8,984 effective June 30, 2023.</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 1.34% 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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$12,422 and \$13,791 for the years ended June 30, 2023 and June 30, 2022, 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, 2023, the R-Board reported a liability of \$93,833 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the R-Board's proportion was 2.40 % as compared to 2.40 % at June 30, 2022.

For the year ended June 30, 2023, the R-Board recognized GLI OPEB expense of \$5,556. There was a change in proportionate share between measurement dates, no 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, 2023, 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	\$ 8,304	\$ 3,764
Changes in assumptions	3,911	9,139
Net difference between projected and actual earnings on OPEB plan investments	-	5,864
Change in proportion	12,089	13
County's contributions made after measurement date	12,422	-
	<u>\$ 36,726</u>	<u>\$ 18,780</u>

\$12,422 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, 2024. 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

2024	\$ 3,183
2025	\$ 2,589
2026	\$ (4,021)
2027	\$ 4,251
2028	\$ (479)
Thereafter	-
	<u>\$ 5,524</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, 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

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 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, 2021 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, 2022, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	<u>2,467,096</u>
Employers’ Net GLI OPEB Liability	<u>\$ 1,204,989</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.19%

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:

Asset Class	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long-Term Expected Real Return *
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.83%

* The above allocation provides a one-year return of 7.83%. 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 6.72%, 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, 2022, 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, 2022 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 6.75 % decreasing to 5.75%	Discount Rate 6.75%	1% Increase 75 % increasing to 7.75%
R-Board's proportionate share of GLI Net OPEB liability	\$ 136,571	\$ 93,833	\$ 34,520

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 2022 Financial Report. A copy of the 2022 VRS Financial Report may be downloaded from the VRS website at <http://varetire.org/pdf/Publications/2022-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 political subdivisions 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 years 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, 2023 was 0.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$302 and \$1,095 for the years ended June 30, 2023 and June 30, 2022, respectively.

U. Net HIC OPEB liability

At June 30, 2023, the R-Board reported a liability of \$1,782 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, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. At June 30, 2023 and June 30,2022 the R-Board’s proportion remained unchanged at 2.40%.

V. Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.50 %
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, 2021, 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 from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and decrement through 9 years of 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:

Asset Class	Long-Term Target Asset Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long-Term Expected Real Return *
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.83%

* The above allocation provides a one-year return of 7.83%. 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 6.72%, 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, 2022, 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, 2022 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 6.75 % decreasing to 5.75%	Discount Rate 6.75%	1% Increase 75 % increasing to 7.75%
R-Board's proportionate share of Net HIC OPEB liability/(asset)	\$ 4,629	\$ 1,782	\$ (629)

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, 2023, the R-Board recognized HIC Credit Program OPEB expense \$302 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	\$ 305	\$ 1,366
Changes in assumptions	1,110	114
Net difference between projected and actual earnings on OPEB plan investments	-	627
County's contributions made after measurement date	992	-
	<u>\$ 2,407</u>	<u>\$ 2,107</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

\$992 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, 2024. 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>
2024	\$	(240)
2025		(161)
2026		(369)
2027		293
2028		(73)
Thereafter		(140)
	\$	<u>(690)</u>

AA. Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2022 Financial Report. A copy of the 2022 VRS Financial Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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 Insurance	<u>Program</u>		Total
		OPEB - GLI	OPEB - HIC	
Net OPEB Liability	2,065,886	93,833	1,782	2,161,501
Deferred Outflows	685,250	36,726	2,407	724,383
Deferred Inflows	1,526,033	18,780	2,107	1,546,920
Expense	94,660	5,556	302	100,518

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, 2023 is as follows:

	Balance <u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 1,419,640	\$ -	\$ -	\$ 1,419,640
Construction in progress	-	69,392	-	69,392
Total capital assets not being depreciated	<u>1,419,640</u>	<u>69,392</u>	<u>-</u>	<u>1,489,032</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	8,074,083	630,086	(314,552)	8,389,617
Technology infrastructure	536,085	-	-	536,085
Vehicles	<u>1,431,148</u>	<u>32,715</u>	<u>-</u>	<u>1,463,863</u>
Total capital assets being depreciated	<u>33,314,138</u>	<u>662,801</u>	<u>(314,552)</u>	<u>33,662,387</u>
Less accumulated depreciation for:				
Land improvements	(11,960,049)	(675,484)	-	(12,635,533)
Building and building improvements	(934,145)	(27,008)	-	(961,153)
Furniture, fixtures and equipment	(5,853,385)	(412,787)	281,219	(5,984,953)
Technology infrastructure	(536,084)	-	-	(536,084)
Vehicles	<u>(1,229,408)</u>	<u>(97,985)</u>	<u>-</u>	<u>(1,327,393)</u>
Total accumulated depreciation	<u>(20,513,071)</u>	<u>(1,213,264)</u>	<u>281,219</u>	<u>(21,445,116)</u>
Total capital assets being depreciated, net	<u>12,801,067</u>	<u>(550,463)</u>	<u>(33,333)</u>	<u>12,217,271</u>
Total capital assets	<u>\$ 14,220,707</u>	<u>\$ (481,071)</u>	<u>\$ (33,333)</u>	<u>\$ 13,706,303</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, 2023:

