

RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
April 26, 2004

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Monday, April 26, 2004 at 2:34 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Michael Gaffney – Presiding, Mr. Mark Graham, Mrs. Judith Mueller, Mr. Gary O’Connell and Mr. Robert Tucker.

Authority Staff Present: Ms. Anne Bedarf, Mr. Bruce Edmonds, Ms. Jennifer Whitaker, Mr. Bob Wichser, Ms. Kathy Ware, Mr. Lonnie Wood, and Mrs. Mary Knowles.

Also Present: Mr. Kurt Krueger – RSWA Attorney, members of the public and media representatives.

1.0 Call To Order

The regular meeting of the RSWA Board of Directors was called to order by Mr. Michael Gaffney on Monday, April 26, 2004 at 2:34 p.m., and a quorum was present.

Mr. Gaffney welcomed fellow Board members and members of the public in attendance at today’s meeting.

Mr. Gaffney stated that at this time he wanted to recognize the following two outgoing members of the Citizens Advisory Committee who would each be presented with a Resolution of Appreciation: Mr. Sonny Beale and Ms. Diane LaSauce. Mr. Edmonds stated that neither one could attend today’s meeting, but they were aware of the award and were very appreciative of the Board’s recognition. Mr. Gaffney added that the Board commends and thanks each of them for volunteering their time over the past few years to serve on the Citizens Advisory Committee. Mr. Gaffney dispensed with the reading from one of the Resolutions of Appreciation due to time constraints, but he requested that the Resolution be recorded in the minutes as follows:

“RESOLUTION OF APPRECIATION

PRESENTED TO

SONNY BEALE

UPON COMPLETION OF HIS SERVICE

TO THE

RIVANNA SOLID WASTE AUTHORITY

CITIZENS ADVISORY COMMITTEE

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1.0 Call To Order Cont.
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WHEREAS, Sonny Beale has served as a University of Virginia representative on the Citizens Advisory Committee for three years; and

WHEREAS, Mr. Beale has provided the Authority with his knowledge and expertise in his advisory role on matters pertaining to solid waste management, including recycling, energy generation and other alternative uses;

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Rivanna Solid Waste Authority that Mr. Sonny Beale is hereby extended the sincere appreciation of the Board of Directors for his outstanding service, personal diligence, commitment and achievements as a University of Virginia representative of the Citizens Advisory Committee, and upon completion of his service, presents this Resolution as a token of esteem, and orders a copy to be placed in the Minutes of this meeting.”

2.0 Minutes Of Previous Meeting

Upon a motion by Mr. Tucker, and seconded by Mrs. Mueller, the Board of Directors by a 5 – 0 vote approved the minutes of the regular Board meeting held on Monday, March 22, 2004, the minutes of the special joint meetings of the RSWA and RWSA Boards of Directors held on Thursday, March 4, 2004, and Wednesday, March 10, 2004.

3.0 Items From The Public

There were no items from the public.

4.0 Consent Agenda

Mr. Gaffney asked if there were any items that the Board members would like to pull for discussion from the Consent Agenda.

- 4a) Staff Report on Finance
- 4b) Ivy Landfill/Transfer Station Report
- 4c) McIntire Road Recycling Center/Paper Sort Recycling Operations
Manager’s Report
- 4d) Environmental Status Report

Upon a motion by Mr. Tucker, and seconded by Mrs. Mueller, the Board of Directors by a 5 – 0 vote approved Items 4a), b), c) and d) of the Consent Agenda.

5.0 Other Business

In regards to **Item 5a), Proposed FY 2005 Budget**, Mr. Wood reported that in January 2004, RSWA began working with the City and the County to determine if there were viable options for covering the Authority’s revenue shortfalls. He stated that although it appears the goal of implementing a utility fee this fiscal year would

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not be met, the parties would continue to explore this strategy as a future funding option.

Mr. Wood further reported that, as in previous years, RSWA would experience a revenue shortfall this upcoming fiscal year. He stated that it is estimated that the Authority will have a net operating loss of about \$1.9 million. He further stated that if the service contribution fee that is unfunded by the City is added to that amount, the deficit would increase to about \$2.5 million.

In order to fund the deficit, Mr. Wood stated that RSWA is proposing to issue new debt in the form of a line of credit, which would fund the remediation items that are non-recurring in nature. He added that the line of credit would need to be large enough to wrap interest payments in with the loan to avoid an impact on this year's budget. Mr. Wood further stated that RSWA is proposing that the City and County assist with the remainder of the \$1.8 million deficit.

Mr. Wood next highlighted some of the following items contained in the proposed FY 2005 budget:

REVENUES

- Tipping fees for both MSW transfer stations would increase \$5 per ton, which is a 9 percent increase from FY 2004 and a 20 percent increase over the past two years.
- Recycling revenues have decreased somewhat this past year, mainly due to a decline in paper prices. The quantity of paper received has also decreased slightly the first part of 2004, which coincided with the end of the Blue Bag Program.
- Interest on RSWA's accounts will continue to drop due to low interest rates and the depletion of cash reserves.

