

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

MEETING AGENDA

**R-BOARD ADMINISTRATION OFFICE
ADMINISTRATION CONFERENCE ROOM
STAFFORD, VIRGINIA**

**FEBRUARY 25, 2026
1:00 PM**

CALL TO ORDER / ROLL CALL

ELECTION OF OFFICERS

- A. APPROVE AGENDA FOR THE FEBRUARY 25, 2026 MEETING (Tab 1)
APPROVE MINUTES OF DECEMBER 10, 2025 MEETING**

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

- B. REPORT OF STAFF (Tab 2)**
- 1. Landfill Superintendent Report (Rick Markwardt)**
 - 2. Assistant Landfill Superintendent Report (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; FY2026 (Phillip Hathcock)**
 - 2. Weight & Material Analysis; FY2026 (Phillip Hathcock)**
 - 3. FY2025 Financial Audit**
- D. OLD BUSINESS (Tab 4)**
none
- E. NEW BUSINESS (Tab 5)**
- 1. FY2027 Proposed Budget Presentation**
 - 2. Ameresco Contract (Phillip Hathcock)**
 - 3. SCS Engineering Services (Phillip Hathcock)**
 - a. Resolution RB26-02**

CLOSED SESSION (if needed)

NEXT SCHEDULED MEETING

May 27, 2026, ABC Conference Room, George L. Gordon, Jr. Government Center, 1:00 p.m.

ADJOURNMENT

DRAFT MINUTES
RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
DECEMBER 10, 2025
Board of Supervisors Chambers

Meeting Convened: A regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) was convened at 1:04 p.m. on December 10, 2025.

Roll Call: The following members were present: William Ashton; Timothy J. Baroody; Meg Bohmke; Jannen Holmes; Will Mackintosh; and Pamela Yeung.

Also in attendance were: Bill Hefty, R-Board Attorney; Rick Markwardt, Landfill Superintendent; Susan Carpenter, Assistant Landfill Superintendent; Francesca Johnson, Recycling Manager; Tyler Schmidt, Environmental Coordinator; Pamela Timmons, Clerk; and Phillip Hathcock, Director.

Approval of the Agenda:

Ms. Bohmke motioned, seconded by Dr. Mackintosh to approve the agenda.

By roll call, the vote was:

Yea:	(6)	Ashton, Baroody, Bohmke, Holmes, Mackintosh, Yeung
Nay:	(0)	

Approval of the minutes of prior meeting: Ms. Bohmke motioned, seconded by Dr. Mackintosh, to approve the minutes from the August 27, 2025 meeting.

By roll call, the vote was:

Yea:	(6)	Ashton, Baroody, Bohmke, Holmes, Mackintosh, Yeung
Nay:	(0)	

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

Presentations by the R-Board: A proclamation was presented to Ms. Bohmke for her many years of service on the R-Board. Ms. Bohmke thanked everyone and spoke of the commitment that she saw from staff, and enjoyed her time immensely.

Ms. Holmes requested that the R-Board provide only the electronic version of the quarterly packets. Dr. Yeung asked if paper copies could still be available, and the answer was yes. The consensus from the R-Board was to provide the electronic copies in the future.

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

CELL G1/G3 OPERATION The filling of Cell G1/G3 continues without any issues. The next flyover for the Landfill is scheduled to take place sometime in January 2026.

NEW CAMERA SYSTEM The Landfill has received a quote for a camera system. Currently the quote is going through the procurement process and review by the IT Department.

Dr. Mackintosh asked about the cameras. Mr. Markwardt explained that the cameras are used throughout the entire landfill area. Ms. Bohmke asked the age of the prior cameras, and Mr. Markwardt said that they were very old. The antennas and wiring are the same, being reused.

Mr. Hathcock added that the camera system was last updated in 2016 and will be tied into the County system.

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

Staffing The R-Board is currently authorized for 42 positions, of which 37 are full-time and 5 are part-time. There is currently one Maintenance Worker position open. Shawn Coates, Shawn Simmons, and Corey King were hired to fill the open Maintenance Worker positions.

Training and Development Staff members have completed the 2025 Unauthorized Waste Training, as required by the DEQ. Several staff members were recertified in First Aid/CPR/AED procedures. Staff attended the Regulatory Training Session and Annual Membership Meeting hosted by SWANA and the Stafford County Government Leadership Institute. Thomas Hinderliter and Michael Jones obtained their Skid-Steer Loader Certification. Walter Sanderson has been promoted to the Convenience Center Manager at Belman.

Safety Safety meetings are vital for building a safety culture and ensuring the well-being of all employees at the workplace. Safety meetings allow employees to share safety concerns and propose improvement ideas. DEQ requires the landfill staff to hold a monthly safety meeting. The following are some of our safety topics:

Active Shooter – An active shooter is an individual actively engaged in killing or attempting to kill people in a confined and populated area. The Department of Homeland Security advises all workers to remember this phrase: RUN, HIDE, or FIGHT. If there is an active shooter situation in your workplace, these three words will help you determine the best way to protect your own life.

Hazard Recognition – means identifying potential dangers on the job, before an incident happens. Recognizing hazards is one of the most important skills for staying safe at work. Hazards are anything that can cause harm. When you know how to spot hazards, you can take the necessary steps to avoid injuries and accidents.

Struck-by Hazards – Being struck by an object is one of the most common causes of death in the construction industry. A struck-by accident occurs when a person is forcefully struck by an object, wherein the force of contact is provided by the object. Struck-by is one of the top 4 areas of fatalities in the construction industry.

ACCOLADES Daniel McCary has retired from Stafford County after 18 years, including 12 years with Parks and Recreation and 6 years with the R-Board. Most of his time has been spent at the Belman Convenience Center as the manager. Dan has done an excellent job serving the residents of Fredericksburg.

Ms. Bohmke asked about the ideas for the safety items. Ms. Carpenter responded that they are part of the job requirements.

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

VA DEQ Quarterly Solid Waste Inspection: On November 20th, 2025, VA DEQ conducted its quarterly solid waste review of the R-Board landfill. No deficiencies were found during the inspection.

Landfill Solar RFP Update: On December 4th, 2024, Resolution RB24-12 was approved by the R-Board and RFP# 24092 was awarded to Community Power Group (CMG). After conducting a site assessment and design modeling, CMG determined the project is currently economically infeasible. If conditions change or new options emerge, a solar project will be reconsidered.

Environmental Monitoring & Reporting: Provided below is a table of reports & plans submitted for compliance purposes following last quarter's board report:

<u>Reports & Plans</u>	<u>Submission Date</u>
1 st Semi-Annual Gas Monitoring Report	August 27, 2025
1 st Semi-Annual Gas Compliance Report	August 27, 2025
1 st Semi-Annual Title V MACT Report	August 27, 2025
3 rd QTR Stormwater Chesapeake Bay TMDL	October 8, 2025
Landfill Gas Management Plan Revisions	October 10, 2025
Solid Waste Management Plan Revisions (Approved)	October 30, 2025

Upcoming: 2nd Semi-Annual Gas Monitoring Report, 2nd Semi-Annual Gas Compliance Report, 2nd Semi-Annual Title V MACT Report, Annual Title V Gas Compliance Certification, 3rd QTR GWM Active Landfill (2025), 2nd Semi-Annual Stormwater Benchmark eDMR, 2nd Semi Annual Stormwater Effluent eDMR, and 4th QTR Stormwater Chesapeake Bay TMDL.

Ms. Bohmke asked why the solar project is considered infeasible. Mr. Schmidt explained that it was due to tax credits mostly. Dr. Mackintosh asked if the same could be said for the Cool Spring site as well, and Mr. Schmidt said, no. Mr. Baroody said that the Cool Spring lease matter will be heard by City Council at its January 27th meeting. Mr. Hathcock added that the Eskimo Hill site is not conducive to solar panels, but as cells close, the door is open for a future look. Dr. Yeung asked if regional or federal grants were available, and was told that the vendor did not offer.

Recycling Report: Ms. Johnson reported on the following:

Household Hazardous Waste Day The R-Board held the Annual Household Hazardous Waste Day on Saturday, September 13th, for residents of the City of Fredericksburg and Stafford County. 724 vehicles came to the event, with most of them having only hazardous waste. This is due to the R-Board accepting electronics recycling daily.

UMW Presentation The R-Board participated in “The Afterlife of Fashion” panel at the University of Mary Washington. The panel explored how communities and companies are working to make fashion more sustainable through recycling and responsible consumption. The R-Board discussed their clothing recycling program at the Belman Road Convenience Center and the Regional Landfill.

Green Chip The Aquia Harbour Host Lions Club will no longer participate in the electronics recycling program due to not having volunteers to run the program. In response, the R-Board has initiated a pilot program with Green Chip for recycling services in the City of Fredericksburg and Stafford County. Residents can drop off their electronics at either the Belman Road Convenience Center or the Regional Landfill. The collected items will then be transported to Green Chip's facility in Fredericksburg for processing.

Single Stream Recycling Update The value of recycling commodities per ton has slightly decreased, which has led to a minor increase in processing costs.

Community Outreach Supervisor Ms. Mikelson reported on the following:

Educational Trailer:

- National Night Out – October 7, 2025 – (1250 educational backpacks & 300 reusable store bags were given out)
- Stafford Parks and Rec. Fall Family Fun Festival – October 4, 2025 – (1000 educational backpacks & 200 reusable store bags were given out)

Non-trailer Activities:

- Professor Olivia and the Litter Lifters Program has launched at CRRL.
- Mini Compost -A- Thons Weekends:
 - o Hurkamp Park -September 27, 2025, & October 25, 2025
 - o Long Family Markets – September 28, 2025, October 26, 2025 (236 Food Scrap Countertop Collectors given out, spoke with 450 residents and gave out 75 educational backpacks)
- Backyard Composting 101 - Central Rappahannock Regional Library
 - o Classes are given monthly and will continue through the winter into next year.
 - o This past quarter has 18 attendees in the last 3 classes.
- The DEQ Competitive Grant which we were awarded \$15,00.00 for compost outreach program.

Community Meetings and Outreach Connections:

- I contacted principals at multiple Stafford County and the City of Fredericksburg to introduce Professor Olivia and the Litter Lifters Program.
- I have been in continuous contact with Hunter Berry from Stafford County Schools about the Recycled Art Contest.

Upcoming Events:

- Recycled Art Contest launched in October with judging on January 24, 2026, at the 5th Annual Community Health & Wellness Fair at Colonial Forge High School.
- Earth Day week visit to Stafford High School and Dixon-Smith Middle School April 20-24, 2026
- Earth Day April 25, 2026, at Old Mill Park

Ms. Holmes was happy to hear about the two grants. Ms. Bohmke asked if the Board of Supervisors could have a bag to show at one of its upcoming meetings.

Litter Collection: Ms. Mikelson (for Ms. Brent) reported on the following:

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 August 1, 2025 through October 31, 2025, there have been:

- 10 active adult probationers currently in the program. Out of these 12 probationers, only 7 have actual hours this reporting period. There are 3 probationers due to come onboard.
 - o 248 non-paid hours
 - o 228 bags of roadside litter collected
 - o 38 miles of roads cleaned
- 10 adult probationers completed the program
 - o 242 non-paid hours (15 of these hours were working at the Stafford Landfill)
 - o 200 bags of roadside litter collected
 - o 44 miles of roads cleaned

Staff also works with the Rappahannock Regional Adult & Juvenile Recovery 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, 2025 through October 31, 2025:

- 3 active assignees
- 5 assignees completed the program

- o 88 non-paid hours
- o 140 bags of roadside litter collected
- o 20 miles of roads cleaned

The following roads/streets have been cleaned from August 1, 2025, through October 31, 2025:

Stafford Area: Allatoona Lane, Austin Ridge Road, Bethel Church Road, Blue and Gray Parkway, Brooke Road, Centreport Parkway, Chatham Heights, Coals Landing Road, Courthouse Road, Deacon Road, Dixon Street, Emancipation Highway, Eskimo Hill Road, Express Drive, Forbes Street, Forest Lane, Road, Garrisonville Road, Harrell Road, Hollywood Farm Road, Hartwood Road, Kings Highway, Layhill Road, Lichfield Boulevard, Manning Drive, Mine Road, Olde Forge Drive, Onville Road, Plantation Drive, Potomac Run Road, Red Oak Road, Richmond Highway, South Gateway Drive, Stafford Wayside, Staffordboro Boulevard, Telegraph Road, and Warrenton Road.

Fredericksburg Area: Amelia Street, Barton Street, Caroline Street, Charles Street, Charlotte Street, Dixon Street, Emancipation Highway, Fall Hill Avenue, Frederick Street, Greenbrier Drive, George Street, Hanover Street, Jackson Street, Kenmore Avenue, Lafayette Boulevard, Liberty Street, Little Page Street, Lewis Street, Plank Road, Prince Edward Street, Princess Anne Street, Princess Elizabeth Street, Roffman Rd, Sophia Street, Weedon Street, Wicklow Drive, William Street, Winchester Street, and Wolfe Street.

Dr. Yeung asked how all roads are cleaned. Ms. Mikelson explained that there is a list for each quarter and are on a rotation, but there is no set schedule due to litter calls. High traffic roads are checked weekly.

Ms. Bohmke reported that White Oak road has a high volume of litter.

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

Financial Status- July 2025-October 2025

R-Board finances FY26 to date are as outlined below:

- FY2026 reporting period revenue reflects a total of \$4,653,061.86, which is 44% of \$10,600,000.00 in budgeted revenue for FY2026. At the end of the reporting period, the R Board held \$22,965,962.25 in cash and short-term investments.
- FY2026 expenses for the reporting period reflect \$2,684,828.57 expended (25%) of an approved adjusted budget of \$10,600,000.

Dr. Mackintosh asked if both scales are being replaced, and Mr. Hathcock said that they were. He also asked about the leap in dirt. Mr. Hathcock explained that it is typical to have a rise and fall, and that it is used as beneficial material.

Dr. Yeung asked if airspace was still at 3.5 years, and Mr. Hathcock confirmed, adding that in FY27, the new cell will be completed.

Mr. Hathcock also noted that the Annual Financial and Operational Report was in the meeting packet for review.

Ms. Holmes expressed appreciation for the review. Ms. Bohmke asked about the recycling tips, etc., and was informed that the tips and graphics will all be added to the website and social media.

Caterpillar 826K Rebuild:

Ms. Bohmke motioned, seconded by Dr. Mackintosh to adopt proposed Resolution RB25-08.

By roll call, the vote was:

Yea:	(6)	Ashton, Baroody, Bohmke, Holmes, Mackintosh, Yeung
Nay:	(0)	

Resolution RB25-08 reads as follows:

A RESOLUTION TO AUTHORIZE CARTER MACHINERY COMPANY, INC. TO PROVIDE
REPAIR SERVICE AND PARTS FOR AN 826K COMPACTOR

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

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

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

WHEREAS, staff recommends the R-Board authorize the use of Carter Machinery Company, Inc. to provide a certified rebuild service and parts for a Caterpillar 826K compactor in a not-to-exceed amount of \$453,557.95; and

WHEREAS, funding in the amount this amount has been budgeted and appropriated in the adopted FY2026 budget for this purpose;

NOW, THEREFORE, BE IT RESOLVED by the Rappahannock Solid Waste Management Board on this the 10th day of December, 2025, that Carter Machinery Company, Inc. is authorized to provide parts and services on landfill equipment in FY2026 in the amount of Four Hundred Fifty Three Thousand, Five Hundred and Fifty Seven Dollars and Ninety Five cents (\$453,557.95).

