



Rivanna Solid Waste Authority

Board of Directors Regular Meeting

February 27, 2018
2:00pm



RIVANNA SOLID WASTE AUTHORITY

695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

BOARD OF DIRECTORS

Regular Meeting of the Board of Directors of Rivanna Solid Waste Authority

DATE: February 27, 2018

LOCATION: Conference Room, Administration Building
695 Moores Creek Lane, Charlottesville, VA

TIME: 2:00 p.m.

AGENDA

- 1. CALL TO ORDER**
- 2. MINUTES OF PREVIOUS BOARD MEETING**
 - a. Minutes of the Regular Meeting of the Board on November 14, 2017*
- 3. RECOGNITION**
- 4. EXECUTIVE DIRECTOR'S REPORT**
- 5. ITEMS FROM THE PUBLIC**
- 6. RESPONSES TO PUBLIC COMMENTS**
- 7. CONSENT AGENDA**
 - a. Staff Report on Finance*
 - b. Staff Report on Ivy Material Utilization Center/Recycling Operations Update*
 - c. Staff Report on Ivy Landfill Environmental Status*
 - d. Staff Report on Ongoing Projects*
 - e. Recommendation for Approval of the Strategic Plan 2018*
 - f. Recommendation for Approval of Purchasing Manual Update*
 - g. Recommendation for Engineering Services – Recycling Master Plan for the IMUC and County Convenience Facilities - Arcadis U.S., Inc.*
 - h. Recommendation to Modify the IMUC Dam*
- 8. OTHER BUSINESS**
 - a. Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2017, Robert Huff*

(RECESS THE RSWA MEETING TO BEGIN THE RWSA MEETING; MOTION REQUIRED)

- b. Presentation to the RWSA / RSWA on the Compensation & Classification Study
Recommendations: Director of Finance & Administration, Lonnie Wood and
Consultant David Bollenback with Evergreen Solutions*

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

10. CLOSED MEETING

11. ADJOURNMENT

GUIDELINES FOR PUBLIC COMMENT AT RIVANNA BOARD OF DIRECTORS MEETINGS

If you wish to address the Rivanna Board of Directors during the time allocated for public comment, please raise your hand or stand when the Chair asks for public comments.

Members of the public requesting to speak will be recognized during the specific time designated on the meeting agenda for "Items From The Public." Each person will be allowed to speak for up to three minutes. When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group will be allowed to speak for up to five minutes.

During public hearings, the Board will attempt to hear all members of the public who wish to speak on a subject, but it must be recognized that on rare occasion presentations may have to be limited because of time constraints. If a previous speaker has articulated your position, it is recommended that you not fully repeat the comments and instead advise the Board of your agreement. The time allocated for speakers at public hearings are the same as for regular Board meetings, although the Board can allow exceptions at its discretion.

Speakers should keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. For that reason, speakers are requested to speak from the podium and wait to be recognized by the Chair. In order to give all speakers proper respect and courtesy, the Board requests that speakers follow the following guidelines:

- Wait at your seat until recognized by the Chair.
- Come forward and state your full name and address and your organizational affiliation if speaking for a group;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Summarize your key points and provide the Board with a written statement, or supporting rationale, when possible;
- If you represent a group, you may ask others at the meeting to be recognized by raising their hand or standing;
- Be respectful and civil in all interactions at Board meetings;
- The Board may ask speakers questions or seek clarification, but recognize that Board meetings are not a forum for public debate; Board Members will not recognize comments made from the audience and ask that members of the audience not interrupt the comments of speakers and remain silent while others are speaking so that other members in the audience can hear the speaker;
- The Board will have the opportunity to address public comments after the public comment session has been closed;
- At the request of the Chair, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

The agendas of Board meetings, and supporting materials, are available from the RWSA Administration Office upon request or can be viewed on the Rivanna website(s)



RIVANNA SOLID WASTE AUTHORITY

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RSWA BOARD OF DIRECTORS

Minutes of Regular Meeting

November 14, 2017

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, November 14, 2017 at 2:00 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Mike Gaffney – presiding, Mr. Trevor Henry, Mr. Paul Oberdorfer, Mr. Maurice Jones, Dr. Liz Palmer and Mr. Jeff Richardson.