	Compensated Absences	Landfill Obligation	Equipment Finance Agreements	Net Pension Liability	OPEB Liability	Totals
Beginning balance, 6/30/22	\$296,377	\$7,491,362	\$ 1,169,587	\$351,317	\$2,909,186	\$12,217,829
Additions	232,336	1,431,301	532,841	345,848	-	2,542,326
Reductions	(226,778)	-	(386,210)	-	(747,685)	(1,360,673)
Ending balance, 6/30/23	\$301,935	\$8,922,663	\$1,316,218	\$697,165	\$2,161,501	\$13,399,482
Due within one year	\$106,820	\$292,332	\$416,067	\$ -	\$ -	\$815,219

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 \$351,643 for the year ended June 30, 2023.

The R-Board is owed \$29,509 as of June 30, 2023 from the City for accounts receivable.

Note 9. Major Customers

The R-Board has four customers whose total charges were approximately \$5,142,507, or 51% of operating revenues, for the year ended June 30, 2023. Accounts receivable from the major customers for landfill usage at June 30, 2023 totaled \$600,585.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

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, 2023, the value of the lease liability is \$5,244. 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, 2023 of \$15,204 with accumulated amortization of \$8,486 is included in the table found below. The R-Board has two extension options, each for 60 months.

The change in intangible right to use assets during the course of the fiscal year is as follows:

Ending Balance at 6/30/2022	Additions	Deletions	Ending Balance at 6/30/2023
15,204	-	-	15,204

The change in intangible right to use liabilities during the course of the fiscal year is as follows:

Ending Balance at 6/30/2022	Additions	Deletions	Ending Balance at 6/30/2023
10,293	-	5,049	5,244

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 2023, the R-Board reimbursed the County \$459,694 and the City \$459,694. As of June 30, 2023, the total remaining outstanding debt at the County and City was \$550,000 and total capital contributions owed by the R-Board to the County and City was \$550,000.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

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 \$8.9 million reported by the Board as landfill closure and postclosure liability at June 30, 2023 represents the cumulative amount reported to date based on the used portion of the total estimated capacity of the landfill, 91 % at June 30, 2023. 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 FY2023. 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 94 %, Cell F1 is at 67%, Cell F2 is at 89% and Cell F3 is at 97%.

Note 13. Pending GASB Statements

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. The R-Board will implement statement No. 99 in 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.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

NOTES TO FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The R-Board will implement Statement No. 102 in FY2025.

Note 14. SUBSEQUENT EVENTS

On November 15, 2023 the County and City of Fredericksburg each issued debt in the amount of \$ 2,010,000 through VRA pooled series 2023B to distribute to the Rappahannock Regional Solid Waste Management Board for new cell construction. The Landfill has pledged revenue as collateral and will reimburse the County's debt service over the life of the loan.

**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, 2023 *	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	2.39941%	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	\$ 697,165	\$ 351,317	\$ 933,073	\$ 745,394	\$ 423,993	\$ 485,038	\$ 726,978	\$ 583,829	\$ 776,870
R-Board'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	\$ 1,135,451
R-Board's proportionate share of the net pension liability as a percentage of its covered payroll	37.20%	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	89.61%	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, 2023	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	\$ 234,779	\$ 181,401	\$ 166,561	\$ 155,303	\$ 116,539	\$ 112,188	\$ 107,480	\$ 129,862	\$ 123,989
Contributions in relation to the contractually required contribution	234,779	181,401	166,561	155,303	116,539	112,188	107,480	129,862	123,989
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,789,474	\$ 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	13.12%	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, 2023 *	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%	1.99000%	2.10000%	2.10000%	2.44000%	2.44000%
R-Board's proportionate share of the net OPEB liability	\$ 2,065,886	\$ 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*	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*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	14.05%	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. Udate to more current mortality rables 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	\$93,833	\$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	5.99%	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
2023	\$ 12,422	\$ 12,422	\$ -	\$ 1,874,135	0.66%
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, 2023**

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, 2021, 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:

Teachers

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
Discount Rate	No change

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

Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
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	\$1,782	\$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	0.21%	0.64%	0.58%	0.41%	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
2023	\$ 992	\$ 992	\$ -	\$ 1,019,928	0.10%
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, 2023**

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, 2021, 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:

Teachers

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
Discount Rate	No change

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

Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
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 (*Government Auditing Standards*); 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, 2023, 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 19, 2024.