VA Department of Environmental Quality Grant Acceptance:

Dr. Mackintosh motioned, seconded by Ms. Bohmke to adopt proposed Resolution RB25-09.

By roll call, the vote was:

Yea: (6) Ashton, Baroody, Bohmke, Holmes, Mackintosh, Yeung

Nay: (0)

Resolution RB25-09 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT GRANT FUNDING REGARDING THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY FY2025 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, 2025, to June 30, 2026; 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 10th day of December, 2025, that the R-Board be and it hereby does authorize the acceptance of the Virginia Department of Environmental Quality's Competitive Litter Prevention and Recycling Grant, in the total amount of Fifteen Thousand Dollars (\$15,000).

Dr. Mackintosh motioned, seconded by Ms. Bohmke to adopt proposed Resolution RB25-10.

By roll call, the vote was:

Yea: (6) Ashton, Baroody, Bohmke, Holmes, Mackintosh, Yeung

Nay: (0)

Resolution RB25-10 reads as follows:

A RESOLUTION TO AUTHORIZE AND ACCEPT FY2025 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 \$53,077.54 for litter prevention and recycling program activities for the period of July 1, 2025, to June 30, 2026; and

WHEREAS, Stafford County was awarded \$39,471.03 for the non-competitive grant; and

WHEREAS, the City of Fredericksburg was awarded \$13,606.52 for the non-competitive grant; 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 to support roadside litter clean-up, litter prevention, and recycling education; and

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this 10th day of December, 2025, 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 \$53,077.54.

Adjournment: The meeting was adjourned at 1:56 p.m.

Future Session: A regular meeting will be held on Wednesday, February 25, 2026, at 1:00 p.m., in Conference Room ABC.

Phillip Hathcock, Director

Pamela L. Timmons, Clerk



Rappahannock Regional Solid Waste Management Board

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

To: R-Board Members

From: Rick Markwardt, Landfill Superintendent

Date: February 25, 2026

RE: Report of the Landfill Superintendent

CELL G1/G3 OPERATION

The filling of Cell G1/G3 continues without any issues. The next flyover for the Landfill will be scheduled to take place sometime in the Spring/Summer of 2026.

NEW CAMERA SYSTEM

The landfill has received the purchase order (PO) for the new camera system. We are currently working with the I.T. Department on the final details before scheduling the installation with APV.





Rappahannock Regional Solid Waste Management Board

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To: R-Board Members
From: Susan Carpenter, Assistant Landfill Superintendent
Date: February 25, 2026
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 currently have (1) Landfill Gate Attendant and (1) Maintenance Worker positions open.

We hired the following new Maintenance Workers:

Claude Tamo has a degree in electrical engineering. He is a native of Africa and can speak, read, and write in French.

Tyler Knepshield has a Class A CDL and worked for American Hauling Services, hauling trash.

Michael Covelesky has a Class A CDL and has driven a truck for over 10 years. He also has a Locksmith License.

TRAINING AND CAREER DEVELOPMENT

The following obtained their Skid-Steer Certification:

Shawns Coates
Shawn Simmons
Corey King

Shawn Simmons has been promoted to the Scale house/Maintenance Manager.

Jeremy Ellis obtained his Class B CDL.

SAFETY

Safety meetings are essential for promoting a safety culture and ensuring everyone's well-being in the workplace. They allow employees to report safety concerns and share improvement ideas. The following are some of our safety topics:

Electrical Safety – Lightning

Lightning strikes can cause serious injuries or even death when workers are outdoors during thunderstorms. While lightning is often overlooked as an occupational hazard, awareness about lightning hazards is critical to ensure workers' safety.

Lightning is a dangerous natural force. According to OSHA, in the United States, over 300 people are struck by lightning every year, and unfortunately, many of these people die from lightning injuries. Workers whose job involves working outdoors in open spaces, on or near tall objects, or near explosives or conductive material have significant exposure to lightning risks. One of the worker activities at a higher risk for lightning hazards is heavy equipment operation.

Safety – Ladders

OSHA fall protection requirements are strategically designed to uphold the highest standards of safety for workers, including ladder selection, usage protocols, and ongoing inspections and maintenance to prevent dangerous incidents from occurring.



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According to OSHA, falls from portable ladders are one of the leading causes of occupational fatalities and injuries.

Health Hazards – Cold Stress

Anyone working in a cold environment may be at risk for cold stress.

Prolonged exposure to cold on/or freezing temperatures while on the job may cause serious health problems such as trench foot, frostbite, and hypothermia. In extreme cases, exposure to cold temperatures can lead to death.

Hypothermia can even occur at cold temperatures, above 40 degrees, if a worker becomes chilled from rain, sweat, or water.



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Tyler Schmidt, Landfill Environmental Coordinator
DATE: February 25th, 2026
SUBJECT: Environmental Compliance

VA DEQ VPDES Warning Letter:

On January 31st, 2026, R-Board Staff received a warning letter regarding effluent exceedances reported on the first semi-annual stormwater eDMR for 2025. R-Board Staff addressed the exceedances accordingly in 2025.

Annual Pretreatment Environmental Excellence Award 2025:

On February 4th, 2026, R-Board Staff received notification that the landfill was selected as a recipient of the Gold Award for Pretreatment Environmental Excellence from the Virginia Water Environment Association for the 2025 compliance year. The award will be given during the Annual Industrial Waste and Pretreatment Conference on March 10th in Harrisonburg, VA.

Environmental Monitoring & Reporting:

Provided below is a table of reports & plans submitted for compliance purposes following last quarter's board report:

<u>Reports & Plans</u>	<u>Submission Date</u>
2025 Annual Landfill Underdrain Monitoring Report	December 17 th , 2025
2nd Semi-Annual SIU IDMR	January 7 th , 2026
4th QTR Stormwater Chesapeake Bay TMDL (2025)	January 8 th , 2026
2nd Semi-Annual Stormwater Effluent eDMR (2025)	January 8 th , 2026
2nd Semi-Annual Stormwater Benchmark eDMR (2025)	January 8 th , 2026
3rd QTR GWM Active Landfill (2025)	January 15 th , 2026

Upcoming: 2nd Semi-Annual Gas Monitoring Report (2025), 2nd Semi-Annual Gas Compliance Report (2025), 2nd Semi-Annual Title V MACT Report (2025), Annual Title V Gas Compliance Certification (2025), 4th QTR GWM Active Landfill (2025), Annual GWM Closed Landfill (2025), Annual GWM Active Landfill (2025), 1st QTR Stormwater Chesapeake Bay TMDL (2026), and 1st QTR VA DEQ Solid Waste Inspection (2026).



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Francesca Johnson, Recycling Manager
DATE: February 25, 2026
SUBJECT: Recycling Report



Bicycle Restoration Program

The R-Board participated in the Stafford County Department of Social Services Holiday Program. The R-Board partnered with Stafford Crossing Community Church and the Fredericksburg Cyclist Club to restore gently used bicycles that were collected at the landfill. Thanks to the efforts of these generous volunteers, 22 bicycles were refurbished as gifts for the Holiday Program. Additionally, 5 adult bicycles were restored and donated to Micah Ministries to provide transportation for neighbors in need.

Rechargeable Battery Disposal

The R-Board continues to collect rechargeable batteries from residents at the Regional Landfill and the Belman Road Convenience Center, free of charge. The R-Board promotes the proper disposal of rechargeable batteries and offers resources on our website, social media platforms, and during recycling information sessions. Additionally, we emphasize that many electronics retailers and community facilities provide free drop-off bins for those who may not frequently visit R-Board locations.

Helpsy

The R-Board partnered with Helpsy in December 2025, an organization dedicated to reducing textile waste. Helpsy accepts donations of clean, dry, and odor-free clothing, linens, and footwear. Helpsy donation bins are located at the Belman Road Convenience Center and the Regional Landfill. This provides residents with an easy way to ensure that these items are repurposed rather than ending up in a landfill. This program also generates a small amount of revenue for the R-Board.

Styrofoam Ban

The Virginia General Assembly enacted legislation that prohibits the use of Expanded Polystyrene (EPS), commonly referred to as styrofoam. This ban applies to all food vendors, defined as any establishment that offers prepared food for public consumption, whether on-site or for takeout. All food establishments must stop using foam containers by July 1, 2026.

The R-Board has launched a public information campaign to inform the appropriate channels about the new law. The City of Fredericksburg Public Information Office, City of Fredericksburg Economic Development, Stafford County Community Engagement, and Stafford County Economic Development have all



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been made aware of this new law. Additionally, the R-Board coordinated with the Virginia Department of Health's Environmental Health Services division, which will distribute informational posters about the foam ban during their restaurant inspections. An informational postcard was mailed to all food establishments in the City of Fredericksburg and Stafford County.

Complaints and exemptions for the City of Fredericksburg and Stafford County will be managed locally by the Rappahannock Regional Solid Waste Management Board (R-Board).

Single-stream Recycling Update

Single-stream recycling processing costs continue to rise. Major recycling collectors are predicting low commodity values for the remainder of quarter 1, 2026.

Month	Number of Trailer Pickups	Trailer Haul Charge	Total Transportation Cost
September 2025	8	\$ 679.04	\$ 5,432.32
October 2025	9	\$ 679.04	\$ 6,111.36
November 2025	7	\$ 679.04	\$ 4,753.28
December 2025	11	\$ 679.04	\$ 7,469.44

Month	Quantity in Tons	Processing Cost	Total Recycling Processing Cost
September 2025	127.33	\$ 46.36	\$ 5,903.49
October 2025	132.64	\$ 49.00	\$ 6,498.85
November 2025	101.24	\$ 55.64	\$ 5,632.81
December 2025	157.79	\$ 55.55	\$ 8,765.42

Month	Single Stream Recycling Total Charge for Month
September 2025	\$ 11,335.81
October 2025	\$ 12,610.21
November 2025	\$ 10,386.09
December 2025	\$ 16,234.86



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Hope Mikelson, Community Outreach Supervisor
DATE: February 25, 2026
SUBJECT: Community Outreach

Educational Trailer:

- Purchase Order #372487 was issued on 1/14/26 to Core Print, LLC. The PO is to wrap and rebrand the Educational Trailer. Now it is to be called Professor Olivia's Mobile Classroom.



Non-trailer Activities:

- Professor Olivia's Litter Program has had several kits checked out and cleanups completed
 - Backyard Composting 101 - Central Rappahannock Regional Library
 - Classes are given monthly and will continue through the winter into next year.
 - Food scrap kits are given to each attendee, and a complimentary Compost Bin can be picked at the Administrative Offices.
 - Get Rid of Litter 3-D Recycled Art Contest was held on February 7, 2026, at Colonial Forge High School during Stafford County's *5th Annual Community Health and Wellness Fair*.
 - 64 students from 16 Stafford County Schools, including 2 Pre-K schools.
 - The 1st Place Winners were:
Pre-K-Ivy Wilder. K-2- Catherine Ossont, 3-5- Winnie Burke, 6-8- Mohamadi Homa, and 9-12- Myriana Rodriguez Bomilla. (Pictures are below in order)



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Community Meetings and Outreach Connections:

- Meet with CRRL members to discuss the Litter Lifter program and scheduled story times with Professor Olivia at both Porter and Howell Library.
- Meet with Eric Bonds and Jonathan Stevens about expanding the compost program and including possible food scrap drop offs.
- Meet with Francesca Johnson to discuss a possible pilot program for a food scrap contest between Fredericksburg and Stafford.



Rappahannock Regional Solid Waste Management Board

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TO: R-Board Members
FROM: Joyce Brent, Community Service Coordinator
DATE: February 3, 2026
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, 2025 through January 31, 2026, there have been:

- 27 active adult probationers currently in the program. There are 3 probationers due to come onboard.
 - 270.50 non-paid hours (51.75 hours were worked at Stafford Landfill)
 - 240 bags of roadside litter collected
 - 53.25 miles of roads cleaned
- 11 adult probationers completed the program
 - 275.25 non-paid hours (122.50 hours were worked at the Stafford Landfill and the Belman Convenient Center)
 - 202 bags of roadside litter collected
 - 27.50 miles of roads cleaned

Staff also works with the Rappahannock Regional Adult & Juvenile Recovery 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, 2025 through January 31, 2026:

- 3 active assignees
- 10 assignees completed the program
 - 305.50 non-paid hours .
 - 329 bags of roadside litter collected
 - 59.50 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). This reporting period, RRJ went out 4 times in December. Eskimo Hill Road, Potomac Run Road, Warrenton Road, and Route 3 East were cleaned..

The following roads/streets have been cleaned from November 1, 2025 through January 31, 2026:

Andrew Chapel Road
Austin Ridge Road
Bethel Church Road
Blue and Gray Parkway
Brooke Road
Centreport Parkway
Coals Lading Road
Courthouse Road
Cool Springs Road
Dixon Street
Emancipation Highway
Eskimo Hill Road
Enon Road
Fall Hill Avenue
Forbes Street
Forest Lane Road
Garrisonville Road
Hope Road
Kings Highway
Lafayette Boulevard
Layhill Road
Leeland Road
Manning Drive
Mine Road
Morton Road
Olde Forge Drive
Onville Road
Plantation Drive
Potomac Run Road
Primmer House Road
Richmond Highway
South Gateway Drive
Stafford Wayside
Truslow Road
Warrenton Road
White Oak Road

Fredericksburg Area:

Central Park
Charles Street
Cowan Blvd
Dixon Street
Emancipation Highway
Lafayette Boulevard
Plank Road
.



Rappahannock Regional Solid Waste Management Board

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To: R-Board Members
From: Phil Hathcock, Regional Landfill Director
Date: February 25, 2026
RE: Financial Report

Financial Status- July 2025-January 2026

R-Board finances FY26 to date are as outlined below:

- FY2026 reporting period revenue reflects a total of \$7,881,738.09, which is 74% of \$10,600,000.00 in budgeted revenue for FY2026.
- At the end of the reporting period, the R-Board held \$25,013,589.69 in cash and short-term investments.
- FY2026 expenses for the reporting period reflect \$4,170,096.90 expended (39%) of an approved adjusted budget of \$10,600,000.