Board Members Absent: Ms. Kathy Galvin.

Staff Present: Ms. Miranda Baird, Mr. Mark Brownlee, Mr. Tim Costello, Ms. Victoria Fort, Mr. Tom Freeman, Mr. Bill Mawyer, Ms. Katie McIlwee, Mr. Philip McKalips, Ms. Betsy Nemeth, Ms. Michelle Simpson, Ms. Andrea Terry, Ms. Jennifer Whitaker, Mr. Lonnie Wood and Mr. Jay Young.

Also Present: Mr. Kurt Krueger – RSWA Counsel, members of the public, media representatives and Raftelis consultant Darin Thomas.

1.0 Call to Order

A regular meeting of the RSWA Board of Directors was called to order by Mr. Gaffney on Tuesday, November 14, 2017 at 2:02 p.m. He introduced new Board member Jeff Richardson, the new Albemarle County Executive. Mr. Gaffney mentioned that Mr. Richardson has 27 years of local government experience, including 17 years in senior management – serving 12 years as Deputy City Manager for Asheville, NC, and since 2013 has served as County Manager for Cleveland County, NC. Mr. Gaffney noted that Mr. Richardson would serve as Vice-Chair of the RSWA once the Board elected him.

Dr. Palmer moved to appoint Jeff Richardson to Vice-Chair of the Rivanna Solid Waste Authority Board. Mr. Henry seconded the motion, which passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the vote.

2.0 Minutes of Previous Board Meeting

a) Minutes of the Regular Meeting of the Board on August 22, 2017.

40 **Dr. Palmer moved to approve the regular Board meeting minutes of August 22, 2017 as**
41 **presented. Mr. Jones seconded the motion, which passed by a vote of 6-0. Ms. Galvin was**
42 **absent from the meeting and the vote.**

43
44 **3.0 Recognition**

45 There were no recognitions this month.

46
47 **4.0 Executive Director's Report**

48 Mr. Mawyer reported that Rivanna would celebrate the groundbreaking of the new Ivy Transfer
49 Station on November 17, 2017 at 10:00 a.m. He stated that the Albemarle County Board of
50 Supervisors, City Council, staff and neighbors of the landfill were invited to attend the event at
51 the Ivy MUC.

52
53 Mr. Mawyer reported that the Household Hazardous Waste and Bulky Waste Days proceeded
54 well this fall and was held over five days, with more than 35,000 pounds of furniture and 9,000
55 pounds of appliances collected during the five-day event. He stated that 250 cars from the
56 County and 242 from the City brought products to the event.

57
58 Mr. Mawyer stated that Rivanna would celebrate the "America Recycles Day" on November 15
59 by handing out an apple from Carters Mountain Orchard to customers at the McIntire Recycling
60 Center, along with a sticker that says, "I Love Recycling."

61
62 Mr. Mawyer stated that Rivanna was pleased to have UVA's Theta Chapter of the Alpha Phi
63 Omega fraternity service group volunteer on August 26, September 2 and October 8. He
64 presented a photo of the group at the McIntire facility and stated that they did some painting and
65 got in Shenck's Greenway Creek to help clean up trash.

66
67 Mr. Mawyer mentioned that at this meeting in a work session, both Rivanna boards would
68 discuss the draft strategic plan.

69
70 Dr. Palmer asked when the agenda for the groundbreaking would be available.

71
72 Mr. Mawyer responded that it would be available later that day or the following, and stated that
73 Dr. Palmer, Mr. Gaffney, Mr. Layman, and Mr. Mawyer would be designated speakers.