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 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 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.

YBmares, LLP

Harrisonburg, Virginia
February 19, 2024

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

REPORT TO THE BOARD OF DIRECTORS

FEBRUARY 23, 2024



ASSURANCE, TAX & ADVISORY SERVICES



February 23, 2024

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

We are pleased to present this report related to our audit of the financial statements of Rappahannock Regional Solid Waste Management Board (R-Board) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the R-Board's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Rappahannock Regional Solid Waste Management Board.

PBMares, LLP

PBMares, LLP

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement and Compliance Audit

Our responsibilities under 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 (*Government Auditing Standards*); and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia have been described to you in our arrangement letter dated June 9, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement and Compliance Audit

We have issued a separate communication dated June 9, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the R-Board. The R-Board did not adopt any new significant accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimate

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the R-Board's Introductory Section as listed in the financial statements table of contents. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities for Independence

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For PBMares, LLP to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and PBMares, LLP each play an important role.

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. PBMares, LLP is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The R-Board's Responsibilities

- Timely inform PBMares, LLP, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, officers, or person in financial reporting oversight roles.
 - Changes in organizational structure or the reporting entity impacting affiliates such as related entities, investments, joint ventures, component units, and jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the R-Board and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with PBMares, LLP.
- Not entering into arrangements of nonaudit services resulting in PBMares, LLP being involved in making management decisions on behalf of the R-Board.
- Not entering into relationships resulting in close family members of PBMares, LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting or compliance oversight role at the R-Board.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the R-Board, including the representation letter provided to us by management, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the R-Board's June 30, 2023 financial statements.

Investments

Accounting policy	Fair value measurement of investment assets.
Management's estimation process	Management determines fair values of assets based on reports provided by custodians of the assets and relies on the values provided by them.
Basis for our conclusion on the reasonableness of the estimate	Management's approach to valuing investments is consistent with practices of similar organizations. While these estimates are based on historical information, management should continue to monitor the values assigned to the R-Board's assets to ensure the fair values of these assets are accurate.

Capital Assets

Accounting policy	Estimated lives of depreciable and amortizable assets.
Management's estimation process	Management assigns lives to assets purchased based on the expected useful life of those assets or the product associated with those assets.
Basis for our conclusion on the reasonableness of the estimate	Management's approach to depreciation and amortization is consistent with practices of similar organizations. While these estimates are based on historical information, management should continue to monitor the lives assigned to the R-Board's assets to ensure the recovery period of these costs are accurate.

Pension and Other Postemployment Benefits (OPEB) Liabilities

Accounting policy	Pension and OPEB liabilities and related items for accounting and disclosure purposes
Management's estimation process	Management recognizes pension and OPEB liabilities and related charges based on actuaries and industry standards.
Basis for our conclusion on the reasonableness of the estimate	Management's approach to recognizing pension and OPEB liabilities appear reasonable and consistent with accepted practice. While these estimates are based on assumptions provided by actuaries and industry standards, management should monitor these estimates and compare to actual costs over time.

Leases

Accounting policy

Lease assets and liabilities are amounts management believes will accurately reflect inflows and outflows of resources.

Management's estimation process

Based on management's analysis of contracts for lease terms, modifications, and characteristics, determination of the incremental borrowing rate for lease liabilities

Basis for our conclusion on the reasonableness of the estimate

We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole

Accrued Expenses

Accounting policy

Liability for landfill closure and post-closure costs

Management's estimation process

Management obtains an assessment from external engineers for costs that will be related to closing and maintaining the landfill after closure.

Basis for our conclusion on the reasonableness of the estimate

We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole

EXHIBIT A

Significant Written Communications Between Management and Our Firm



February 19, 2024

PBMares, LLP
558 South Main Street
Harrisonburg, Virginia 22801

This representation letter is provided in connection with your audit of the financial statements of the Rappahannock Regional Solid Waste Management Board (R-Board) as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of February 19, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 9, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the R-Board include:
 - a. Those with the primary government having accountability for the R-Board.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
9. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with Governmental Accounting Standards Board (GASB) requirements.