EXPENSES

PERSONNEL

- Funding was retained in the proposed budget for a Solid Waste Administrator. The position was included in last year's budget with the provision that it was to be filled on a contractual basis. Due to time constraints and the issuance of the Utility Fee Study contract, the position was left unfilled. This position could assist the Executive Director with the implementation of a Utility Fee, environmental projects, and daily operational and safety issues.
- An additional Equipment Operator is needed due to the large increase in materials received at the Transfer Station and at the McIntire Recycling Center and the increase in CDL driver needs. The position would also allow for more flexibility in overall manpower scheduling.

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- Funding is included for a 3.5 percent merit pool increase.
- Anticipated increases in health insurance, Workers Compensation, property and liability insurance costs have also been incorporated into this budget.
- The proposed budget includes one Household Hazardous Waste Day. Waste disposal costs have been increased due to the record amount of waste collected at last year's event.
- Most of the other operational costs remain roughly consistent with FY 2004.

CAPITAL COSTS

- Various site improvements and repairs are needed, including repairs to the Ivy Transfer Station concrete pad, as well as large equipment needs. Capital costs are rough estimates and will be funded with depreciation reserves.

ENVIRONMENTAL COSTS

- Environmental costs for the next five to ten years have not changed since first presented at the last two Board meetings, although some costs have been shifted from FY 2005 to FY 2006.

Mr. Wood pointed out that the Contingency Items listed on Page IV, Items 19 through 22, are listed for informational purposes and are not currently funded in the budget. He stated that these expenses might be incurred based on future remediation needs.

Mr. Wood noted that included in today's Board packet is a Resolution that sets forth the preliminary rate schedule, which must be advertised 15 days prior to the public hearing. He further stated that RSWA is requesting that the Board adopt this Resolution setting forth the preliminary rate schedule for the purposes of notification of a public hearing to be held on May 24, 2004 at 2:30 p.m. during the regularly scheduled Board of Directors meeting.

Mr. Gaffney inquired if the figures for Contingency Items 19 through 22 on page IV were placeholder numbers at this point. Mr. Wood stated that due to the uniqueness of the CAP process, he felt it was difficult to accurately budget these items. He added that he felt the consultants' figures were as exact as possible due to the amount of time they have spent on the project.

Mr. Tucker noted that Rivanna was proposing a 3.5 percent merit increase in FY 2005, and the City and the County were requesting a 3 percent merit increase in their respective budgets. He inquired if Rivanna had determined that its salary ranges had fallen behind the market. Mr. Wood distributed copies of an analysis that compared merit increase percentages over the past several years. He stated that the Authorities had fallen behind two of our three associated agencies. He added that the proposed 3.5 percent merit increase puts Rivanna in closer parity with these agencies.

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Mr. Tucker further inquired if the parity issue resulted from Rivanna's merit pool not mirroring what the localities received in the past. Mr. Wood replied that the analysis suggested that conclusion. Mr. Tucker added that the intent was for Rivanna to receive comparable merit increases, and he expressed regret that this had not occurred in the past.

Mrs. Mueller expressed concern that the proposed increase in tipping fees could result in a decrease in tonnage due to loss of business to competitors. She further stated that the City would be contracting with Waste Management instead of BFI beginning July 1, 2004 and felt this would also impact revenue projections. Mr. Graham commented on the differing impact the increased tipping fees would have on commercial and residential customers. He stated that he felt individual households would be willing to pay the increased fees for the convenience of the Ivy site, but he was uncertain as to how the commercial haulers would react to the higher rates.

Mr. Tucker noted that on page II under "Other Revenues," it states that recycling revenues were estimated to decline due to reductions in paper prices and quantity of paper received in early FY 2004. He stated that he thought the paper volume had increased during that time period. Mr. Wood stated that RSWA began to receive less paper at the end of 2003, possibly due to the impact of the Blue Bag Program. He added that although Rivanna normally experiences an increase in recycling activity at this time of the year, the budget estimates also reflect the current downward trend.

Mr. Gaffney stated that in response to questions normally asked by the community about local governments' support of the Authority, he noted that the City and County would continue to meet their obligations concerning the remediation activities at the Ivy site.

Upon a motion by Mr. Tucker, and seconded by Mr. Graham, the Board of Directors voted to adopt the following resolution which authorized RSWA to advertise the proposed tipping fees as preliminary rates for the required 15 days for the purposes of notification of a public hearing to be held on May 24, 2004 at 2:30 p.m. during the regularly scheduled Board of Directors meeting. By a 5-0 vote, the motion was approved.