74
75 **5.0 Items from the Public**

76 There were no items from the public.

77
78 **6.0 Responses to Public Comments – No Responses This Month**

79 There were no responses to public comments.

80
81 **7.0 Consent Agenda**

82
83 *a) Staff Report on Finance*

84 *b) Staff Report on Ivy Material Utilization Center/Recycling Operations Update with HHW and*
85 *Bulky Waste Day 4-Year History*

- 86 *c) Staff Report on Ivy Landfill Environmental Status*
87 *d) Staff Report on Ongoing Projects*
88 *e) Recommendation for an Additional ½ Day Holiday on November 22 and December 22, 2017*
89 *f) Proposed 2018 Board Meeting Schedule*
90 *g) Engineering Services Award – Geotechnical, Materials Testing, and Professional Engineering*
91 *Services – Schnabel Engineering, LLC*
92 *h) Construction Bid Award: Ivy MUC Enclosed Landfill Gas Flare Replacement - SCS Field*
93 *Services*

94
95 Mr. Mawyer presented a picture of the new landfill gas flare to provide a visual of what would
96 be replaced, and stated that the black pipe coming in from right to left stays, but everything to the
97 left of it – the blowers, the stack, all of the flare apparatus – will be replaced as part of the
98 construction project.

99
100 Dr. Palmer asked if it would be smaller.

101
102 Mr. Mawyer responded that it would be slightly smaller in height and diameter, and it was a
103 smaller unit because the landfill cells were now producing less gas. He noted that the unit was 20
104 years' old and needed to be replaced, but when the new one was put back it would be sized for
105 the current flow of gas and would be smaller.

106
107 **Dr. Palmer moved to approve the Consent Agenda. Mr. Jones seconded the motion, which**
108 **passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the vote.**

109
110 **8.0 Other Business**

111 There was no other business presented.

112
113 **9.0 Other Items from Board/Staff Not on Agenda**

114 There were none presented.

115
116 Mr. Krueger indicated that there would be a joint work session and closed session with the
117 RWSA, so the RWSA would recess its meeting and then call the RWSA meeting to order.

118
119 **Recess**

120 **At 2:11 p.m., Mr. Henry moved to recess the meeting. Dr. Palmer seconded the motion,**
121 **which passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the vote.**

122
123 There being no further business, the RWSA Board recessed their meeting at 2:11 p.m.

124
125 **Reconvene**

126 **At 2:45 p.m., Mr. Jones moved to reconvene the RWSA Board meeting. Dr. Palmer**
127 **seconded the motion, which passed by a vote of 6-0. Ms. Galvin was absent from the**
128 **meeting and the vote.**

129
130 **10.0 Joint Strategic Planning Work Session with RWSA Board**

Mr. Mawyer stated that Darin Thomas of Raftelis would discuss the strategic plan draft as developed through the Goal Teams and project steering committee, and there would be a speaker from each of the six goal teams who would discuss the six goals and how they were derived. He stated that this was a work session with the intent being to have the plan completed and ready for approval in December.

Mr. Thomas opened the discussion and stated that the strategic planning project is reflected in the strategic framework found in the board pockets, and after incorporating edits and comments from this meeting, they would move toward the development of their official strategic plan – which would be a more detailed written document. Mr. Thomas reported that in mid-June, the strategic planning project started with a kickoff session done with the project steering team, which included members of the boards. He stated that there had been a significant amount of stakeholder engagement activity, which included an online survey, one-on-one interviews with Board members, internal and external community stakeholders, and a public meeting. Mr. Thomas stated that all of the stakeholder information was gathered and turned into a deliverable called the “Sense of Stakeholder Summary,” and at the boards’ August 22nd meetings, they shared that feedback and received additional input from the boards.

Mr. Thomas stated that at that point they moved to the foundation workshop, a session that ultimately allows them to get close to final vision, values and mission, and also allows them to identify the broad goal categories for the organization. He stated that once that strategic guidance was gathered, they engaged the Rivanna Authorities through goal teams, and today each goal team champion would present the work of their team to express how success needed to be defined against the goals they champion – as well as how progress would be measured. Mr. Thomas stated that they would also try to answer the question of what the authorities need to focus on to advance those goals. He stated that in looking at the strategic framework, the intent is to provide the organization with a one-pager of their entire strategic plan, ranging from vision, values, and mission, to goals, measures and strategies. Mr. Thomas stated that the work of the goal teams culminated in a strategy workshop that took place on October 12, and all of the work culminated in finalization of the framework document. He stated that at this meeting the goal champions would discuss their respective areas and solicit feedback and input from the boards.