10. Provisions for uncollectible receivables have been properly identified and recorded.
11. Capital assets, including infrastructure, intangible assets, and right-to-use assets are properly capitalized, reported and, if applicable, depreciated or amortized.
12. The government has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.
13. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
14. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
15. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
16. We have no knowledge of any uncorrected material misstatements in the financial statements.
17. We have requested an unsecured electronic copy of the auditor's report and agree that the auditor's report will not be modified in any manner.

Information Provided

18. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the R-Board from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the Board of Directors and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
19. All transactions have been recorded in the accounting records and are reflected in the financial statements.
20. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.



21. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
22. We have no knowledge of allegations of fraud or suspected fraud affecting the R-Board's financial statements involving:
- Management.
 - Employees who have significant roles in internal control.
 - Others where the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud or suspected fraud affecting the R-Board's financial statements received in communications from employees, former employees, analysts, regulators, or others.
24. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
25. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
26. We have disclosed to you the identity of all of the R-Board's related parties and all the related-party relationships and transactions of which we are aware.
27. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the R-Board's ability to record, process, summarize and report financial data.
28. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
29. It is our responsibility to inform you of all current and potential affiliates of the R-Board as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the R-Board may create threats to independence. We have:
- Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the R-Board's financial statements as a whole, (ii) the level of influence the R-Board has over an entity's financial reporting process or (iii) the level of control or influence the R-Board or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the R-Board and PBMares, LLP to identify and eliminate potential impermissible services and relationships between PBMares, LLP or its associated entities, prior to the effective dates.
 - Made you aware, to the best of our knowledge and belief, of any nonaudit services that the R-Board or any of our affiliates has engaged PBMares, LLP or any of its associated entities to perform.



30. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

31. With respect to the Management's Discussion and Analysis and Required Supplementary Information presented as required by the GASB to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with Government Auditing Standards, we confirm that management:

32. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
33. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
34. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
35. Is responsible 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.
36. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
37. Has a process to track the status of audit findings and recommendations.
38. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.



39. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Rappahannock Regional Solid Waste Management Board

Phillip W. Hathcock

Director, Rappahannock Regional Landfill

Randy Helwig

Director of Finance, Stafford County

EXHIBIT B

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of February 19, 2024 but are not yet effective and may affect the future financial reporting by Rappahannock Regional Solid Waste Management Board.

Pronouncement	Summary
GASB Statement No. 99, <i>Omnibus 2022</i>	This Statement provides guidance to enhance comparability in accounting and financial reporting for derivative instruments, leases, financial guarantees, and a wide range of other accounting and financial reporting issues that have been identified during the implementation and application of certain GASB statements. The requirements related to GASB Statement No. 53, <i>Accounting and Financial Reporting for Derivative Instruments</i> will be effective for the R-Board beginning with its year ending June 30, 2024.
GASB Statement No. 100, <i>Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62</i>	This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Statement No. 100 will be effective for the R-Board beginning with its year ending June 30, 2024.
GASB Statement No. 101, <i>Compensated Absences</i>	This Statement provides guidance 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. Statement No. 101 will be effective for the R-Board beginning with its year ending June 30, 2025.
GASB Statement No. 102, <i>Certain Risk Disclosures</i>	This Statement provides guidance to provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to make a government vulnerable to substantial impact. Statement No. 102 will be effective for the R-Board beginning with its year ending June 30, 2025.