Upcoming expenditures:

Expenditure	Planned Date	Amount
Compactor Rebuild	December 2025	\$453,557.95
Commercial Scales Replacement	July 2026	\$400,000
Cell G1/G2 Engineering	Current – 2027	\$300,000
Total		\$1,153,557.95

FY2026

Revenue

560-000	FY2026 Adopted Budget	Actual Year to Date	Actual Year to Date Monthly Average		Adopted Budget Monthly Average								
			July	August	September	October	November	December	January				
315-01-02	Interest on Investments / Allegiance Cap	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
315-02-35	Rental Cell Tower Sites	\$ 30,000.00	\$ 26,386.05	\$ 3,769.44	\$ 2,500.00	\$ 3,521.10	\$ 3,521.10	\$ 2,926.82	\$ -	\$ 7,636.48	\$ 2,926.85	\$ 5,853.70	
316-25-01	Recycling Revenue	\$ 110,000.00	\$ 59,457.11	\$ 8,493.87	\$ 9,166.67	\$ 2,242.15	\$ 1,599.06	\$ 21,127.49	\$ 2,625.18	\$ 1,525.06	\$ 26,039.41	\$ 4,298.76	
316-25-02	Commercial	\$ 8,800,000.00	\$ 6,688,830.87	\$ 955,547.27	\$ 733,333.33	\$ 1,119,823.88	\$ 1,004,765.84	\$ 958,538.57	\$ 1,047,820.29	\$ 875,412.00	\$ 909,942.04	\$ 772,528.25	
316-25-03	Municipal-Stafford	\$ 60,000.00	\$ 35,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
316-25-04	Municipal-Fredericksburg	\$ 270,000.00	\$ 148,222.91	\$ 21,174.70	\$ 22,500.00	\$ 24,267.95	\$ 21,765.60	\$ 23,473.96	\$ 24,249.23	\$ 17,605.76	\$ 23,034.41	\$ 13,826.00	
316-25-05	Sludge/Dirt/Debris Stafford	\$ 340,000.00	\$ 175,714.16	\$ 25,102.02	\$ 28,333.33	\$ 27,948.39	\$ 22,786.24	\$ 23,777.03	\$ 22,217.24	\$ 20,534.05	\$ 28,140.27	\$ 30,310.94	
316-25-06	Residential	\$ 800,000.00	\$ 534,090.00	\$ 76,298.57	\$ 66,666.67	\$ 54,435.00	\$ 53,760.00	\$ 43,025.00	\$ 50,740.00	\$ 48,160.00	\$ 134,235.00	\$ 149,735.00	
Cash Report	Online Sales	\$ -	\$ 71,690.00	\$ 10,241.43	\$ -	\$ 2,040.00	\$ 1,840.00	\$ 1,640.00	\$ 1,560.00	\$ 1,400.00	\$ 43,790.00	\$ 19,420.00	
Cash Report	Stafford Treasurer	\$ -	\$ 7,620.00	\$ 1,088.57	\$ -	\$ 360.00	\$ 200.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 2,860.00	\$ 3,840.00	
Cash Report	Fredericksburg Treasurer	\$ -	\$ 48,550.00	\$ 6,935.71	\$ -	\$ 2,120.00	\$ 1,960.00	\$ 1,440.00	\$ 1,760.00	\$ 1,440.00	\$ 23,400.00	\$ 16,430.00	
316-25-10	Sale of LF Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
316-26-05	Sludge Disposal Fred	\$ 120,000.00	\$ 67,420.48	\$ 9,631.50	\$ 10,000.00	\$ 9,924.32	\$ 8,980.16	\$ 5,436.20	\$ 9,947.56	\$ 10,311.68	\$ 13,764.80	\$ 9,055.76	
318-99-01	Miscellaneous	\$ 5,000.00	\$ 1,109.82	\$ 158.55	\$ 416.67	\$ 375.41	\$ -	\$ -	\$ 734.41	\$ -	\$ -	\$ -	
324-04-07	Litter Control - Grants	\$ 65,000.00	\$ 37,916.69	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	\$ 5,416.67	
341-06-00	Prior Year Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Totals		\$ 10,600,000.00	\$ 7,902,008.09	\$ 1,317,001.35	\$ 883,333.33	\$ 1,257,474.87	\$ 1,131,594.67	\$ 1,091,921.74	\$ 1,172,190.58	\$ 994,561.70	\$ 1,218,549.45	\$ 1,035,715.08	

1/31/2026

101-00-00	Cash	\$ 14,649,526.59
105-56-00	Invests/R-Brd-PFM	\$ 10,364,063.10

	FY2026	R-Board		Expenses				
		FY2026 Budget	FY2026 Adj/Budget	Actual Spent to Date	Remaining Balance	% spent	Dec Actual	Jan Actual
10-01	Salaries-Regular	2,379,272	2,379,271.88	1,253,869	1,125,403	52.7%	171,403	176,057
10-02	Salaries-Overtime	165,375.00	165,375.00	91,103	74,272	55.1%	20,432	16,699
10-03	Salaries-Part Time	157,122.79	157,122.79	69,000	88,123	43.9%	12,331	7,594
21-01	Social Security/Medicare	198,076.25	198,076.25	104,770	93,306	52.9%	15,106	14,813
22-10	VRS	300,000.00	300,000.00	171,302	128,698	57.1%	24,406	24,474
22-11	ICMA Hybrid Employer	13,866.14	13,866.14	16,894	-3,028	121.8%	2,247	2,567
23-01	Anthem	393,881.25	393,881.25	246,184	147,697	62.5%	37,470	35,329
23-03	Opt-Out	10,000.00	10,000.00	0	10,000	0.0%	0	0
24-01	Life Insurance	28,350.00	28,350.00	15,007	13,343	52.9%	2,138	2,144
25-01	Unemployment	10,000.00	10,000.00	0	10,000	0.0%	0	0
25-21	Hybrid Disability Progm	7,500.00	7,500.00	4,632	2,868	61.8%	681	683
27-20	Workers Compensation	65,000.00	65,000.00	35,277	29,723	54.3%	5,132	4,519
28-05	Chg Post-Retirement Benefit	140,000.00	140,000.00	0	140,000	0.0%	0	0
28-09	License/Certifications	8,000.00	8,000.00	566	7,434	7.1%	0	316
28-20	Education/Tuition Assist	1,500.00	1,500.00	356	1,144	23.7%	0	0
30-15	Fees for Services	25,000.00	25,000.00	9,021	15,979	36.1%	1,555	3,221
31-08	Physical Exams	500.00	500.00	40	460	8.0%	0	40
31-20	Audit Fee's	16,000.00	16,000.00	2,000	14,000	12.5%	0	0
31-30	Management Services	180,000.00	180,000.00	51,936	128,064	28.9%	0	0
31-44	Environmental Monito	270,000.00	270,000.00	143,068	126,932	53.0%	26,927	8,500
31-50	Legal Services	35,000.00	35,000.00	15,000	20,000	42.9%	2,500	0
31-52	Filing Fees	45,000.00	51,686.00	51,768	-82	100.2%	0	0
31-54	Permits & Inspections	200.00	200.00	0	200	0.0%	0	0
31-63	Cleaning Services	5,000.00	5,289.00	2,767	2,522	52.3%	443	443
31-64	Single Stream Process	130,000.00	130,000.00	71,440	58,560	55.0%	10,386	16,235
31-67	Househld Hazardous Wst	80,000.00	80,000.00	49,533	30,467	61.9%	1,241	405
31-68	Tire Disposal	25,000.00	25,000.00	0	25,000	0.0%	0	0
33-09	Facilities-Buildings	10,000.00	20,000.00	18,256	1,744	91.3%	159	129

		FY2026 Budget	FY2026 Adj/Budget	Actual Spent to Date	Remaining Balance	% spent	Dec Actual	Jan Actual
33-10	Repairs & Maintenance	611,000.00	611,000.00	278,556	332,444	45.6%	11,233	5,601
33-14	Computer Equipment Maintenance		12,115.00	8,139	3,976	67.2%	6,503	0
33-20	Contracts	50,000.00	50,000.00	10,236	39,764	20.5%	709	1,620
34-05	Transportation	2,000.00	2,000.00	716	1,284	35.8%	20	0
35-01	Printing & Binding	6,000.00	6,000.00	2,074	3,926	34.6%	1,107	0
36-11	Public Notification	500.00	500.00	0	500	0.0%	0	0
39-10	Litter Control	68,000.00	68,000.00	10,829	57,171	15.9%	1,397	3,476
40-07	Admin Charge-Fiscl Agnt	507,219.00	507,219.00	126,805	380,414	25.0%	0	0
51-10	Electrical	32,000.00	32,000.00	17,263	14,737	53.9%	3,730	0
51-30	Water & Sewer	20,000.00	20,000.00	11,256	8,744	56.3%	1,851	0
52-10	Postage	2,000.00	2,000.00	180	1,820	9.0%	159	0
52-30	Phone	14,000.00	14,000.00	8,799	5,201	62.9%	1,614	1,454
52-31	Mobile Phones	15,000.00	15,000.00	4,081	10,919	27.2%	797	1,757
52-38	VOIP Eqp Billing	5,500.00	0.00	20	-20	0.0%	0	0
53-04	Property	45,000.00	44,900.00	1,744	43,156	3.9%	0	0
53-05	Motor Vehicle	27,500.00	27,500.00	20,242	7,258	73.6%	0	0
53-20	Insurance	16,842.00	16,942.00	16,906	36	99.8%	0	0
54-10	Equipment	200,000.00	193,385.00	9,750	183,635	5.0%	142	335
54-20	Building or Office	5,000.00	5,000.00	1,873	3,127	37.5%	0	1,797
55-10	Mileage/Parking/Tolls	1,200.00	1,200.00	0	1,200	0.0%	0	0
55-40	Seminars & Conferences	5,000.00	5,000.00	4,673	327	93.5%	0	0
55-41	Meeting Expenses	2,000.00	2,000.00	174	1,826	8.7%	0	0
58-01	Dues & Membership	1,500.00	1,500.00	999	501	66.6%	305	255
60-01	Office	8,500.00	8,500.00	5,016	3,484	59.0%	689	2,375
60-02	Food & water	2,500.00	2,500.00	1,237	1,263	49.5%	393	51
60-03	Agricultural-Lawn Care	145,000.00	108,000.00	5,278	102,722	4.9%	822	55
60-05	Custodial-Janitorial	12,000.00	11,711.00	256	11,455	2.2%	0	0
60-07	Repairs & Maintenance	720,000.00	720,000.00	215,716	504,284	30.0%	35,426	16,927
60-08	Vehicle Fuels	605,000.00	598,314.00	183,132	415,182	30.6%	34,829	18,096

		FY2026 Budget	FY2026 Adj/Budget	Actual Spent to Date	Remaining Balance	% spent	Dec Actual	Jan Actual
60-11	Uniform & Wea Apparel	36,000.00	36,000.00	16,572	19,428	46.0%	6,152	1,108
60-12	Books/Subscrptns/Sf Media	2,000.00	2,000.00	1,267	733	63.4%	440	0
60-14	Operating	6,000.00	6,000.00	1,311	4,689	21.8%	0	0
60-17	Computer-Software	7,000.00	7,000.00	314	6,686	4.5%	0	0
60-19	Personnel Safety Equip	20,000.00	20,000.00	1,766	18,234	8.8%	42	834
60-20	Vehicle Parts & Tires	55,250.00	55,250.00	105	55,145	0.2%	0	0
60-21	Tool under \$500.00	3,000.00	3,000.00	1,426	1,574	47.5%	0	708
60-31	Machinery & Equipment	31,000.00	31,000.00	8,886	22,114	28.7%	0	3,745
60-32	Furniture & Fixtures	2,000.00	2,000.00	0	2,000	0.0%	0	0
60-33	Communications Equip	500.00	500.00	16	484	3.1%	0	0
60-34	Computer Equipment	5,500.00	5,500.00	484	5,016	8.8%	0	0
60-47	Site Improvements	65,000.00	102,000.00	42,686	59,314	41.8%	2,691	1,465
81-01	Machinery & Equipment	600,000.00	600,000.00	131,800	468,200	22.0%	0	0
82-01	Machinery & Equipment	50,000.00	50,000.00	0	50,000	0.0%	0	0
82-12	Improvements to Bldg	50,000.00	40,000.00	13,325	26,675	33.3%	0	0
82-15	Closure Debt and Future	546,894.00	546,894.00	0	546,894	0.0%	0	0
92-38	Debt County	344,000.00	344,000.00	0	344,000	0.0%	0	0
97-05	Fredericksburg Debt	344,000.00	344,000.00	305,100	38,900	88.7%	0	0
91-12	Principle-Capt leases	557,144.08	557,144.08	265,140	292,005	47.6%	38,178	38,409
91-22	Interest-Capt lease	44,807.52	44,807.52	10,166	34,642	22.7%	1,152	921
	Totals	10,599,999.91	10,599,999.91	4,170,096.90	6,429,903.01	39.3%	484,938.73	415,154.18
					\$10,599,999.91			

Rappahannock Regional Solid Waste Management Board
 Weight and Material Analysis Report FY2026

FY2026

CATEGORY	Jul	Aug	Sept	Oct	Nov	Dec	Jan	FY2026 Y-T-D
Billable	Weight							
MSW	16,969.41	16,969.74	16,166.36	16,046.52	14,662.22	15,513.07	12,557.86	108,885.18
C&D	11,182.17	9,897.71	9,331.33	11,295.97	8,232.61	7,126.44	6,680.16	63,746.39
Dirt	401.97	546.88	384.24	518.51	418.09	113.64	129.93	2,513.26
Sludge (city)	373.47	337.43	241.00	366.17	370.11	511.46	323.42	2,523.06
Sludge (county)	956.73	838.71	879.89	793.82	757.84	1,041.45	1,111.31	6,379.75
Yardwaste	203.81	266.69	125.40	104.44	281.01	569.79	252.17	1,803.31
Not Specified/Special I	1.88	0.00	0.12	5.00	0.00	-	0.35	7.35
Clean up	-	-	-	19.42	12.02	-	-	31.44
Military Weight	-	0.45	0.00	0.00	0.00	-	-	0.45
Tires Large	-	12.93	27.34	1.47	-	2.61	-	44.35
Mixed Load	-	14.80	6.27	46.37	-	5.07	-	
								185,850.95
Non-Billable								
Litter / Cleanups	5.59	4.11	11.03	19.06	16.88	9.12	5.60	71.39
Recycling	2,056.19	461.43	484.57	475.60	642.05	583.52	289.29	4,992.65
TOTAL TONNAGE	32,151.22	29,350.88	27,657.55	29,692.35	25,392.83	25,476.17	21,350.09	190,914.99

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

FINANCIAL STATEMENTS



Year Ended
June 30, 2025

Serving
Stafford County and
City of Fredericksburg, Virginia

Board of Directors

Jannan Holmes, Chairman

Pamela Yeung, Vice-Chairman

Meg Bohmke

Will Mackintosh

Tim Baroody

William H. Ashton II

Administration

Phillip W. Hathcock, Director

Ricky L. Markwardt, Superintendent

Alan R. (Randy) Helwig, Director of Finance

Sherry Baker, Senior Accounting Technician

Francesca Johnson, Recycling Coordinator

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Rappahannock Regional Solid Waste Management Board

473 Eskimo Hill Road, Stafford, VA 22554 • 540-658-5279 • www.r-board.org

February 17, 2026

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 herein with. 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, 2025 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.



Rappahannock Regional Solid Waste Management Board

473 Eskimo Hill Road, Stafford, VA 22554 • 540-658-5279 • www.r-board.org

Economic Conditions

The regional landfill faces many of the same economic challenges as other local businesses. 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 2025, 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.

FY25 was consistent with FY24 with commercial waste revenue continuing to be higher than residential.

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.



Rappahannock Regional Solid Waste Management Board

473 Eskimo Hill Road, Stafford, VA 22554 • 540-658-5279 • www.r-board.org

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 over financial reporting and on compliance 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.