Mr. Thomas stated that the desired future state of both authorities was best expressed in the vision, which is to serve the community and be a recognized leader in environmental stewardship by providing exceptional water and solid waste services. He stated that the things that would guide them in making decisions were values, which are that the RWSA and RSWA are committed to the values of integrity, teamwork, respect, and quality. Mr. Thomas noted that vision and values also guide them in fulfilling their mission and purpose, expressed as “the professional team of knowledgeable and engaged personnel serving the Charlottesville, Albemarle, and UVA community by providing high-quality water treatment, refuse, and recycling services in a financially and environmentally sustainable manner. He stated that those as foundations for the strategic plan would help guide them as they fulfill their goals, work on achieving performance for measures, and implement strategies.

Ms. Betsy Nemeth, Human Resources Manager for the authorities, stated that she is the goal team leader for Workforce Development and referenced a list of team members – Cynthia

Polera, Travis Goode, David Rhodes, Lil Will Dobson, Steve Minnis, Patricia Defibaugh, and Brian Haney. She stated that the first step the group took was to develop a goal for workforce development: “To attract, develop, and retain a professional, highly skilled, dedicated, and versatile team.” Ms. Nemeth stated they narrowed a big group of strategies down to four: develop a comprehensive staffing, classification, and compensation plan; create a formal development and career path program, which emerged from the employee surveys; conduct a training needs assessment and enhance the training program; and develop an employee engagement program. She reported that a few key measures include reducing the turnover rate below 10% and to do it by department, increase the percentage of training completed to include licensing, and to increase the number of employees who meet the minimum requirements for positions one level above their current position.

Dr. Palmer asked if retirements were included in the 10% turnover, noting that there were several retirements happening.

Ms. Nemeth responded that retirements were included in turnover now, adding that there would be five retirements this year. She explained that there are 88 employees, and trying to keep that number below 10 does not provide much of a buffer so they may be factored out.

Dr. Palmer asked if there were any strategies related to diversity.

Ms. Nemeth replied that she would like the authorities to have more diversity, and noted that they did not establish a strategy for it. She stated that there were two aspects to diversity as it pertained to the authorities: female diversity, particularly among operators as there was currently just one female operator; and ethnic/racial diversity. Ms. Nemeth stated that they saw more diversity in wastewater and solid waste than in water, and it was not present in administration. She stated that in a meeting earlier that day with the Daily Progress, they brought up the fact that you could target groups to recruit diverse candidates.

Mr. O’Connell asked if they had projected retirements in some kind of succession and preparation for the future.

Ms. Nemeth responded that this was “career pathing,” and this included employees who wanted to move into supervisory roles and how to get them into those positions, as well as recruiting for future positions because licensed personnel were not out there, and those who were licensed were retiring. She stated that the thought process was to start getting people in the organization and grow them as trainees so they grow from within, adding that it helps them become Class 1 operators, and those are who tended to retire.

Dr. Palmer asked if there were sufficient resources for them to achieve the goals.

Ms. Nemeth responded that they have some resources, with ideas and time being the key and career pathing programs requiring time to establish, as they were individualized. She stated that the top strategy would pull resources in, and once they fleshed that out they have a consultant – Evergreen Consulting – that was doing a classification and compensation study. Ms. Nemeth stated there was a final draft being reviewed, and she suspected that this was where the resources

223 were – to get the funds to bring people in and to stay competitive in the market from a salary
224 perspective.

225
226 Mr. Richardson asked if there had been any kind of relationship with Piedmont Virginia
227 Community College on the technical training.

228
229 Ms. Nemeth responded that there was not, but there had been discussion about reaching out to
230 several colleges including PVCC. She stated they have discussed expanding the intern program
231 over the summer, and for IT they would want someone who did work on cybersecurity – so they
232 would reach out to CATEC. Ms. Nemeth mentioned that Rivanna recruits interns from Virginia
233 colleges and would be starting a new program this year in which they rotated people through all
234 departments, as well as specific areas of student interest.

235
236 Mr. Thomas stated that based on the strategic feedback from the boards and the stakeholders, the
237 first priority was to focus on workforce. He stated there were six goals within the strategic plan,
238 and the next high priority goal focused on “Operational Optimization”, with discussion to be led
239 by the Tim Castillo.