Item E: New Business

FY 2025 Proposed Budget

R-BOARD REVENUE

		Adopted FY 2023	FY2023 Actual	Adopted FY 2024	Proposed FY 2025	Percent Difference
315.01-02	Interest	\$ 10,000.00		\$ 10,000.00	\$ 10,000.00	0%
316.25-01	Recycling	\$ 90,000.00	\$ 126,869.82	\$ 100,000.00	\$ 110,000.00	10%
316.25-02	Commercial	\$ 7,300,000.00	\$ 8,326,944.82	\$ 7,900,000.00	\$ 8,100,000.00	3%
324.04-07	Grants	\$ 25,000.00	\$ 56,128.00	\$ 48,000.00	\$ 65,000.00	35%
316-25-06	Residential Fees	\$ 800,000.00	\$ 820,155.00	\$ 800,000.00	\$ 800,000.00	0%
Municipal Services						
316.25-04	Fredericksburg	\$ 270,000.00	\$ 288,306.56	\$ 270,000.00	\$ 270,000.00	0%
316-25-03	Stafford	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 60,000.00	50%
Sludge/Utilities						
316-25-05	Stafford	\$ 340,000.00	\$ 323,808.68	\$ 340,000.00	\$ 340,000.00	0%
316-26-05	Fredericksburg	\$ 120,000.00	\$ 130,500.36	\$ 120,000.00	\$ 120,000.00	0%
316-25-10	Ameresco Lease	\$ 40,000.00	\$ 8,981.53	\$ 40,000.00	\$ 40,000.00	0%
315-02-35	Milestone Lease	\$ 15,000.00	\$ 23,111.43	\$ 15,000.00	\$ 15,000.00	0%
318-99-01	Miscellaneous Sources	\$ 5,000.00	\$ 15,479.18	\$ 5,000.00	\$ 5,000.00	0%
	Subtotal	\$9,055,000	\$10,160,285	\$9,688,000	\$9,935,000	3%
341.06-00	Prior Yr Fund Balance	\$405,522	\$0	\$2,465,716	\$2,793,523	13%
	Total	\$9,460,522	\$10,160,285	\$12,153,716	\$12,728,523	5%

Increased grant funding

EXPENDITURES

		Adopted FY 2023	FY2023 Actual	Adopted FY 2024	Proposed FY 2025	
10-01	Salaries-Regular	\$ 2,006,560.00	\$ 2,038,372.38	\$ 2,199,974.00	\$ 2,309,972.70	5%
10-02	Salaries-Overtime	\$ 150,000.00	\$ 115,627.22	\$ 150,000.00	\$ 157,500.00	5%
10-03	Salaries-Part Time	\$ 122,000.00	\$ 101,500.28	\$ 142,515.00	\$ 149,640.75	5%
21-01	Social Security/Medicare	\$ 162,780.00	\$ 169,410.65	\$ 179,661.00	\$ 188,644.05	5%
22-10	VRS	\$ 258,350.00	\$ 234,779.16	\$ 288,637.00	\$ 303,068.85	5%
22-11	ICMA Hybrid Employer	\$ 10,880.00	\$ 21,324.82	\$ 12,577.00	\$ 13,205.85	5%
23-01	Anthem	\$ 375,125.00	\$ 340,477.17	\$ 375,125.00	\$ 375,125.00	0%
23-03	Opt-Out	\$ 9,000.00	\$ 9,600.00	\$ 15,000.00	\$ 15,750.00	5%
24-01	Life Insurance	\$ 26,000.00	\$ 25,967.46	\$ 27,000.00	\$ 27,000.00	0%
25-01	Unemployment	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,500.00	5%
25-21	Hybrid Disability Program	\$ 6,320.00	\$ 5,922.34	\$ 7,546.00	\$ 7,546.00	0%
27-20	Workers Compensation	\$ 85,000.00	\$ 48,729.42	\$ 85,000.00	\$ 85,000.00	0%
28-05	Chg Post-retirement Benefit	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$ 136,500.00	5%
28-09	License/Certifications	\$ 12,000.00	\$ 5,748.75	\$ 12,000.00	\$ 12,000.00	0%
28-20	Education/Tuition Assist	\$ 1,500.00	\$ 932.41	\$ 1,500.00	\$ 1,500.00	0%
	Subtotal Compensation	\$3,365,515.00	\$3,170,268.06	\$3,636,535.00	\$3,792,953.20	4%