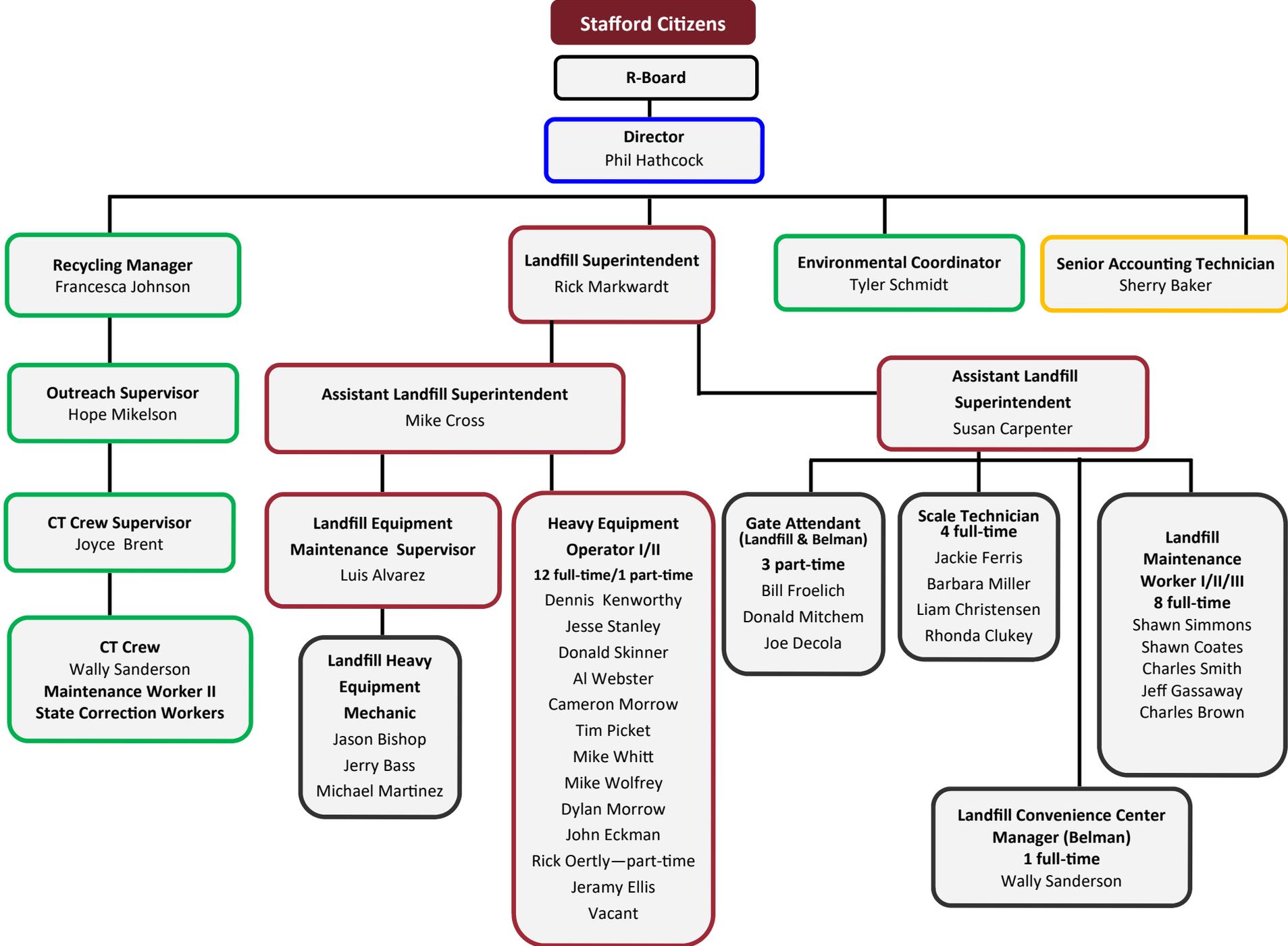
Acknowledgements

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

Organizational Chart





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 accompanying financial statements of the Rappahannock Regional Solid Waste Management Board (R-Board), as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of the R-Board, as of June 30, 2025, and the 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.

Emphasis of Matter

As described in Note 15 to the financial statements, in fiscal year 2025, the R-Board adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 57-65, 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 17, 2026 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.

P. B. Mares, LLP

Harrisonburg, Virginia
February 17, 2026

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, 2025. 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 \$4.3 million primarily due to land improvements associated with the completion of a new cell. Revenues were up about \$0.5 million year on year.
- * Current liabilities decreased \$1.1 million mainly from a decrease in accounts payable associated with prior year cell construction.
- * Net position increased approximately \$5.4 million, resulting in an unrestricted surplus balance of \$8.4 million, mainly due to current year operating income of \$3.8 million.
- * The R-Board implemented GASB Statement No. 101, Compensated Absences, for fiscal year 2025, which required the restatement of beginning net position due to a change in accounting principle for business-type activities, as discussed in Note 15 to the basic financial statements. Table 1 has not been restated for this change.

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 \$29.7 million at the close of fiscal year 2025.

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 \$8.4 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
For the Years Ended June 30th

	2025	2024
Current assets	\$ 15,983,935	\$ 18,000,672
Noncurrent assets	<u>28,619,111</u>	<u>22,288,134</u>
Total assets	<u>44,603,046</u>	<u>40,288,806</u>
Total deferred outflows of resources	<u>1,066,754</u>	<u>1,080,233</u>
Current liabilities	1,380,413	2,540,727
Noncurrent liabilities	<u>12,948,165</u>	<u>12,612,441</u>
Total liabilities	<u>14,328,578</u>	<u>15,153,168</u>
Total deferred inflows of resources	<u>1,655,085</u>	<u>1,909,644</u>
Net position:		
Net investment in capital assets	21,299,591	14,314,463
Unrestricted	<u>8,386,546</u>	<u>9,991,764</u>
Total net position	<u>\$ 29,686,137</u>	<u>\$ 24,306,227</u>

The increase in net position of \$5.4 million is attributed to these factors:

- * Results of FY25 operating income at \$3.8 million.
- * FY25 interest and investment income of \$0.9 million
- * Net contributions (to)/from the County and City of \$0.6 million.

The following table shows how revenues and expenses contributed to the change in net position between fiscal years 2024 and 2025.

TABLE 2
Summary of Changes in Net Position
For the Years Ended June 30th

	2025	2024
Revenues:		
Operating revenues:		
Charges for services	\$ 11,814,038	\$ 11,249,022
Miscellaneous	<u>42,403</u>	<u>38,409</u>
Total operating revenues	<u>11,856,441</u>	<u>11,287,431</u>
Nonoperating revenues:		
Interest on investments, net	931,853	997,113
Grants	66,628	75,315
Gain on sale of assets	<u>72,874</u>	<u>94,386</u>
Total nonoperating revenues	<u>1,071,355</u>	<u>1,166,814</u>
Expenses:		
Operating expenses:		
Landfill operations	<u>8,080,207</u>	<u>7,799,130</u>
Nonoperating expenses:		
Recycling program	<u>67,776</u>	<u>75,381</u>
Return/(receipt) of contributions	<u>(636,238)</u>	<u>(576,763)</u>
Change in net position	5,416,051	5,156,497
Net position, beginning	<u>24,306,227</u>	<u>19,149,730</u>
Net effect of change in accounting principle	(36,141)	
Net position, beginning as restated	24,270,086	
Net position, ending	<u>\$ 29,686,137</u>	<u>\$ 24,306,227</u>

- * Total operating revenues increased by \$0.5 million over the previous fiscal year.
- * Interest income on investments after netting with interest expense decreased by \$0.1 million from fiscal year 2024 due to slightly less cash for investments.
- * Overall, operating expenses increased \$0.3 million compared to amounts reported for fiscal year 2024, mainly due to an increase in closure/post-closure estimate and depreciation and amortization expense.

The R-Board's net investment in capital assets as of June 30, 2025 was \$21.3 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, vehicles and intangible right to use assets. The following table summarizes the change in capital assets for fiscal year 2025.

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, 2024	Additions/ Deletions, net	Balance June 30, 2025
Capital assets not being depreciated:			
Construction in progress	<u>\$ 3,036,421</u>	<u>\$ (3,036,421)</u>	<u>\$ -</u>
Land	<u>1,419,640</u>	<u>-</u>	<u>1,419,640</u>
Capital assets not being depreciated	<u>4,456,061</u>	<u>(3,036,421)</u>	<u>1,419,640</u>
Capital assets being depreciated or amortized:			
Land improvements	22,009,451	9,716,705	31,726,156
Buildings and building improvements	1,263,371	-	1,263,371
Furniture, fixtures and equipment	8,805,402	(623,245)	8,182,157
Software	33,137	-	33,137
Technology infrastructure	536,085	-	536,085
Vehicles	1,590,882	50,703	1,641,585
Intangible right-to-use lease land	15,204	28,904	44,108
Accumulated depreciation or amortization	<u>(22,049,655)</u>	<u>(1,033,386)</u>	<u>(23,083,041)</u>
Total	<u>\$ 16,659,938</u>	<u>\$ 5,103,260</u>	<u>\$ 21,763,198</u>

LONG-TERM OBLIGATIONS

The R-Board has a \$10.2 million obligation to close one landfill site and perform post-closure monitoring. During FY24 the R-Board entered into one finance lease for heavy equipment; no finance leases were entered into during FY25. 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, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,620,856
Investments	3,284,683
Accounts receivable, net	1,077,396
Other assets	1,000
Total current assets	<u>15,983,935</u>

Noncurrent assets:

Investments	6,855,913
Capital assets:	
Land	1,419,640
Land improvements and cell construction	31,726,156
Buildings and building improvements	1,263,371
Furniture, fixtures and equipment	8,182,157
Intangible right-to-use lease land	44,108
Software	33,137
Technology infrastructure	536,085
Vehicles	1,641,585
Less accumulated depreciation or amortization	<u>(23,083,041)</u>
Total noncurrent assets	<u>28,619,111</u>
Total assets	<u>44,603,046</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	595,362
Deferred outflows related to OPEB	471,392
Total deferred outflows of resources	<u>1,066,754</u>

LIABILITIES

Current liabilities:

Accounts payable	201,994
Accrued salaries and benefits	103,890
Insurance claims incurred but not reported	36,780
Deposits held in escrow	116,585
Compensated absences	172,254
Landfill closure/postclosure liability	288,158
Current portion of lease liabilities	5,584
Current portion of long-term debt	451,273
Other liabilities	3,895
Total current liabilities	<u>1,380,413</u>

Noncurrent liabilities:

Non-current portion of long-term debt	12,334
Non-current portion of lease liabilities	18,093
Compensated absences	216,567
Landfill closure/postclosure liability	9,864,624
Net OPEB liability	1,981,422
Net pension liability	855,125
Total noncurrent liabilities	<u>12,948,165</u>
Total liabilities	<u>14,328,578</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	165,796
Deferred inflows related to OPEB	1,489,289
Total deferred inflows of resources	<u>1,655,085</u>

NET POSITION

Net investment in capital assets	21,299,591
Unrestricted	8,386,546
Total net position	<u>\$ 29,686,137</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

OPERATING REVENUES:

Charges for services	\$ 11,814,038
Miscellaneous	42,403
Total operating revenues	<u>11,856,441</u>

OPERATING EXPENSES:

Personal services	3,473,577
Contractual services	1,438,482
Materials and supplies	901,566
Utilities	80,789
Capital outlay	9,555
Depreciation	1,379,234
Amortization	7,826
Landfill closure/postclosure	759,406
Miscellaneous	29,772
Total operating expenses	<u>8,080,207</u>

Operating income 3,776,234

NON-OPERATING REVENUES (EXPENSES):

Interest on investments	967,132
Interest expense	(35,279)
Grants	66,628
Gain on sale of assets	72,874
Recycling program	(67,776)
Total non-operating revenues, net	<u>1,003,579</u>

Income before capital contributions 4,779,813

Contributions from County and City 636,238

Change in net position 5,416,051

Net position, beginning 24,306,227

Restatement due to implementation of GASB 101 (36,141)

Net position, beginning as restated 24,270,086

Net position, ending \$ 29,686,137

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

Cash flows from operating activities:

Receipts from customers	\$ 12,098,812
Payments to suppliers	(3,842,439)
Payments to employees	(3,547,223)
Net cash provided by operating activities	<u>4,709,150</u>

Cash flows from non-capital financing activities:

Receipts from state-supported recycling program	66,628
Recycling program payments	(67,776)
Net cash used in noncapital financing activities	<u>(1,148)</u>

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets	(6,429,048)
Capital payments	199,194
Net cash used in capital and related financing activities	<u>(6,229,854)</u>

Cash flows from investing activities:

Interest and dividends on investments	967,132
Net sale and purchase of investments	(513,856)
Net cash provided by investing activities	<u>453,276</u>

Net decrease in cash and cash equivalents (1,068,576)

Cash and cash equivalents, beginning of year 12,689,432
Cash and cash equivalents, end of year \$ 11,620,856

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

Operating income	\$ 3,776,234
Depreciation expense	1,379,234
Amortization expense	7,826

Changes in assets and liabilities:

Decrease in accounts receivable	234,300
Decrease in accounts payable	(1,251,699)
Increase in accrued salaries and benefits	12,229
Increase in accrued insurance claims incurred but not reported	8,350
Decrease in retainage payable	(138,061)
Decrease in other liabilities	(866)
Increase in deposits and escrows	8,071
Increase in closure/postclosure liability	759,406
Increase in compensated absences	30,988
Increase in pension related liabilities and deferrals	8,556
Decrease in OPEB related liabilities and deferrals	(125,418)
Total adjustments	<u>932,916</u>
Net cash provided by operating activities	<u>\$ 4,709,150</u>

Supplemental disclosure of noncash capital and related financing activities:

Right-to-use asset acquired through lease	\$ 28,904
Debt acquired through lease	\$ (29,050)

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.

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.

Note 1. Significant Accounting Policies (Continued)

The Board distinguishes operating revenues and expenses from non-operating 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 non-operating 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 & 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.

During fiscal year 2025, the R-Board implemented GASB 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. This resulted in a restatement of the financial statements as described in Note 15.

Note 1. Significant Accounting Policies (Continued)

In accordance with GASB Statement No. 101, liabilities for compensated absences are recognized for:

- Leave that has not been used, if it is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.
- Leave that has been used but not yet paid or settled.

The R-Board does not recognize a liability for leave balances that are not expected to be paid or settled, such as those forfeited upon separation from service. However, under GASB 101, the R-Board evaluates historical usage patterns and employment policies to determine the portion of sick leave that is more likely than not to be used.

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 2025 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 assets 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.

Note 1. Significant Accounting Policies (Continued)

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.

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.

Note 1. Significant Accounting Policies (Continued)

In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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>.

During fiscal year 2025, the R-Board implemented GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. There was no material impact.

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.

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).

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

The following table shows the Board's total deposits and investments at June 30, 2025:

	Fair Value
U.S. Agencies and Securities	\$ 6,442,898
Corporate Notes and Bonds	1,431,374
Commercial Paper	1,436,131
Certificates of Deposit	756,263
Money Market Mutual Funds	73,931
Total Investments	10,140,597
Cash held by Treasurer of Stafford County	11,620,056
Petty Cash	800
Total Deposits and Investments	\$ 21,761,453

The Board has the following recurring reported value measurements as of June 30, 2025:

Investment Type	Valuation Method	Reported Value	Significant Other Observable Inputs (Level 2)
U.S. Agencies and Securities	Fair Value	\$ 6,442,898	\$ 6,442,898
Corporate Notes and Bonds	Fair Value	1,431,374	1,431,374
Certificates of Deposit	Amortized Cost	756,263	-
Commercial Paper	Amortized Cost	1,436,131	-
Money Market Mutual Funds	Amortized Cost	73,931	-
Total		\$ 10,140,597	\$ 7,874,272

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, 2025 and the ratings are presented below using the Standard & Poor's rating scale.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Held in County's Name as Fiduciary	AAAm	A-1	AAA	AA
U.S Agencies and Securities	\$ -	\$ -	\$ -	\$ 6,442,898
Corporate Notes and Bonds	-	-	77,512	1,353,862
Commercial Paper	-	1,436,131	-	-
Certificates of Deposit	-	756,263	-	-
Money Market Mutual Funds	73,931	-	-	-
Total	\$ 73,931	\$ 2,192,394	\$ 77,512	\$ 7,796,760

As of June 30, 2025, 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.