240
241 Mr. Castillo reported that their goal team leader was Dr. Gullick, but he was out of town. Mr.
242 Castillo stated that the team also included Matt Bussell, Brian Baird, Deborah Hoyt, Doug
243 March, Steve Miller, Brian Estes, and Kevin Palmer. Mr. Castillo stated that they developed a
244 goal of efficiently, reliably, and safely provide high quality services that ensure the best value for
245 customers. He stated that the team created strategies for doing this: continue to evaluate,
246 prioritize, and approve key business and operational processes; improve preventive maintenance
247 and emergency planning programs; enhance Rivanna’s culture of safety; and protect the
248 workforce and the public through continually growing a culture of safety.

249
250 Mr. Castillo stated that they determined that they needed to conduct some internal process audits
251 – at least two per department per year as a reasonable target. He stated that another specific
252 objective was to ensure that 90% of the operational preventive maintenance program work orders
253 were completed on time, which would enhance their ability to predict necessary repairs as well
254 as do preventive repairs. He stated that the specific objective related to safety was to decrease the
255 number of safety incidents and injury lost time, as there are specific industry metrics that can be
256 used as benchmarks.

257
258 Dr. Palmer asked if they were conducting their operations audits now, and who was doing them.

259
260 Mr. Castillo responded that they have begun that process, with wastewater and water
261 departments having conducted audits and solid waste departments doing audits as well. He stated
262 that this was something they needed to do and continue focusing on to truly achieve operational
263 efficiencies. Mr. Castillo explained that Rivanna could either do that internally or use outside
264 consultants to assist, or a team approach using both to maximize expertise.

265
266 Dr. Palmer asked if that hybrid approach was the industry standard.

267
268 Mr. Castillo responded that it was, although there were some people who felt they knew it all.

Mr. Thomas reported that another opportunity identified through stakeholder engagement was the notion of more effective communication – both internally and externally – and also to be able to collaborate more. He stated that the next goal, “Communications and Collaboration” would be presented by Lonnie Wood.

Mr. Wood stated that the goal champion had been Teri Kent, but he had been drafted to complete the task. He stated that their team also included Ken Chapman, Mark Roach, Carol Wiles, Victoria Fort, Conrad Zeller, Chris Ward, and Steve Minnis, Jr. He stated that one of the team’s observations was that employees were far more focused on internal communication versus external, so they set a goal to increase the number of facility tours offered. Mr. Wood stated that the goal is to foster a culture that encourages open communication and strengthens partnerships, and the first draft included “internal” and “external” strengthening of partnerships. He stated that one strategy was to create and implement a comprehensive public outreach plan, with other opportunities including the use of City and County communications with their customers as a vehicle for Rivanna. Mr. Wood stated that another strategy was to create and maintain the internal communications platform, with a focus on establishing a better platform than email, such as a Share Point or intranet site, or push notifications via phones.

Dr. Palmer stated that every strategic plan talked about communication and the issues related to it, and the RSWA has been trying to work out the communications between the City, County, and Rivanna – as there had been some disconnect in the past. She noted that there was still some confusion as to purpose of certain individuals, with Andy Lowe from Albemarle County staff present at this meeting. Dr. Palmer emphasized that it was a work in progress but could be worked out with some additional effort.

Mr. Henry asked if, in the context of communicating with staff who did not have access to electronic platforms, whether they had worked with those employees to determine best mechanisms for communication.

Mr. Wood responded that it was mostly a generational matter, as younger employees were connected with phones and used the internet, whereas more seasoned employees did not use those media. He confirmed that part of the strategy was to ensure that Rivanna reached them all.

Mr. Jones asked about social media as a performance metric.

Mr. Wood responded that the team had discussed it, and that was an item that would be resource driven, as you had to be dedicated to keeping the information constant and current.

Dr. Palmer stated that the staff changeover, with the website is less busy than it was before, but it was also more challenging to find the older information and studies – and she had heard from constituents who were frustrated by this.

Mr. Wood responded that this was something that was balanced out with web design, and a lot of websites were not repositories for historical reports but were the interface for customers. He stated that you could put an FTP site up that could be filled with documents, which is where they

315 had been with Rivanna's site, and it might be possible to have information in a different place
316 than on the website.