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

Acquired Services

		Adopted FY 2023	FY2023 Actual	Adopted FY 2024	Proposed FY 2025	
30-15	Fees for Services	\$ 15,000.00	\$ 23,657.98	\$ 25,000.00	\$ 25,000.00	0%
31-08	Physical Exams	\$ 500.00	\$ -	\$ 500.00	\$ 500.00	0%
31-20	Audit Fee's	\$ 9,000.00	\$ 12,679.63	\$ 14,000.00	\$ 14,000.00	0%
31-30	Management Services	\$ 180,000.00	\$ 87,663.87	\$ 180,000.00	\$ 180,000.00	0%
31-44	Environmental Monitoring	\$ 270,000.00	\$ 227,414.75	\$ 270,000.00	\$ 270,000.00	0%
31-50	Legal Services	\$ 26,000.00	\$ 25,999.92	\$ 27,300.00	\$ 27,300.00	0%
31-52	Permit Fee's	\$ 55,000.00	\$ 37,152.93	\$ 55,000.00	\$ 45,000.00	-18%
31-54	Fire Permit	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	0%
31-63	Custodial-Cleaning	\$ -	\$ 4,571.80	\$ 5,000.00	\$ 5,000.00	0%
31-64	Single Stream Processing	\$ 75,000.00	\$ 153,529.36	\$ 175,000.00	\$ 130,000.00	-26%
31-67	CFL & HHW Bulb Disposal	\$ 90,000.00	\$ 10,002.77	\$ 100,000.00	\$ 80,000.00	-20%
31-68	Tire Disposal	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	0%
Maintenance						
33-09	Facilities-Buildings	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	0%
33-10	Repairs & Maintenance	\$ 706,000.00	\$ 210,694.75	\$ 611,000.00	\$ 611,000.00	0%
33-20	Contracts	\$ 50,000.00	\$ 48,356.07	\$ 50,000.00	\$ 50,000.00	0%

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
Repairs: gutters furnaces etc.
Labor on Equipment Repairs & Transport Costs
Copiers, Porta John, Water, Compactor Rental (\$10,800)

Transportation

		Adopted FY 2023	FY2023 Actual	Adopted FY 2024	Proposed FY 2025	
34-05	Transportation (Fleet Bills)	\$ 2,000.00	\$ 23,496.84	\$ 2,000.00	\$ 2,000.00	0%
35-01	Printing & Binding	\$ 6,000.00	\$ 4,057.87	\$ 6,000.00	\$ 6,000.00	0%
36-11	Public Notification	\$ 500.00	\$ -	\$ 500.00	\$ 500.00	0%
36-12	Other					
39-10	Litter Control	\$ 68,000.00	\$ 67,160.62	\$ 68,000.00	\$ 68,000.00	0%

Vehicle Inspections and Titles
Annual Stickers, Coupon Books, Envelopes, Flyers, Business Cards, etc.
Advertising
Education, Outreach, Litter Grant, Office on Youth Reg. Jail

Internal Services

		Adopted FY 2023	FY2023 Actual	Adopted FY 2024	Proposed FY 2025	
40-07	Admin Charges-Fiscal Agnt	\$ 351,643.00	\$ 351,643.00	\$ 369,225.00	\$ 469,826.00	27%
Utilities, Vehicle Repair & Office						
51-10	Electrical	\$ 24,000.00	\$ 29,968.04	\$ 27,000.00	\$ 30,000.00	11%
51-30	Water & Sewer	\$ 10,000.00	\$ 11,657.96	\$ 10,000.00	\$ 28,000.00	180%