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, 2025, 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 5.5-year maximum maturity from the date of purchase. Additionally, 25% of the liquid funds are required to be invested in overnight 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	Value	Less than 1 Year	1 - 5 Years
U.S Agencies and Securities	\$ 6,442,898	\$ 714,016	\$ 5,728,882
Corporate Notes and Bonds	1,431,374	304,343	1,127,031
Commercial Paper	1,436,131	1,436,131	-
Certificates of Deposit	756,263	756,263	-
Money Market Mutual Funds	73,931	73,931	-
Total	\$ 10,140,597	\$ 3,284,684	\$ 6,855,913

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.

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 and Cost Sharing 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.

The system administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these 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 tables below:

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

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 Same as Plan 1.</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. 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. <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. Members are always 100% vested in the contributions that they make. 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. <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. Distributions not required, except as governed by law until age 73.</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</p> <p>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. 	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>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</p> <p><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.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</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 plan 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>

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, 2025 was 13.41% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$270,076 and \$249,097 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$7,142 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$8,638 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$711,333 for the year ended June 30, 2025.

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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

At June 30, 2025, the County, the George Washington Regional Commission (GWRC) and the R-Board reported a collective pension liability of \$40,153,253 for its proportionate share of the VRS net pension liability (collectively the County). This amount is comprised of \$38,708,428 for the County, \$589,700 for GWRC and \$855,125 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, 2023 relative to the total of the actuarially

Note 4. Defined Benefit Pension Plan (Continued)

determined employer contributions for all participating employers. At June 30, 2025 the R-Board's portion was 2.13 % as compared to 2.28 % at June 30, 2024.

D. Actuarial Assumptions

The total pension liability for the VRS retirement plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%
	<i>Net of pension plan investment expenses, including inflation</i>

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study & VRS Board action are as follows:

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 4. Defined Benefit Pension Plan (Continued)

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

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 (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%

Expected Arithmetic Nominal Return* **7.07%**

Note 4. Defined Benefit Pension Plan (Continued)

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary 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)	\$ 1,846,869	\$ 855,125	\$ 47,466

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, 2025, the R-Board recognized pension expense of \$306,666. At June 30, 2025, 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
Difference between Expected and Actual Experience	\$ 318,860	\$ 8,046
Changes in Assumptions	6,426	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	157,750
County Contributions subsequent to the Measurement Date	270,076	-
	<u>\$ 595,362</u>	<u>\$ 165,796</u>

\$288,030 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, 2026. 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:

	Amount
2026	\$ (15,406)
2027	156,442
2028	52,044
2029	(33,589)
2030	-
Thereafter	-
	<u>\$ 159,491</u>

I. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-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.

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

Note 5. Other Postemployment Benefits (Continued)

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 eligible retirees with 15 years of service 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 year end of June 30, 2024 (measurement date for fiscal year 2025).

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, 2024 was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2024 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	3.97% as of 6/30/2024
Healthcare cost trend rate	7.00%-3.92%

Mortality rates for general employees and healthy retirees were based on a 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, 2024 is 3.97%. This rate is based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

Note 5. Other Postemployment Benefits (Continued)

E. Net OPEB Liability

At June 30, 2025, the R-Board reported a liability of \$1,899,350 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, 2024. 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, 2025 and June 30, 2024, the R-Board's proportion was 2.13% and 2.13% respectively.

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

The following table presents the R-Board's proportionate share of the plan's Net OPEB Liability and the effects of using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate of 3.86%.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Net OPEB Liability	\$ 2,340,819	\$ 1,899,350	\$ 1,554,597

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 3.94%.

	1% Decrease (2.94%)	Medical Trend Rate (3.94%)	1% Increase (4.94%)
Net OPEB Liability	\$ 1,492,950	\$ 1,899,350	\$ 2,438,205

H. OPEB Expense and Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025, the R-Board recognized OPEB expense in the amount of (\$65,962). At June 30, 2025, the R-Board reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,459	\$ 583,055
Changes in assumptions	430,193	891,482
Net difference between projected and actual earnings on OPEB plan investments	4,429	-
	<u>\$ 439,081</u>	<u>\$ 1,474,537</u>

Note 5. Other Postemployment Benefits (Continued)

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 30:		Amount
2026	\$	(208,447)
2027		(197,921)
2028		(196,293)
2029		(250,202)
2030		(177,181)
Thereafter		(5,412)
	\$	(1,035,456)

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 Group Life Insurance (GLI) Program upon employment. This plan is administered by the Virginia Retirement System (VRS), along with pensions and other OPEB plans, 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.

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 Group Life Insurance 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 ends 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 \$9,254 as of June 30, 2025.</p>

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 Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% 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, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$9,498 and \$9,607 for the years ended June 30, 2025 and June 30, 2024, 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, 2025, the R-Board reported a liability of \$81,185 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the R-Board's proportion of the County was 2.13 % as compared to 2.28% at June 30, 2024.

For the year ended June 30, 2025, the R-Board recognized GLI OPEB expense of \$5,372. There was a change in proportionate share between measurement dates, no portion of the GLI OPEB expense was related to deferred amounts from changes to proportion.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

At June 30, 2025, the R-Board reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,801	\$ 1,983
Net Difference between projected and actual earnings on GLI OPEB Plan Investments	-	6,842
Change in assumptions	463	4,024
Change in proportionate share	7,519	60
County's contributions after the measurement date	9,498	-
	\$ 30,281	\$ 12,909

\$9,498 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, 2025. 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 30:	
	Amount
2025	\$ (498)
2026	3,700
2027	1,379
2028	1,646
2029	1,651
Thereafter	-
	\$ 7,878

Note 5. Other Postemployment Benefits (Continued)

M. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation	Locality General employees 3.50% - 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 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

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 GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
Employer's Net GLI OPEB Liability	<u>\$ 1,115,922</u>
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB	73.41%

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 (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Inflation	2.50%
		Expected Arithmetic Nominal Return*	7.07%

* The above allocation provides a one-year return of 7.07%. 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 7.10%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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 employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, 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 113% of the actuarially determined contribution rate. From July 1, 2024 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 (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
R-Board's proportionate share of GLI Net OPEB Liability	\$ 126,273	\$ 81,185	\$ 44,783

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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-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 Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), 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.

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 Health Insurance Credit 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.

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, 2025 was 0.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$711 and \$943 for the years ended June 30, 2025 and June 30, 2024, respectively.

U. Net HIC OPEB liability

At June 30, 2025, the R-Board reported a liability of \$887 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, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. At June 30, 2025 and June 30, 2024 the R-Board's proportion was 2.13% and 2.28% respectively.

V. Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50 %
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75 %, net of investment expenses, including inflation

Note 5. Other Postemployment Benefits (Continued)

Mortality rate – 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.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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 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

Note 5. Other Postemployment Benefits (Continued)

W. Long-Term Expected Rate of Return

The long-term expected rate of return on the System’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 System’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 (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Inflation	2.50%
		Expected Arithmetic Nominal Return*	7.07%

* The above allocation provides a one-year return of 7.07%. 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 7.10%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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, 2024, 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, 2024 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 R-Board’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 (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
R-Board's proportionate share of Net HIC OPEB Liability	\$ 3,632	\$ 887	\$ (1,431)

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, 2025, the R-Board recognized Health Insurance Credit Program OPEB expense of \$503 and reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 766	\$ 1,353
Change in assumptions	555	-
Net Difference between projected and actual earnings on Plan Investments	-	489
County's contributions after the measurement date	711	-
	<u>\$ 2,032</u>	<u>\$ 1,842</u>

\$711 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, 2026. 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 30:	
	Balance
2026	\$ (332)
2027	256
2028	(69)
2029	(271)
2030	(105)
Thereafter	-
	<u>\$ (521)</u>

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 5. Other Postemployment Benefits (Continued)

AA. Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2024 Annual Comprehensive Financial Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-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 below to reconcile the net OPEB liability, the deferred inflows and deferred outflows to the financial statements:

	Retiree Health Insurance	OPEB Group Life Insurance (GLI)	OPEB Health Insurance Credit (HIC)	Total
Net OPEB Liability	1,899,350	81,185	887	1,981,422
Deferred Outflows	439,081	30,281	2,032	471,394
Deferred Inflows	1,474,537	12,909	1,842	1,489,288
Expense (Credit)	(65,962)	5,372	503	(60,087)

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, 2025 is as follows:

	Balance <u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclasses/Transfers</u>	Balance <u>June 30, 2025</u>
Capital assets not depreciated:					
Land	\$ 1,419,640	\$ -	\$ -	\$ -	\$ 1,419,640
Other intangible assets	-	-	-	-	-
Construction in progress	3,036,421	-	-	(3,036,421)	-
Total capital assets not depreciated	<u>4,456,061</u>	<u>-</u>	<u>-</u>	<u>(3,036,421)</u>	<u>1,419,640</u>
Capital assets depreciated or amortized:					
Land improvements	22,009,451	6,282,905	-	3,433,800	31,726,156
Building and building improvements	1,263,371	-	-	-	1,263,371
Furniture, fixtures and equipment	8,805,402	182,400	(408,266)	(397,379)	8,182,157
Software	33,137	-	-	-	33,137
Technology infrastructure	536,085	-	-	-	536,085
Vehicles	1,590,882	-	(71,132)	121,835	1,641,585
Intangible right-to-use lease land	15,204	28,904	-	-	44,108
Total capital assets depreciated or amortized	<u>34,253,532</u>	<u>6,494,209</u>	<u>(479,398)</u>	<u>3,158,256</u>	<u>43,426,599</u>
Less accumulated depreciation or amortization for:					
Land improvements	(13,311,018)	(908,467)	-	(397,379)	(14,616,864)
Building and building improvements	(988,161)	(26,348)	-	-	(1,014,509)
Furniture, fixtures and equipment	(5,751,955)	(406,814)	404,376	397,379	(5,357,013)
Software	(3,314)	(6,627)	-	-	(9,941)
Technology infrastructure	(536,084)	-	-	-	(536,084)
Vehicles	(1,446,394)	(30,978)	71,132	(121,835)	(1,528,075)
Intangible right-to-use lease land	(12,729)	(7,826)	-	-	(20,555)
Total accumulated depreciation or amortization	<u>(22,049,655)</u>	<u>(1,387,060)</u>	<u>475,508</u>	<u>(121,835)</u>	<u>(23,083,041)</u>
Total capital assets depreciated or amortized, net	<u>12,203,877</u>	<u>5,107,149</u>	<u>(3,890)</u>	<u>3,036,421</u>	<u>20,343,558</u>
Total capital assets	<u>\$ 16,659,938</u>	<u>\$ 5,107,149</u>	<u>\$ (3,890)</u>	<u>\$ -</u>	<u>\$ 21,763,198</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, 2025:

	Compensated Absences*	Landfill Obligation	Equipment Finance Agreements	Net Pension Liability	OPEB Liability	Lease Obligations	Totals
Beginning balance, 6/30/24	\$357,834	\$9,393,376	\$900,651	\$776,666	\$1,935,663	-	\$13,364,190
Additions	30,987	759,406	-	78,459	45,759	29,050	943,661
Reductions	-	-	(437,044)	-	-	(5,373)	(442,417)
Ending balance, 6/30/25	\$388,821	\$10,152,782	\$463,607	\$855,125	\$1,981,422	\$23,677	\$13,865,434
Due within one year	\$172,254	\$288,158	\$451,273	-	-	\$5,584	\$917,269

*Beginning balances for compensated absences were restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. The change in the balance of compensated absences is shown net of additions and reductions.

Listed below is a chart related to the collateral and default terms of the Board’s installment financing agreements:

Equipment	Installment Financing Agreements	Collateral	Default/Termination Events
Caterpillar 330-07	\$354,864 issued June 6, 2022 maturing monthly in varying installments of \$6,969 to \$7,834 through May 6, 2026; Interest at 2.99% payable monthly.	Hydraulic Excavator	Accelerate all lease payments to be due and payable or take possession of the personal property.
Caterpillar 826K	\$821,690 issued July 24, 2022 maturing monthly in varying installments of \$15,362 to \$19,001 through June 24, 2026; Interest at 5.44% payable monthly.	Landfill Compactor	Accelerate all lease payments to be due and payable or take possession of the personal property.
Caterpillar D6VP	\$533,340 issued August 13, 2022 maturing monthly in varying installments of \$9,971 to \$12,333 through July 13, 2026; Interest at 5.44% payable monthly.	Bulldozer	Accelerate all lease payments to be due and payable or take possession of the personal property.

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 \$469,826 for the year ended June 30, 2025.

The R-Board is owed \$27,432 as of June 30, 2025 from the City for accounts receivable.

Note 9. Major Customers

The R-Board has six customers whose total charges were \$6,775,733, or 57% of operating revenues, for the year ended June 30, 2025. Accounts receivable from the major customers for landfill usage at June 30, 2025 totaled \$787,183.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 10. Leases

The R-Board entered into a 103-month lease as Lessee for the use of Ground Space - Eskimo Hill. An initial lease liability was recorded in the amount of \$44,108. As of June 30, 2025, the value of the lease liability is \$23,677. 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, 2025 of \$44,108 with accumulated amortization of \$20,555 is included in the table found below. The R-Board has one extension option remaining for 60 months.

Amount of lease assets by major class of underlying assets are as follows as of the fiscal year ended June 30, 2025:

Asset Class	Lease Asset Value	Accumulated Amortization
Land	\$ 44,108	\$ 20,555
Total Leases	\$ 44,108	\$ 20,555

Principal and interest requirements to maturity are as follows:

Fiscal Year(s)	Business-type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 5,584	\$ 193	\$ 5,777
2027	5,803	147	5,950
2028	6,029	100	6,129
2029	6,261	51	6,312
Total Payments	\$ 23,677	\$ 491	\$ 24,168

Note 11. Summary Disclosure of Significant Commitments and Contingencies

In 2024, the County and City each issued debt in the amount of \$2,010,000, plus a premium of \$106,548, for total proceeds of \$4,233,096. A portion of these funds were drawn in FY24, with the remainder being drawn in FY25, for the construction of Cells G1 and G3. The R-Board has pledged to repay the County and City for their capital contributions over a 7-year term.

As of June 30, 2025, the remaining principal outstanding at the County and City was \$1,765,000 each.

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 post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these

Note 12. Landfill Closure and Post-Closure Cost (*Continued*)

costs as an operating expense in each period based on landfill capacity used as of each financial statement date. The \$10.2 million reported by the Board as landfill closure and post-closure liability at June 30, 2025 represents the cumulative amount reported to date based on the used portion of the total estimated capacity of the landfill, 80% at June 30, 2025. The R-Board will recognize any remaining estimated costs of closure and post-closure as new phases are developed. These amounts are based on the estimated cost to perform all closure and post-closure care in FY2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill site currently has nine cells. Cells A, B, C, and D have reached 100% capacity and are closed. Cell E is at 92%, Cell F1 is at 89%, Cell F2 is at 95%, Cell F3 is at 80%, and Cell G1/G3 are at 51%.