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“RESOLUTION

**ADOPTION OF THE RIVANNA SOLID WASTE AUTHORITY
PRELIMINARY
BUDGET AND RELATED TIPPING FEES RATE SCHEDULE
FOR FISCAL YEAR 2005**

WHEREAS, Rivanna Solid Waste Authority (the “Authority”) Board of Directors has reviewed the proposed budget and associated rate changes for Fiscal Year 2005; and

WHEREAS, Section 15.2-5136(H) of the Code of Virginia, requires the adoption of the preliminary rate schedule for notification of a public hearing prior to any rate change; and

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Solid Waste Authority Board of Directors hereby approves the accompanying preliminary rate schedule for the purpose of notification of a public hearing to be held on May 24, 2004 at 2:30 p.m. during the regularly scheduled Board of Directors meeting.”

TIPPING FEES PER TON

IVY MUC		
Clean Fill Material		\$ 6.50
Document Destruction		\$ 64.00
Grindable Vegetative Material		\$ 39.00
MSW – Ivy Transfer Station		\$ 61.00
Pallets		\$ 44.00
Tires, Whole		\$142.00
BFI ZION’S CROSSROAD		
MSW – Contract Disposal at Zion		\$ 57.00

6.0 Other Items From Board/Staff Not On Agenda

Mr. Graham stated that he wanted to thank all RSWA staff for their hard work on Cell 2 (unlined) repairs. Although he has not had an opportunity to go out to the site recently, he understood that the area appears to be in very good condition. Mr. Wood reported that after the last heavy rainfall, he went to the site and was glad to observe that the water coming out of the slope drains was clear. Mrs. Mueller commented that the assistance of Albemarle County staff on this project was also appreciated.

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6.0 Other Items From Board/Staff Not On Agenda Cont.

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Mr. Gaffney added that he felt the whole Board would echo the comments made by Mr. Graham and Mrs. Mueller.

7.0 Joint Closed Meeting

Upon a motion by Mr. Graham, and seconded by Mr. O'Connell, the Rivanna Solid Waste Authority Board of Directors voted to enter into a joint closed meeting with the Rivanna Water & Sewer Authority Board of Directors for matters pertaining to personnel issues as permitted under Section 2.2-3711.A.1 of the Code of Virginia to discuss the Executive Director selection process. By a 5 – 0 vote, the motion was approved.

ATTENDEES: Mr. Gaffney, Mr. Graham, Mrs. Mueller, Mr. O'Connell, Mr. Tucker and Mr. Krueger.

8.0 Resumption of Open Meeting

The RSWA Board of Directors meeting was reconvened at 3:45 p.m.

Mr. Tucker made the following motion, which was seconded by Mrs. Mueller:

“**WHEREAS**, the Rivanna Solid Waste Authority Board of Directors has convened a joint closed meeting with the Rivanna Water & Sewer Authority Board of Directors on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by the Rivanna Solid Waste Authority Board of Directors that such closed joint meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Solid Waste Authority Board of Directors certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the

There being no further discussion, Mr. Gaffney, called for a roll call vote:
Mrs. Mueller – Aye, Mr. O'Connell – Aye, Mr. Graham – Aye, Mr. Tucker – Aye and Mr. Gaffney - Aye.

9.0 Closed Meeting

Upon a motion by Mr. Tucker, and seconded by Mrs. Muller, the Rivanna Solid Waste Authority Board of Directors voted to enter into a closed meeting as permitted under Section 2.2-3711.A.7 of the Code of Virginia to consider legal matters involving the

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Settlement Agreement with the Ivy Steering Committee and the BFI Waste Disposal Agreement. By a 5 – 0 vote, the motion was approved.

ATTENDEES: Mr. Gaffney, Mr. Graham, Mrs. Mueller, Mr. O’Connell, Mr. Tucker, Mr. Wood and Mr. Krueger.

10.0 Resumption of Open Meeting

The RSWA Board of Directors meeting was reconvened at 4:47 p.m.

Mr. Tucker made the following motion, which was seconded by Mr. O’Connell:

“**WHEREAS**, the Rivanna Solid Waste Authority Board of Directors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by the Rivanna Solid Waste Authority Board of Directors that such closed joint meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Solid Waste Authority Board of Directors certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the

There being no further discussion, Mr. Gaffney, called for a roll call vote:
Mrs. Mueller – Aye, Mr. O’Connell – Aye, Mr. Graham – Aye , Mr. Tucker – Aye
and Mr. Gaffney – Aye.

11.0 Adjournment

There being no further business, Mrs. Mueller moved the meeting be adjourned, seconded by Mr. Tucker. All members voted aye, and the meeting was adjourned at 4:48 p.m.

Respectfully submitted,

Mr. Gary O’Connell
Secretary – Treasurer