County Support (Finance, H.R. Purchasing etc)
Leachate Management Cost Increases

52-10	Postage	\$	2,000.00	\$	727.72	\$	2,000.00	\$	2,000.00	0%	
52-30	Phone	\$	16,500.00	\$	11,392.21	\$	16,500.00	\$	14,000.00	-15%	Landlines Only
52-31	Mobile Phones	\$	15,000.00	\$	16,222.65	\$	15,000.00	\$	15,000.00	0%	Cell Phones Only
52-38	VOIP Eqp Billing	\$	6,500.00	\$	3,146.76	\$	6,500.00	\$	5,500.00	-15%	Comcast (Two Invoices/mo (LF & Sales Shed))
53-04	Property	\$	45,000.00	\$	1,592.00	\$	45,000.00	\$	45,000.00	0%	Insurance
53-05	Motor Vehicle	\$	27,500.00	\$	6,776.00	\$	27,500.00	\$	27,500.00	0%	Insurance
53-20	Insurance (from 53-04)	\$		\$	16,842.00	\$	16,842.00	\$	16,842.00	0%	Insurance Finance moved from 53-04
54-10	Equipment	\$	540,000.00	\$	13,581.22	\$	200,000.00	\$	200,000.00	0%	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	\$	705.17	\$	1,200.00	\$	1,200.00	0%	
55-40	Seminars & Conferences	\$	5,000.00	\$	1,185.00	\$	5,000.00	\$	5,000.00	0%	Attending Meetings or Conferences
55-41	Meeting Expenses	\$	2,000.00	\$	3,022.87	\$	2,000.00	\$	2,000.00	0%	Employees - Holidays, Retirements, etc.
58-01	Dues & Membership	\$	1,500.00	\$	2,127.00	\$	1,500.00	\$	1,500.00	0%	SWANA, VRA
	Misc. Supplies										
			Adopted FY 2023		FY2023 Actual		Adopted FY 2024		Proposed FY 2025		
60-01	Office	\$	8,500.00	\$	11,381.31	\$	8,500.00	\$	8,500.00	0%	Office Supplies
60-02	Materials and Supplies-Food Service	\$	-	\$	-	\$	2,000.00	\$	2,000.00	0%	Separated from line 60-07
60-03	Agricultural-Lawn Care	\$	55,000.00	\$	76,028.22	\$	145,000.00	\$	145,000.00	0%	Posi-Shell Cover Material
60-05	Custodial-Janitorial	\$	12,000.00	\$	2,111.80	\$	12,000.00	\$	12,000.00	0%	
60-07	Repairs & Maintenance	\$	729,000.00	\$	537,269.60	\$	720,000.00	\$	720,000.00	0%	Heavy Equipment Maintenance Parts
60-08	Vehicle Fuels	\$	605,000.00	\$	485,786.93	\$	605,000.00	\$	605,000.00	0%	Fleet Fuels / Universal Environment (Oil Recycling)
60-11	Uniform & Wearing Apparel	\$	36,000.00	\$	36,406.57	\$	36,000.00	\$	36,000.00	0%	
60-12	Books/Subscrptns/Sf Media	\$	1,000.00	\$	1,472.55	\$	2,000.00	\$	2,000.00	0%	Trade Journals, Certificate Work Text Books,Safety Meetings
60-14	Operating	\$	6,000.00	\$	6,794.45	\$	6,000.00	\$	6,000.00	0%	Paradigm Scale Tickets, Statements, Envelopes
60-17	Computer Software	\$	-	\$	7,169.13	\$	7,000.00	\$	7,000.00	0%	Paradigm Scale program updates
60-19	Personnel Safety Equipment	\$	4,500.00	\$	6,700.71	\$	20,000.00	\$	20,000.00	0%	PPE Apparel and Boots
60-20	Vehicle Parts & Tires	\$	55,250.00	\$	33,334.67	\$	55,250.00	\$	55,250.00	0%	
60-21	Materials and Supplies-Tools New fy24	\$	-	\$	-	\$	3,000.00	\$	3,000.00	0%	Separated from line 60-07
60-31	Machinery & Equipment	\$	31,000.00	\$	27,671.11	\$	31,000.00	\$	31,000.00	0%	Supplies Under \$5,000
60-32	Furniture & Fixtures	\$	2,000.00	\$	2,530.70	\$	2,000.00	\$	2,000.00	0%	
60-33	Communications Equipment	\$	500.00	\$	2,572.00	\$	500.00	\$	500.00	0%	
60-34	Computer Equipment	\$	5,500.00	\$	6,272.45	\$	5,500.00	\$	5,500.00	0%	
60-47	Site Improvements	\$	65,000.00	\$	74,777.03	\$	65,000.00	\$	65,000.00	0%	Stone/Mulch; Commercial Entrance Upgrade, etc.
	Subtotal Operations		\$4,257,293.00		\$2,725,507.99		\$4,100,517.00		\$4,143,618.00	1%	
			FY 2023		FY2023 Actual		Adopted FY 2024		Proposed FY 2025		
	Capital Costs										
81-01	Machinery & Equipment (Replace)	\$	160,000.00	\$	69,629.38	\$	695,000.00	\$	600,000.00	-14%	
82-01	Machinery & Equipment (New)	\$	695,000.00	\$	83,350.00	\$	50,000.00	\$	50,000.00	0%	
82-11	Improvements to Site (CellG-1/G-3)	\$		\$	11,657.30	\$		\$	690,000.00		VRA Financing
82-12	Improvements to Building	\$	50,000.00	\$	-	\$	50,000.00	\$	50,000.00	0%	
	New Cell						2,000,000.00		2,800,000.00	40%	
82-13	Scalehouse Renovations										
82-15	Closure debt and Future										
91-12	Lease Principle Payment	\$		\$	387,237.02	\$	621,950.00	\$	557,144.08	-10%	
91-22	Lease Interest Payments	\$		\$	72,386.86	\$	67,000.00	\$	44,807.52	-33%	
92-10	County Debt	\$	466,357.00	\$	459,707.64	\$	466,357.00	\$	-	-100%	Schedules for are on file
97-05	City Debt	\$	466,357.00	\$	459,694.05	\$	466,357.00	\$	-	-100%	Schedules for are on file
	Subtotal Capital		\$1,837,714.00		\$1,543,662.25		\$4,416,664.00		\$4,791,951.60	8%	
	TOTAL		\$9,460,522.00		\$7,439,438.30		\$12,153,716.00		\$12,728,522.80	5%	