Note 13. Pending GASB Statements

In April 2024, GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement 103 will be effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

In December 2025, GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events by defining subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals are necessary for issuance and have been obtained. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. Statement 105 will be effective for fiscal years beginning after June 15, 2026.

The R-Board has not yet determined the effect these GASB Statements will have on its financial statements.

RAPPAHANNOCK REGIONAL SOLID WASTE MANAGEMENT BOARD
NOTES TO FINANCIAL STATEMENTS

Note 14. Subsequent Events

The R-Board evaluated events through February 17, 2026 and there were no subsequent events for FY25.

Note 15. Restatement

In fiscal year 2025, the R-Board implemented GASB Statement No. 101, *Compensated Absences*, as a change in accounting principle. Statement No. 101 requires recognizing a liability for compensated absences, including certain amounts not previously accrued, and related salary-based payments. The standard has been applied retroactively, resulting in a restatement of beginning net position as of July 1, 2024 as shown below:

	R-Board (Landfill)
Net position, as previously reported	\$ 24,306,227
Implementation of GASB Statement No. 101, <i>Compensated Absences</i>	(36,141)
Net position, as restated	<u>\$ 24,270,086</u>

**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, 2025 *	As of June 30, 2024 *	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 *
R-Board's proportion of the net pension liability	2.12965%	2.28315%	2.39941%	2.18880%	2.40144%	2.52448%	2.17949%	2.37540%	2.33820%	2.30990%
R-Board's proportionate share of the net pension liability	\$ 855,125	\$ 776,666	\$ 697,165	\$ 351,317	\$ 933,073	\$ 745,394	\$ 423,993	\$ 485,038	\$ 726,978	\$ 583,829
R-Board's covered payroll	\$ 1,898,605	\$ 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
R-Board's proportionate share of the net pension liability as a percentage of its covered payroll	45.04%	43.40%	37.20%	22.43%	59.71%	58.85%	32.19%	37.90%	60.02%	48.41%
Plan fiduciary net position as a percentage of the total pension liability	88.07%	88.77%	89.61%	94.59%	83.53%	87.82%	88.16%	89.27%	68.28%	70.68%

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

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

	Fiscal Year June 30, 2025	Fiscal Year June 30, 2024	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
Contractually required contribution	\$ 288,030	\$ 249,097	\$ 234,779	\$ 181,401	\$ 166,561	\$ 155,303	\$ 116,539	\$ 112,188	\$ 107,480	\$ 129,862
Contributions in relation to the contractually required contribution	288,030	249,097	234,779	181,401	166,561	155,303	116,539	112,188	107,480	129,862
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,147,875	\$ 1,898,605	\$ 1,789,474	\$ 1,874,300	\$ 1,566,440	\$ 1,562,670	\$ 1,266,629	\$ 1,317,053	\$ 1,279,727	\$ 1,211,134
Contributions as a percentage of covered payroll	13.41%	13.12%	13.12%	9.68%	10.63%	9.94%	9.20%	8.52%	8.40%	10.72%

**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, 2025 *	As of June 30, 2024 *	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	2.13%	2.13%	1.99%	1.99%	2.10%	2.10%	2.44%	2.44%
R-Board's proportionate share of the net OPEB liability	\$ 1,899,350	\$ 1,842,376	\$ 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*	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*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total OPEB liability	14.78%	14.05%	11.24%	9.29%	5.21%	6.19%	6.38%	5.79%

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

Notes to Schedule:

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

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

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

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

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

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

	As of June 30, 2024*	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 GLI OPEB Liability	2.28%	2.40%	2.44%	2.40%	2.52%	2.18%	2.27%
R-Board's Proportionate share of the Net GLI OPEB Liability	\$81,185	\$90,649	\$93,833	\$120,641	\$116,433	\$91,299	\$93,524
R-Board's Covered Payroll	1,874,135	1,722,900	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	4.33%	5.26%	5.99%	7.72%	9.19%	7.67%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%	69.30%	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. However, until a full 10-year trend is compiled, the R-Board will present information for those years 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
2025	\$ 9,498	9,498	-	\$ 2,147,875	0.44%
2024	9,607	9,607	-	1,898,605	0.51%
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. However, until a full 10-year trend is compiled, the R-Board will present information for those years available.

**Notes to Required Supplementary Information - GLI
For the Year Ended June 30, 2025**

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
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
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, 2025*	As of June 30, 2024*	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 HIC OPEB liability	2.13%	2.28%	2.40%	2.44%	2.40%	2.52%	2.18%	2.27%
R-Board's Proportionate share of the Net HIC OPEB Liability	\$887	\$2,638	\$1,782	\$1,690	\$4,988	\$4,067	\$2,810	\$2,916
R-Board's Covered Payroll	878,569	1,019,928	898,883	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	0.10%	0.26%	0.20%	0.20%	0.64%	0.58%	0.41%	0.44%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	96.42%	90.08%	93.19%	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 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
2025	\$ 711	711	-	\$ 1,184,209	0.06%
2024	943	943	-	878,569	0.11%
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%

FY2023 contribution figures were updated in FY2024.

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 available.

**Notes to Required Supplementary Information - HIC
For the Year Ended June 30, 2025**

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
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
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, 2025, 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 17, 2026.

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.



Harrisonburg, Virginia
February 17, 2026

**RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD**

REPORT TO THE BOARD OF DIRECTORS

FEBRUARY 17, 2026



ASSURANCE, TAX & ADVISORY SERVICES



February 17, 2026

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

We are pleased to present this report related to our 2025 audit of the Rappahannock Regional Solid Waste Management Board's (R-Board) financial statements. Our 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

The following required communications summarize 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 and related compliance reporting process.

Our Responsibilities

We describe 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 to you in our engagement letter dated June 3, 2025. Our audit of the financial statements does not relieve management or you of your responsibilities, which are also described in that letter.

Planned Scope and Timing of the Audit

We have issued a separate communication dated June 3, 2025 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, 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. During the year the R-Board adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and Statement No. 102, *Certain Risk Disclosures*.

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.

Departure From the Auditor's Standard Report

Expected Emphasis-of-Matter Paragraph

The R-Board adopted new accounting guidance in fiscal year 2025. In light of this matter, we will include an emphasis-of-matter paragraph in the auditor's report. Below is a draft of the paragraph to be included in the auditor's report:

Emphasis of Matter

As described in Note 15 to the financial statements, in fiscal year 2025, the R-Board adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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.

Significant Matters That Required Consultation

We did not encounter any difficult or contentious matters that required consultation outside the engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

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, or officers.
 - 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, 2025 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.

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

Compensated Absences

Accounting policy

Compensated absences liabilities are calculated based on amounts more likely than not to be used as time off or settled during or upon separation consistent with the PTO policy maintained by the R-Board.

Management's estimation process

Based on management's analysis of employee benefits, including accumulated annual leave, sick leave, personal leave and floating holidays, which evaluates amounts earned, unused balances, and historical patterns of leave subject to forfeit at termination.

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 17, 2026

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, 2025 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 17, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 3, 2025, 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 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. Leases have been properly identified, recorded and disclosed in accordance with GASB Statement No. 87, *Leases*.
15. 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.
16. 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.
17. We believe the implementation of the GASB Statements listed below is appropriate:
 - a. GASB Statement No. 101, *Compensated Absences*, to update the recognition and measurement guidance for compensated absences.
 - b. GASB Statement No. 102, *Certain Risk Disclosures*, to assess whether a concentration or constraint makes the R-Board vulnerable to the risk of a substantial impact.
18. We have no knowledge of any uncorrected material misstatements in the financial statements.
19. 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

20. 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.
21. All transactions have been recorded in the accounting records and are reflected in the financial statements.
22. 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.
23. We have no knowledge of allegations of fraud or suspected fraud affecting the R-Board's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
24. 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.
25. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
26. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with GASB Codification Section C50, *Claims and Judgments*; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
27. 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.

28. 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.
29. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
30. 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:
 - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. 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.
 - c. 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.
31. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
32. 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

33. 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:

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

Rappahannock Regional Solid Waste Management Board

Phillip Hathcock

Phillip W. Hathcock
Director, Rappahannock Regional Landfill

Randy Helwig

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 17, 2026 but are not yet effective and may affect the future financial reporting by Rappahannock Regional Solid Waste Management Board.

Pronouncement	Summary
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i>	This Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement No. 103 will be effective for the R-Board beginning with its year ending June 30, 2026.
GASB Statement No. 104, <i>Disclosure of Certain Capital Assets</i>	This Statement will provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, <i>Leases</i> , and intangible right-to-use assets recognized in accordance with Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> , should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> , also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement No. 104 will be effective for the R-Board beginning with its year ending June 30, 2026.
GASB Statement No. 105, <i>Subsequent Events</i>	This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Statement No. 105 will be effective for the R-Board beginning with its year ending June 30, 2027.

PROJECTED REVENUES

R-BOARD REVENUE

	REVENUE	Adopted FY 2024	FY2024 Actual	Adopted FY 2025	FY2025 Actual	Adopted FY 2026	Proposed FY 2027	% Difference
316.25-01	Recycling	\$ 100,000.00	\$ 115,054.46	\$ 110,000.00	\$ 132,141.22	\$ 110,000.00	\$ 110,000.00	0%
316.25-02	Commercial	\$ 7,900,000.00	\$ 9,500,715.63	\$ 8,100,000.00	\$ 9,999,203.69	\$ 8,800,000.00	\$ 9,000,000.00	2%
324.04-07	Grants	\$ 48,000.00	\$ 48,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	0%
316-25-06	<i>Residential Fees</i>	\$ 800,000.00	\$ 806,000.00	\$ 800,000.00	\$ 749,740.00	\$ 800,000.00	\$ 825,000.00	3%
	Municipal Services							
316.25-04	<i>Fredericksburg</i>	\$ 270,000.00	\$ 260,130.79	\$ 270,000.00	\$ 252,585.74	\$ 270,000.00	\$ 270,000.00	0%
316-25-03	Stafford	\$ 40,000.00	\$ 39,999.96	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	0%
	Sludge/Utilities							
316-25-05	Stafford	\$ 340,000.00	\$ 359,740.31	\$ 340,000.00	\$ 368,159.93	\$ 340,000.00	\$ 320,000.00	-6%
316-26-05	Fredericksburg	\$ 120,000.00	\$ 134,876.83	\$ 120,000.00	\$ 118,044.08	\$ 120,000.00	\$ 120,000.00	0%
316-25-10	Ameresco Lease	\$ 40,000.00	\$ 5,557.60	\$ 40,000.00	\$ 6,254.95	\$ -	\$ -	
315-02-35	Milestone Lease	\$ 15,000.00	\$ 32,624.36	\$ 15,000.00	\$ 60,987.92	\$ 30,000.00	\$ 30,000.00	0%
318-99-01	Miscellaneous Sources	\$ 5,000.00	\$ 5,784.44	\$ 5,000.00	\$ 2,003.42	\$ 5,000.00	\$ 5,000.00	0%
	Subtotal	\$9,678,000	\$11,308,484	\$9,925,000	\$11,814,121	\$10,600,000	\$10,805,000	2%
341.06-00	Prior Yr Fund Balance	\$2,895,751	\$0	\$2,803,523	\$0	\$0	\$0	
	Total	\$12,573,751	\$11,308,484	\$12,728,523	\$11,814,121	\$10,600,000	\$10,805,000	2%

PROJECTED EXPENDITURES



EXPENDITURES		Adopted FY 2024		FY2024 Actual		Adopted FY 2025		FY2025 Actual		Adopted FY 2026		Proposed FY 2027			
PERSONNEL															
10-01	Salaries-Regular	\$	2,199,974.00	\$	2,141,740.00	\$	2,309,972.70	\$	2,069,185.00	\$	2,379,271.88	\$	2,474,442.76	4%	
10-02	Salaries-Overtime	\$	150,000.00	\$	120,169.00	\$	157,500.00	\$	153,702.00	\$	165,375.00	\$	171,990.00	4%	
10-03	Salaries-Part Time	\$	142,515.00	\$	106,207.00	\$	149,640.75	\$	114,429.00	\$	157,122.79	\$	163,407.70	4%	
21-01	Social Security/Medicare	\$	179,661.00	\$	177,045.00	\$	188,644.05	\$	173,938.00	\$	198,076.25	\$	199,511.00	1%	
22-10	VRS	\$	288,637.00	\$	249,097.00	\$	303,068.85	\$	288,030.00	\$	300,000.00	\$	300,525.00	0%	
22-11	ICMA Hybrid Employer	\$	12,577.00	\$	26,122.00	\$	13,205.85	\$	26,129.00	\$	13,866.14	\$	33,201.00	139%	
23-01	Anthem	\$	375,125.00	\$	417,741.00	\$	375,125.00	\$	380,645.00	\$	393,881.25	\$	460,841.06	17%	Health insurance Increases
23-03	Opt-Out	\$	15,000.00	\$	5,400.00	\$	15,750.00	\$	6,825.00	\$	10,000.00	\$	-	-100%	BOS eliminated Opt-out
24-01	Life Insurance	\$	27,000.00	\$	27,917.00	\$	27,000.00	\$	25,232.00	\$	28,350.00	\$	28,350.00	0%	
25-01	Unemployment	\$	10,000.00	\$	-	\$	10,500.00	\$	-	\$	10,000.00	\$	10,000.00	0%	
25-21	Hybrid Disability Program	\$	7,546.00	\$	7,199.00	\$	7,546.00	\$	7,368.00	\$	7,500.00	\$	8,765.00	17%	
27-20	Workers Compensation	\$	85,000.00	\$	45,142.00	\$	85,000.00	\$	57,610.00	\$	65,000.00	\$	65,000.00	0%	
28-05	Chg Post-retirement Benefit	\$	130,000.00	\$	140,698.00	\$	136,500.00	\$	-	\$	140,000.00	\$	140,000.00	0%	
28-09	License/Certifications	\$	12,000.00	\$	4,728.00	\$	12,000.00	\$	5,736.00	\$	8,000.00	\$	8,000.00	0%	Job Enhancement for Employees
28-20	Education/Tuition Assist	\$	1,500.00	\$	277.00	\$	1,500.00	\$	601.00	\$	1,500.00	\$	1,500.00	0%	Education Reimbursement Must be H.R. approved.
	Subtotal Compensation		\$3,636,535.00		\$3,469,482.00		\$3,792,953.20		\$3,309,430.00		\$3,877,943.31		\$4,065,533.52	5%	
AQUIRED SERVICES			Adopted FY 2024		FY2024 Actual		Adopted FY 2025		FY2025 Actual		Adopted FY 2026		Proposed FY 2027		
30-15	Fees for Services	\$	25,000.00	\$	18,695.00	\$	25,000.00	\$	404.00	\$	25,000.00	\$	25,000.00	0%	Credit Card Processing Fees
31-08	Physical Exams	\$	500.00	\$	394.00	\$	500.00	\$	425.00	\$	500.00	\$	500.00	0%	Employee Physicals
31-20	Audit Fee's	\$	14,000.00	\$	14,549.00	\$	14,000.00	\$	14,060.00	\$	16,000.00	\$	16,000.00	0%	Annual Audit
31-30	Management Services	\$	180,000.00	\$	99,968.00	\$	180,000.00	\$	162,648.00	\$	180,000.00	\$	180,000.00	0%	Engineering Consultants
31-44	Environmental Monitoring	\$	270,000.00	\$	261,425.00	\$	270,000.00	\$	225,183.00	\$	270,000.00	\$	270,000.00	0%	Environmental Monitoring; Lab Analysis
31-50	Legal Services	\$	27,300.00	\$	27,300.00	\$	27,300.00	\$	25,025.00	\$	35,000.00	\$	38,000.00	9%	Attorney Services
31-52	Permit Fee's	\$	55,000.00	\$	42,520.00	\$	45,000.00	\$	47,276.00	\$	45,000.00	\$	53,000.00	18%	Govt. Permitting Needs
31-54	Fire Permit	\$	200.00	\$	204.00	\$	200.00	\$	204.00	\$	200.00	\$	200.00	0%	Yearly inspection costs
31-63	Custodial-Cleaing	\$	5,000.00	\$	5,549.00	\$	5,000.00	\$	4,855.00	\$	5,000.00	\$	6,000.00	20%	
31-64	Single Stream Processing	\$	175,000.00	\$	110,705.00	\$	130,000.00	\$	97,326.00	\$	130,000.00	\$	130,000.00	0%	Single-stream Processing (TFC)
31-67	CFL & HHW Bulb Disposal	\$	100,000.00	\$	60,605.00	\$	80,000.00	\$	50,286.00	\$	80,000.00	\$	80,000.00	0%	HHW and FL Bulbs Only
31-68	Tire Disposal	\$	25,000.00	\$		\$	25,000.00	\$	-	\$	25,000.00	\$	25,000.00	0%	Tire Disposal Only
MAINTENANCE															
33-09	Facilities-Buildings	\$	10,000.00	\$	2,475.00	\$	10,000.00	\$	227.00	\$	10,000.00	\$	20,000.00	100%	Repairs: gutters furnaces etc.
33-10	Repairs & Maintenance	\$	611,000.00	\$	295,700.00	\$	611,000.00	\$	192,824.00	\$	611,000.00	\$	611,000.00	0%	Labor on Equipment Repairs & Transport Costs
33-14	Microsoft 365											\$	12,720.75		
33-20	Contracts	\$	50,000.00	\$	45,888.00	\$	50,000.00	\$	29,609.00	\$	50,000.00	\$	50,000.00	0%	Copiers, Porta John, Water, Compactor Rental (\$10,800)
			Reallocation		Reduction		Increase								