317
318 Dr. Palmer stated that this might be a good idea, especially when talking about the water supply,
319 the drought, instream flow requirements, etc. – as people may want to go back and look at those
320 documents.

321
322 Mr. Mawyer stated that Ms. McIlwee had been working to improve the Authority website, but
323 there were already more than 100 pages within the current site and they needed to determine how
324 they want the website to be used.

325
326 Dr. Palmer noted that some of the historical information could be linked off.

327
328 Mr. Wood stated that there was an add-on program available for Laserfiche that would go to
329 publicly available information, but someone would need to be dedicated to keeping it up.

330
331 Mr. O'Connell asked how they would measure "increased employee engagement ratings."

332
333 Mr. Wood responded that this could be accomplished through engagement surveys that could be
334 compared from year to year, and they could also observe trends in what employees were
335 accessing on the website. He stated that the recently established employee council could help
336 disseminate information.

337
338 Mr. Thomas added that there are specially designed survey instruments that allow organizations
339 to get a sense of engagement. He stated that the next area of focus was "Environmental
340 Stewardship", and stated that each goal team focused on trying to provide a definition of success
341 – and the strategies and measures hopefully contain the most pertinent things that get at
342 achieving success as developed by each of the goal teams.

343
344 Ms. Terry stated that she is the goal team champion for environmental stewardship, and their
345 team members include Junior Harris, Bethany Houchens, Cliff Hunt, Jim Langolf, Bill Morris,
346 and Kathy Ware. She reported that the team's goal is "to be a leader in our community's
347 environmental protection and education," and the strategies established included increasing
348 internal environmental engagement. Ms. Terry stated that in their work, she recognized that
349 people are proud that Rivanna is an environmental agency, as water resources are an
350 environmental resource, they clean up the water, and they handle solid waste. She stated that
351 they realized they would need to identify resources in the organization to support environmental
352 outreach and grant initiatives, although Rivanna does bits and pieces in different places. Ms.
353 Terry reported that the third strategy is "to provide regional strategy in environmental
354 stewardship," and "to increase collaboration with other environmental groups." She added that
355 measures of success identified included exceeding the DEQ permit compliance.

356
357 Dr. Palmer asked her to elaborate on "designate resources to support environmental outreach and
358 green initiatives," and what the resource needs are to meet environmental stewardship goals.
359

360 Ms. Terry reported that there was a need for time for staff to perform those functions, and
361 possibly additional resources – which would need to be defined once they come up with specific
362 objectives.

363

364 Dr. Palmer asked when they would determine those objectives.

365

366 Ms. Terry responded that this was the next step in the strategic planning process.

367

368 Mr. Mawyer explained that in the next phase of the process, they would take a closer look at the
369 goals and determine the actionable items and the schedule, as well as the resources required. He
370 noted that they may have Raftelis assist with each goal team to create actionable items and how
371 they achieve these goals, along with what resources are needed, then staff would come back to
372 the Board and clarify any positions or dollars needed.

373

374 Mr. Henry asked if they would identify specific numbers associated with the measures the goal
375 team has established.

376

377 Ms. Terry responded that this was possible, and the team struggled a bit in trying to ascertain
378 what the right metric would be in which to accomplish that – so it was still evolving and the team
379 would want input on that.

380

381 Mr. O’Connell asked for confirmation that each goal team would essentially come up with an
382 action plan.

383

384 Mr. Mawyer responded that there would be subcategories for each goal, what resources are
385 needed, and a schedule for accomplishment along with priorities throughout five years. He added
386 that budget implications would also be included as part of the next phase.

387

388 Ms. Terry commented that the goal team had lots of ideas to get put into the overarching
389 strategies, which provide a launching point for moving forward.

390

391 Mr. Thomas stated that with some of the metrics identified, they need to determine what an
392 appropriate target is – and once they know the baseline they can set those targets. He stated that
393 the transition is to develop strategy implementation work plans, and typically they recognize that
394 this is a five-year planning instrument and it is good to do the work plans on an annual basis. Mr.
395 Thomas noted that this enables them to look at a cross-section of strategies and figure out time,
396 energy, resources, money, staffing positions, etc. – and what the organization can realistically
397 achieve, recognizing the need to secure Board support for that investment.