Rappahannock Regional Solid Waste Management Board

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RB24-02

PROPOSED

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 14th day of March, 2024:

MEMBERS:

Timothy J. Barody
Meg Böhmke
Monica Gary
Jannan W. Holmes
Will B. Mackintosh
Randal Vosburg

VOTE:

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

A RESOLUTION TO SUPPORT AN RFP TO INSTALL, OWN, OPERATE AND MAINTAIN A SOLAR PHOTOVOLTAIC ENERGY SYSTEM

WHEREAS, the City of Fredericksburg (City) and the County of Stafford (County) desire to release an Request for Proposals (RFP) for Solar Farm Lease Opportunities; and

WHEREAS, RFP #24092 will allow for the opportunity to own, operate and maintain a solar photovoltaic energy system pursuant to a lease agreement; and

WHEREAS, This RFP will be issued jointly by the City and the County to allow the localities to evaluate options and determine the project and financial arrangements that best meet the R-Board's interest and use of the properties;



Rappahannock Regional Solid Waste Management Board

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NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Regional Solid Waste Management Board on this the 14th day of March, 2024, that the R-Board be and it hereby does desire to support the release of RFP # 24092, to solicit proposals for the installation, ownership, operation, and maintenance on a solar photovoltaic energy system.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phillip Hathcock, Director



Rappahannock Regional Solid Waste Management Board

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RB24-03

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Board of Supervisors Chambers, George L. Gordon, Jr., Administration Center, Stafford, Virginia, on the 14th day of March, 2024:

MEMBERS:

VOTE:

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

A RESOLUTION TO BUDGET AND APPROPRIATE VRA LOAN FUNDS FOR THE CONSTRUCTION OF CELL G1/G3 AT THE RAPPAHANNOCK REGIONAL LANDFILL

WHEREAS, the current operational landfill cells at the Rappahannock Regional Landfill (Landfill) is expected to be filled by December 2024; and

WHEREAS, the construction for the next planned operational landfill cell, G1/G3, was completed and offered for public bids; and

WHEREAS, the lowest responsive bidder, Sargent Corporation, is capable of beginning construction as early as April 1; and

WHEREAS, the R-Board has obtained \$4,000,000 in VRA funding to support this construction; and

WHEREAS, staff desires for construction activities to begin in FY2024; and

WHEREAS, staff desires to budget and appropriate the \$4,000,000 of VRA funding in FY2024 budget for the construction of cell G1/G3; and



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 14th day of March, 2024, that it be and hereby does authorize the Budget and Appropriation of Four Million Dollars (\$4,000,000) of VRA funding in the FY2024 R-Board budget for construction of Cell G1/G3 at the Rappahannock Regional Landfill.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phillip Hathcock, Director



Rappahannock Regional Solid Waste Management Board

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RB24-04

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the Board of Supervisors Chambers, George L. Gordon, Jr., Administration Center, Stafford, Virginia, on the 14th day of March, 2024:

MEMBERS:

VOTE:

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

A RESOLUTION TO AUTHORIZE A CONTRACT WITH SARGENT CORPORATION FOR THE CONSTRUCTION OF CELL G1/G3 AT THE RAPPAHANNOCK REGIONAL LANDFILL

WHEREAS, the current operational landfill cells at the Rappahannock Regional Landfill (Landfill) is expected to be filled by December 2024; and

WHEREAS, the design for the next planned operational landfill cell, G1/G3, was completed and offered for public bids; and

WHEREAS, two (4) bids were received, with the lowest bid received from Sargent Corporation, in the amount of \$8,602,750.00; and

WHEREAS, staff has reviewed this bid and determined that Sargent Corporation is the lowest responsive bidder; and

WHEREAS, the continuation of solid waste services is dependent on the completion of Cell G1/G3;

WHEREAS, funding for construction is proposed to be provided from a VRA loan obtained in the amount of \$4,000,000; and

WHEREAS, the balance of \$4,602,750 will come from cash and investment accounts;

and



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 14th day of March, 2024, that the County Administrator, or his designee, is authorized to execute a contract with Sargent Corporation for construction of Cell G1/G3 at the Rappahannock Regional Landfill in an amount not to exceed Eight Million Six Hundred Two Thousand Seven Hundred Fifty Dollars (\$8,602,750), unless modified by a duly-executed change order.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phillip Hathcock, Director