PROJECTED EXPENDITURES



	Adopted FY 2024	FY2024 Actual	Adopted FY 2025	FY2025 Actual	Adopted FY 2026	Proposed FY 2027			
TRANSPORTATION									
34-05	Transportation (Fleet Bills)	\$ 2,000.00	\$ 535.00	\$ 2,000.00	\$ 917.00	\$ 2,000.00	\$ 2,000.00	0%	Vehicle Inspections and Titles
35-01	Printing & Binding	\$ 6,000.00	\$ 4,535.00	\$ 6,000.00	\$ 4,794.00	\$ 6,000.00	\$ 6,000.00	0%	Annual Stickers, Coupon Books, Envelopes, Flyers, Business Cards, etc.
36-11	Public Notification	\$ 500.00	\$	\$ 500.00	\$ 25.00	\$ 500.00	\$ 500.00	0%	Advertising
39-10	Litter Control	\$ 68,000.00	\$ 75,381.00	\$ 68,000.00	\$ 67,664.00	\$ 68,000.00	\$ 68,000.00	0%	Education, Outreach, Litter Grant, Office on Youth Reg. Jail
INTERNAL SERVICES									
40-07	Admin Charges-Fiscal Agnt	\$ 369,225.00	\$ 369,225.00	\$ 469,826.00	\$ 352,369.00	\$ 507,219.00	\$ 509,919.00	1%	County Support (Finance, H.R. Purchasing etc)
51-10	Electrical	\$ 27,000.00	\$ 31,630.00	\$ 30,000.00	\$ 36,523.00	\$ 32,000.00	\$ 32,000.00	0%	
51-30	Water & Sewer	\$ 10,000.00	\$ 13,424.00	\$ 28,000.00	\$ 10,155.00	\$ 20,000.00	\$ 20,000.00	0%	
52-10	Postage	\$ 2,000.00	\$ 1,199.00	\$ 2,000.00	\$ 866.00	\$ 2,000.00	\$ 2,000.00	0%	
52-30	Phone	\$ 16,500.00	\$ 11,100.00	\$ 14,000.00	\$ 10,042.00	\$ 14,000.00	\$ 14,000.00	0%	Landlines Only
52-31	Mobile Phones	\$ 15,000.00	\$ 15,809.00	\$ 15,000.00	\$ 13,718.00	\$ 15,000.00	\$ 15,000.00	0%	Cell Phones Only
52-38	VOIP Eqp Billing	\$ 6,500.00	\$ 1,469.00	\$ 5,500.00	\$ 77.00	\$ 5,500.00	\$ 6,000.00	9%	Internet Services
53-04	Property	\$ 45,000.00	\$ 18,600.00	\$ 45,000.00	\$ 1,743.00	\$ 45,000.00	\$ 45,000.00	0%	Insurance
53-05	Motor Vehicle	\$ 27,500.00	\$ 7,153.00	\$ 27,500.00	\$ 19,954.00	\$ 27,500.00	\$ 27,500.00	0%	Insurance
53-20	Insurance (from 53-04)	\$ 16,842.00	\$ 16,873.00	\$ 16,842.00	\$ -	\$ 16,842.00	\$ 17,347.26	3%	Insurance Finance moved from 53-04
54-10	Equipment	\$ 200,000.00	\$ 8,093.00	\$ 200,000.00	\$ 9,221.00	\$ 200,000.00	\$ 200,000.00	0%	Equipment Rentals
54-20	Building or Office	\$ 5,000.00	\$	\$ 5,000.00	\$ 175.00	\$ 5,000.00	\$ 30,000.00	500%	Maint of Offices Building
TRAVEL AND TRAINING									
55-10	Mileage/Parking/Tolls	\$ 1,200.00	\$ 131.00	\$ 1,200.00	\$ 382.00	\$ 1,200.00	\$ 1,200.00	0%	
55-40	Seminars & Conferences	\$ 5,000.00	\$ 1,517.00	\$ 5,000.00	\$ 4,595.00	\$ 5,000.00	\$ 5,000.00	0%	Attending Meetings or Conferences
55-41	Meeting Expenses	\$ 2,000.00	\$ 254.00	\$ 2,000.00	\$ 214.00	\$ 2,000.00	\$ 2,000.00	0%	Employees - Holidays, Retirements, etc.
58-01	Dues & Membership	\$ 1,500.00	\$ 1,459.00	\$ 1,500.00	\$ 1,520.00	\$ 1,500.00	\$ 1,500.00	0%	SWANA, VRA
		Reallocation	Reduction	Increase					

PROJECTED EXPENDITURES



		Adopted FY 2024	FY2024 Actual	Adopted FY 2025	FY2025 Actual	Adopted FY 2026	Proposed FY 2027		
MISC SUPPLIES									
60-01	Office	\$ 8,500.00	\$ 5,440.00	\$ 8,500.00	\$ 6,473.00	\$ 8,500.00	\$ 8,500.00	0%	Office Supplies
60-02	Materials and Supplies	\$ 2,000.00	\$ 2,482.00	\$ 2,000.00	\$ 9,254.00	\$ 2,500.00	\$ 20,000.00	700%	Misc Supplies other than Office
60-03	Agricultural-Lawn Care	\$ 145,000.00	\$ 41,266.00	\$ 145,000.00	\$ 12,832.00	\$ 145,000.00	\$ 145,000.00	0%	Posi-Shell Cover Material
60-05	Custodial-Janitorial	\$ 12,000.00	\$ 1,324.00	\$ 12,000.00	\$ 638.00	\$ 12,000.00	\$ 12,000.00	0%	
60-07	Repairs & Maintenance	\$ 720,000.00	\$ 497,822.00	\$ 720,000.00	\$ 331,387.00	\$ 720,000.00	\$ 680,000.00	-6%	Heavy Equipment Maintenance Parts
60-08	Vehicle Fuels	\$ 605,000.00	\$ 370,878.00	\$ 605,000.00	\$ 325,998.00	\$ 605,000.00	\$ 605,000.00	0%	Fleet Fuels / Universal Environment (Oil Recycling)
60-11	Uniform & Wearing Apparel	\$ 36,000.00	\$ 24,954.00	\$ 36,000.00	\$ 26,426.00	\$ 36,000.00	\$ 36,000.00	0%	
60-12	Books/Subscrptns/Sf Media	\$ 2,000.00	\$ 1,741.00	\$ 2,000.00	\$ 897.00	\$ 2,000.00	\$ 2,000.00	0%	Trade Journals, Certificate Work Text Books,Safety Meetings
60-14	Operating	\$ 6,000.00	\$ 200.00	\$ 6,000.00	\$ 500.00	\$ 6,000.00	\$ 6,000.00	0%	Paradigm Scale Tickets, Statements, Envelopes
60-17	Computer Software	\$ 7,000.00	\$ 12,046.00	\$ 7,000.00	\$ 7,177.00	\$ 7,000.00	\$ 7,000.00	0%	Paradigm Scale program updates
60-19	Personnel Safety Equipment	\$ 20,000.00	\$ 6,438.00	\$ 20,000.00	\$ 4,504.00	\$ 20,000.00	\$ 20,000.00	0%	PPE Apparel and Boots
60-20	Vehicle Parts & Tires	\$ 55,250.00	\$ 26,225.00	\$ 55,250.00	\$ 38,553.00	\$ 55,250.00	\$ 55,250.00	0%	
60-21	Materials and Supplies-Tools New fy	\$ 3,000.00	\$ 3,431.00	\$ 3,000.00	\$ 2,373.00	\$ 3,000.00	\$ 5,000.00	67%	
60-31	Machinery & Equipment	\$ 31,000.00	\$ 48,825.00	\$ 31,000.00	\$ 23,244.00	\$ 31,000.00	\$ 31,000.00	0%	
60-32	Furniture & Fixtures	\$ 2,000.00	\$ 1,381.00	\$ 2,000.00	\$ -	\$ 2,000.00	\$ 2,000.00	0%	
60-33	Communications Equipment	\$ 500.00	\$ 134.00	\$ 500.00	\$ 189.00	\$ 500.00	\$ 500.00	0%	
60-34	Computer Equipment	\$ 5,500.00	\$ 14,241.00	\$ 5,500.00	\$ 141.00	\$ 5,500.00	\$ 5,500.00	0%	
60-47	Site Improvements	\$ 65,000.00	\$ 60,812.00	\$ 65,000.00	\$ 45,541.00	\$ 65,000.00	\$ 65,000.00	0%	Stone/Mulch; Paving
Subtotal Operations		\$4,100,517.00	\$2,684,004.00	\$4,143,618.00	\$2,221,433.00	\$4,185,211.00	\$4,228,137.01	1%	
CAPITAL COSTS									
81-01	Machinery & Equipment (Replace)	\$ 695,000.00	\$ 669,148.00	\$ 600,000.00	\$ 181,086.00	\$ 600,000.00	\$ 600,000.00	0%	New 730 Haul Truck
82-01	Machinery & Equipment (New)	\$ 470,035.00	\$ 420,035.00	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	0%	
82-11	Improvements to Site			\$ 690,000.00	\$ 6,282,905.00	\$ -	\$ 200,000.00		Engineering Services for Cell G1/G2
82-12	Improvements to Building	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	0%	
	New Cell	\$ 2,000,000.00	\$ 3,024,764.00	\$ 2,800,000.00	\$ -	\$ -	\$ -		
82-13	Scalehouse Renovations		\$ -				\$ 500,000.00		Scale Replacement
82-15	Closure debt and Future		\$ -			\$ 546,894.00	\$ 414,940.44	-24%	To reserves for future const.
91-12	Lease Principle Payment	\$ 621,950.00	\$ 621,950.00	\$ 557,144.08	\$ 437,044.00	\$ 557,144.08	\$ 12,333.12	-98%	Equipment Leases (1)
91-22	Lease Interest Payments	\$ 67,000.00	\$ 67,000.00	\$ 44,807.52	\$ 34,908.00	\$ 44,807.52	\$ 55.91	-100%	Equipment Leases (1)
92-38	County Debt	\$ 466,357.00	\$ 508,276.00	\$ -	\$ -	\$ 344,000.00	\$ 342,000.00	-1%	VRA Financing
97-05	City Debt	\$ 466,357.00	\$ 508,276.00	\$ -	\$ -	\$ 344,000.00	\$ 342,000.00	-1%	VRA Financing
Subtotal Capital		\$4,836,699.00	\$5,819,449.00	\$4,791,951.60	\$6,935,943.00	\$2,536,845.60	\$2,511,329.47	-1%	
TOTAL		\$12,573,751.00	\$11,972,935.00	\$12,728,522.80	\$12,466,806.00	\$10,599,999.91	\$10,805,000.00	2%	
		Reallocation	Reduction	Increase					



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: February 25, 2026
RE: Landfill Gas Purchase Agreements

Summary:

As discussed at several R-Board meetings over the past year, the current landfill gas purchaser Ameresco has not produced revenue or operated the electric generation plant for approximately two years. Ameresco management reports that the issue is related to connectivity between the generation plant and Dominion. R-Board management, with the assistance of Counsel, are in the process of negotiating an early termination of the contract with Ameresco.

In anticipation of the termination of the contract with Ameresco, R-Board staff released a request for qualified vendors to utilize the landfill gas in a beneficial manner. Responses were received from eight firms, four of which were chosen to present proposals in person. Negotiations are proceeding with the two highest-ranked firms to enter into an agreement to purchase the landfill gas.

**WORK ORDER PURSUANT TO CONTRACT NO. 22-005-5501SP
BETWEEN SCS ENGINEERS AND RAPPAHANNOCK REGIONAL SOLID
WASTE MANAGEMENT BOARD**

**R-BOARD REGIONAL LANDFILL – LANDFILL ENGINEERING SERVICES
CELL G1/G2 CONSTRUCTION DRAWINGS AND CALCULATIONS**

TASK ORDER NO. 2026-LF-005

The Stafford County Standard Contract for Services (No. 22-005-5501SP) by and between the Rappahannock Regional Solid Waste Management Board and SCS Engineers (SCS), dated 2/23/2022, is amended to include the following assignment:

1 BACKGROUND

Based on the most recent projection prepared by SCS Engineers (SCS), airspace at the Rappahannock Regional Board (R-Board) Regional Landfill is expected to be consumed by July of 2028. The next landfill cell, designated as Cell G1/G2, will need to be constructed and a certificate to operate (CTO) issued prior to this date to allow the R-Board to continue accepting waste. SCS has performed preliminary investigations and design efforts to begin this process as outlined in the following sections.

1.1 PRELIMINARY DESIGN AND PERMITTING EFFORTS

1.1.1 Wetlands and Streams Delineation

Vanasse Hangen Brustlin, Inc. (VHB) conducted a wetland and stream delineation on July 30, 2025 under Work Order 2025-LF-005. Following the delineation, VHB submitted a memorandum (memo) on November 19, 2025. The memo identifies 0.28 acres of wetlands and 413 linear feet of stream within the study area and estimates the cost of mitigation bank credits. However, additional delineation efforts will be required to cover additional areas affected by the stormwater management strategy.

The VHB memo notes both the Virginia Department of Environmental Quality Water Protection General Permit 4 (VDEQ WP4) and the U.S. Army Corps of Engineers State Programmatic General Permit (USACE SPGP-RCIR) expire August 1, 2026. It is advised to wait to apply for the new general permits until they have been issued by the regulators on August 2, 2026. The memo also notes tree removal restrictions will likely be in place between April 1st and November 15th. The R-Board may need to perform tree clearing prior to the mobilization of the cell construction contractor to accommodate this requirement.

1.1.2 Preliminary Design Plans and Preliminary Cost Estimate

SCS Engineers (SCS) submitted a preliminary design and preliminary budget for the proposed Cell G1/G2 to the R-Board Regional Landfill on January 14, 2026 under Work Order 2026-LF-003. The drawings included the Cell G1/G2 proposed base grade, perimeter access road, earthwork estimates, two potential stormwater management scenarios with preliminary stormwater management design, stockpiling scenarios, intermediate grade plans, profiles, and various details.

Based on the preliminary design plans, the Proposed Cell G1/G2 requires approximately 445,000 CY of excavation. To offset the cost of construction, the R-Board has expanded the excavation within the current limits of disturbance as depicted in the G1/G3 infrastructure plan. Revisions to the current land disturbance permit drawings were prepared and submitted to the R-Board on January 28th, 2026 under Work Order 2026-LF-004.

2 SCOPE OF SERVICES TO BE PERFORMED:

This Work Order outlines the tasks identified by SCS Engineers (SCS) in coordination with the R-Board necessary to provide the construction drawings and calculations for the next landfill cell and supporting infrastructure. The deliverables will include erosion and sediment control (ESC) plans as well as stormwater management drawings and calculations to apply for the land disturbance permit from Stafford County.

SCS's proposed approach and work plan is presented below:

TASK 1 – CONSTRUCTION DRAWINGS AND CALCULATIONS

SCS will commence work on the construction drawings and calculations by building upon the preliminary design plans. The preliminary design plans lack the level of detail and calculations necessary for construction and land disturbance permitting. Major components to be added or revised include new site topography, additional design surfaces, design profiles, cross sections, stormwater analysis and calculations, erosion and sediment control, and various other drawing details.

Align Drawings with NAVD88 Datum

The preliminary design drawings were prepared using the site's historical local vertical datum, which has been used for previous construction drawings, as-builts, and the permit drawings. The local site datum shows elevations as +3.08 feet above the corresponding standard North American Vertical Datum of 1988 (NAVD88) elevations. NAVD88 is the standard vertical datum used across most sites in Virginia and deviating from it risks causing field measurement errors and miscalculations.

To reduce the risk of confusion during construction, SCS recommends preparing the construction drawings and subsequent site drawings using only NAVD88. SCS will revise the current design drawings and update relevant historical data to align with NAVD88.

Update Property Map

The previous construction drawings for new landfill cells at the Regional Landfill include a sheet showing the site's property boundary line with bearing labels. Surrounding properties are also included with parcel numbers and owner information. SCS will prepare a revised property map sheet using Stafford County GIS data to update the information for surrounding properties.

Arrange for and Incorporate New Aerial LiDAR Topography

As discussed with the R-Board during the preliminary design, SCS used existing site topography compiled from a variety of sources and times. Several portions of the topography were roughly interpolated between different sources. Preparing accurate construction drawings will require new surveying.

SCS recommends a new aerial LiDAR (light detection and ranging) survey of the R-Board landfill property. Topography and aerial imagery will be provided by SCS's aerial surveyor subconsultant, Tuck Mapping Solutions, Inc. (Tuck Mapping). Tuck Mapping's aerial LiDAR capabilities can capture the existing surface topography through vegetation with an estimated accuracy of ± 0.25 feet. The new flyover would improve the accuracy of design grade tie-ins and earthwork estimates, reducing the risk of unexpected changes and cost increases during construction.

Designate New Survey Benchmark Locations

SCS will coordinate with the R-Board to identify locations for two new survey benchmarks to be installed in accordance with 9VAC20-81-10 and 9VAC20-81-130. SCS will include the new survey benchmarks in the construction drawings, designating them as to-be-installed by the Contractor in coordination with their licensed professional surveyor.

Engineering Modification Grade and Leachate Collection System

SCS will design the engineering modification grade corresponding to the top of the leachate collection layer, including cell terminus features, berms, and the layout of the leachate collection pipes. As-built drawings from the previous cells will be used to design the tie-in to the existing leachate collection pipes. The engineering modification grade will be displayed in the new cross sections.

Soil Stockpiles

SCS presented maximum build-out scenarios for the northern and southeastern soil stockpiles in the preliminary design plans. SCS will coordinate with the R-Board to decide upon a stockpiling strategy and prepare the construction design. The northern stockpile is nearest to the work area, but soil added to the northern stockpile will need to be removed for the construction of the future Cell G4. Using the southeastern stockpile will increase the hauling distance, but soil placed in this stockpile will not interfere with future landfill cells.

Erosion and Sediment Control

The construction drawings will include several sheets dedicated to erosion and sediment control (ESC) showing soil types, describing ESC features to be installed, ESC phasing, and construction sequencing. Erosion and sediment controls will be critical for the excavation and construction area for the new landfill cell and the associated stockpiling areas.

ESC features are anticipated to include temporary stone construction entrances, silt fence with wire backing, super silt fence, inlet and outlet protection, riprap, rock check dams, surface roughening, temporary seeding, permanent seeding, mulching, soil stabilization blankets and matting, and other controls. Corresponding details and stormwater design calculations will be included.

Expansion and Modification of Existing Sediment Basin No. 2

Based on discussions between SCS and the R-Board, the construction drawings will proceed with the stormwater scenario #2 approach from the preliminary design plans. SCS will finalize the existing sediment basin #2 expansion design to handle the additional stormwater from the Cell G1/G2 footprint and future cell development. The existing basin modifications will be designed to eliminate the need for the “West Sediment Basin” as depicted on sheet 45A of the Part B Permit Drawings (last revised 2015).

SCS will complete the design of the new stormwater channel, constructed primarily using structural fill, between the Cell G1/G2 perimeter access road and existing sediment basin #2. SCS will design modifications to the existing basin’s access road to reconnect to the new Cell G1/G2 perimeter access road.

A stormwater routing analysis will be completed to evaluate peak existing and post-development flows into and out of the basin. The outlet structure and barrel will be designed, and an emergency spillway may be added if required. A profile of the new outlet barrel will be included.

Expansion and Modification of other Sediment Basins

ESC features and stormwater controls will be designed for the modified stockpile or stockpiles, and the existing sediment basins will be analyzed for stormwater management adequacy. If necessary, SCS will design modifications to the existing sediment basins to accommodate additional stormwater.

Stormwater Management Calculations

In addition to the Cell G1/G2 Construction drawings, SCS will provide a detailed stormwater analysis to model pre-development, post-development, and final phasing G1/G2 grade conditions. SCS will provide stormwater culvert calculations to determine culvert capacity for proper sizing using Civil 3D stormwater modeling extensions. SCS will also provide proposed stormwater channel calculations, determining maximum flowrates for 10-year and 25-year storms.

SCS will use existing stormwater calculations that are shown in the Permit #589 Drawings provided by Resource International dated July 2015. However, SCS will provide our own calculations to consider the site’s current conditions, proposed base grades conditions, and proposed future conditions after filling in Cell G1/G2 is complete. SCS will provide basin design and routing calculations for the proposed sediment basin, utilizing Hydraflow Express and Hydraflow Hydrographs. Calculations will be utilized to determine features of the sediment basin such as principal spillway, emergency spillway, outlet barrel, and embankment.

Additional Details

Various additional details and updates will be required for features such as stormwater conveyance features, liner system and cell terminus features, leachate collection system details, stormwater basin details, VDOT standard details, and erosion and sediment control details.

Anticipated Construction Drawings

SCS anticipates the drawings will include multiple layout sheets, detail sheets, and calculation sheets as approximately noted below:

1. Cover Sheet

2. General Notes and Legend
3. ESC Notes
4. Property Map
5. Existing Conditions
6. Pre-Development Drainage Area Map
7. Base Grades and Roadways
8. Engineering Modification Grade Plan
9. Leachate Management Layout
10. Heat Map Earthwork Volume
11. Proposed North Stockpile
12. Proposed South Stockpile
13. ESC Plan for G1/G2 Phase 1
14. ESC Plan for North Stockpile Phase 1
15. ESC Plan for South Stockpile Phase 1
16. ESC Plan for G1/G2 Phase 2
17. ESC Plan for North Stockpile Phase 2
18. ESC Plan for South Stockpile Phase 2
19. Proposed Sediment Basin Layout
20. Post Development Drainage Area Map
21. Proposed G1/G2 Phasing Plan
22. Access Road Profiles
23. Cell Cross Sections
24. Sediment Basin Profiles
25. Details 1
26. Details 2
27. Stormwater Details
28. ESC Details
29. VDOT Details
30. Stormwater Calculations
31. Reference Drawings from Permit

Drafts and Reviews

SCS will submit draft construction drawings to the R-Board for review and comment. SCS recommends having an on-site meeting between SCS and the R-Board to discuss the construction drawings and address questions and comments from the R-Board. After revising the draft drawings to incorporate the R-Board's comments, SCS will submit the construction drawings, sealed by a licensed engineer. SCS will provide a copy of the construction drawings to VDEQ.

Stafford County Land Disturbance Permitting

Based on initial discussions with the R-Board, SCS anticipates a lengthy review and commenting period to obtain the land disturbance permit. Depending on the scope of the Stafford County land disturbance permitting requirements or related VDEQ comments, it may be necessary to address these requirements under a new work order.

ASSUMPTIONS

This work order excludes modifications to the landfill’s solid waste permit (No. 589). If modifications are required by the VDEQ, a separate work order scope will need to be prepared.

This work order also excludes the preparation of bidding documents and technical specifications other than the construction drawings and calculations relevant to land disturbance permitting.

SCS will refer to the site’s historical as-built drawings and other records when available. Where as-built records are not available, SCS may need to assume conditions based upon historical design drawings or other approximations. SCS will communicate these assumptions in our deliverables. If future field investigations are inconsistent with these design assumptions, then design revisions under a separate work order scope may be required.

3 WORK ORDER SCHEDULE:

SCS is available to commence work on this task upon receiving authorization to proceed. The anticipated milestone dates for this work order are presented below:

- Task 1 – Construction Drawings and Calculations
 - Preparation of 90-percent design for initial submittal to R-Board 6/1/2026
 - Preparation of sealed construction drawings for submittal to Stafford County planning department 7/1/2026

4 COMPENSATION:

SCS will be compensated for time and expenses in accordance with SCS’ standard rates in effect at the time of performance, provided that total compensation will not exceed the total below without the R-Board’s authorization. Our budgetary fee estimate by task is noted below.

- Task 1 – Construction Drawings \$165,000

Total Amount of this Task Order = \$165,000

Our detailed cost estimate is presented in **Exhibit 2026-LF-005** and identifies hourly rates, anticipated labor hours, and other direct expenses.

Work added to the Scope of Services shall be compensated at SCS’ FY 2026 fee schedule, unless otherwise agreed, subject to the terms and conditions of the Agreement between the parties.

5 CONTRACT TERMS:

These services will be performed in accordance with the terms of the existing contract (22-005-5501SP), dated February 23, 2022.

SCS ENGINEERS

By: _____

Print Name: _____

Title: _____

Date: _____

R-BOARD

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 2026-LF-005
 WORK ORDER 2026-LF-005
 CONSTRUCTION DRAWINGS AND CALCULATIONS
 BUDGETARY FEE ESTIMATE

SCS ENGINEERS	Rate \$/hr	SUBTASK 1 Construction Drawings and Calculations		TOTAL PROJECT	
		Hours	Cost	Hours	Cost
Project Director	\$ 275	42	\$ 11,550	42	\$ 11,550
Project Advisor	\$ 230	16	\$ 3,680	16	\$ 3,680
Project Manager	\$ 200	20	\$ 4,000	20	\$ 4,000
Senior Project Professional	\$ 175	184	\$ 32,200	184	\$ 32,200
Project Professional	\$ 145	78	\$ 11,310	78	\$ 11,310
Staff Professional	\$ 130	420	\$ 54,600	420	\$ 54,600
Assoc. Staff Professional	\$ 110	0	\$ -	0	\$ -
Technician	\$ 95	172	\$ 16,340	172	\$ 16,340
TOTAL LABOR		932	\$ 133,680	932	\$ 133,680
OTHER DIRECT COSTS					
Aerial Surveyor			\$ 15,040		\$ 15,040
Wetlands Delineation			\$ 7,500		\$ 7,500
Auto/Mileage			\$ 250		\$ 250
Lodging/Meals			\$ -		\$ -
Postage/Freight			\$ -		\$ -
Reproduction/Printing			\$ 91		\$ 91
Admin/Computer			\$ 5,592		\$ 5,592
TOTAL ESTIMATED ODC's BY TASK			\$ 28,473		\$ 28,473
Administrative (10%)			\$ 2,847		\$ 2,847
TOTAL			165,000		\$ 165,000

PROPOSED

RAPPAHANNOCK REGIONAL
SOLID WASTE MANAGEMENT BOARD

RESOLUTION

At a regular meeting of the Rappahannock Regional Solid Waste Management Board (R-Board) held in the R-Board Administration Center, Stafford, Virginia, on the 25th day of February, 2026.

MEMBERS:

Bill Ashton
Timothy J. Baroody
Maya Guy
Jannan W. Holmes
Dr. Will B. Mackintosh
Dr. Pamela Yeung

VOTE:

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

A RESOLUTION TO AUTHORIZE SCS ENGINEERS TO PROVIDE PROFESSIONAL
ENGINEERING SERVICES

WHEREAS, the R-Board desires to begin the engineering and obtaining the necessary permits for the construction of Cell G-1/G-2 to ensure City and County residents have a means to dispose of solid waste material in an environmentally responsible manner; and

WHEREAS, SCS Engineers provides contracted engineering services to the R-Board; and

WHEREAS, staff recommends the R-Board authorize the use of SCS Engineers to provide engineering services required by VA-DEQ, US-EPA, and the Army Corp of Engineers for the construction on Cell G-1/G2, in the amount of not to exceed \$200,000; and

WHEREAS, funding in the amount of \$200,000 are available in the R-Board FY2026 approved budget for future construction needs;

NOW, THEREFORE BE IT RESOLVED, by the Rappahannock Regional Solid Waste Management Board on this the 25th day of February, 2026, that the R-Board Director, or his designee, is authorized to execute a work order with SCS Engineers to provide engineering services for the permitting and construction documents for cell G1/G2 in an amount not to exceed Two Hundred Thousand dollars (\$200,000), unless modified by a duly-executed Contract Amendment.

A Copy, teste:

RAPPAHANNOCK REGIONAL SOLID WASTE
MANAGEMENT BOARD

Phillip Hathcock, Director

PROPOSED