398

399 Mr. Thomas stated that the fifth goal area is “Solid Waste Services”, with Phil McKalips as goal
400 team leader.

401

402 Mr. McKalips reported that their goal team included Miranda Baird, Mike Haley, Mark
403 Brownlee, Scott Schiller, Jay Young, and Mark Charron. He stated that they established a goal
404 “to provide reliable, convenient, and innovative solid waste and recycling services.” He stated
405 that solid waste services came up in discussion frequently during their initial discussions when

they were forming strategies. Mr. McKalips stated that through that discussion, they developed three strategies, the first of which was “to determine community needs and preferred service levels.” He stated that they had a concern about a “build it and they will come” issue, and they wanted to ensure they were responding to what the community wanted. Mr. McKalips emphasized that they wanted to get a broader view of what the community desired, beyond just the contact with McIntire as it was already known that visitors to McIntire are big proponents of recycling. He stated that they have already started down this path with the establishment of the new Ivy transfer station, the solar facility, and the new gas flare— and they felt it was a good time to take and develop a master plan for the site to look at how it might be used for other things. Mr. McKalips noted that these could include additional recycling or composting, and the goal team expanded that to include “developing a strategy or mechanism for engaging the public” and finding out what they want to see out of solid waste services. He stated that the next goal necessary was to try to enhance their partnerships, and perhaps Rivanna could function as a broker of the City and County in creating better coordination. Mr. McKalips stated that internally they would want to get a better handle on what is state of the art in recycling and solid waste management.

Dr. Palmer stated that one of the issues they need to remember is that the public tends to focus on recycling, but this is a much bigger issue that includes things like a small business component that needs services. She commented that it astounds her that a county the size of Albemarle only has one place for the public to bring their trash, when Augusta has 11 and Nelson has 6. Dr. Palmer noted that she was not certain if this tied into the illegal dumping issue, as that was hard to ascertain, but she wanted to make sure they focus on the big picture as they go forward. She added that she tried hard to get commercial haulers and businesses to talk to her about this issue, but it was difficult to engage them – and she was looking to the County’s solid waste committee to help with that engagement.

Mr. Thomas stated that the last high priority goal, based on stakeholder feedback and the reality of being a water, wastewater, and solid waste authority was to focus on “Infrastructure and Asset Management Planning”, and Ms. Whitaker would share that team’s work.

Ms. Whitaker stated that her goal team had a similar theme to that heard earlier, with people represented from the landfill, administration, engineering, IT, water, wastewater, and maintenance. She stated that it was very important to have the end users involved to ensure they are meeting the needs of the entire Authority. Ms. Whitaker reported that their goal is “to plan, deliver and maintain dependable infrastructure in a financially responsible manner. She stated that in trying to break that down, it is a big task. Ms. Whitaker noted that the Authority as a whole was formed with the sole function of being an infrastructure arm of the community, so it was important for Rivanna to do this job well. She stated that the first strategy her team talked about was asset management program, and there has been much discussion over the last year about what is currently in place and what is desired.

Ms. Whitaker stated that their work also included a discussion how they manage assets, what they see as an asset, how they plan for useful life and replacement, and how to predict and prevent infrastructure failure. She stated that they have at least 15 different tools that each department and part of the agency use to track this type of information, and the goal team would

like to see something that's more universal, for purposes of centralization and sharing. Ms. Whitaker noted that this can then be used to predict future replacement rates, given that infrastructure assets are expensive to replace. She added that they also talked about developing an infrastructure planning and delivery program, and while there were a significant number of standard operating procedures in place, more project managers and consultants were brought in as the organization grew – and they want to make sure there is consistent delivery of infrastructure programs regardless of who the project manager is or what firm is working with them. Ms. Whitaker stated the last item was to develop and maintain a long-term master plan for all critical asset classes, and historically Rivanna has master planned for the things it needed in the immediate. She stated that where they have not been as strong is in having a master plan for all asset classes: finished water, wastewater, and plants. Ms. Whitaker stated that part of their goal here is to do a gap analysis and identify things that have plans and those they don't, with master planning done to clarify long-term needs.

Ms. Whitaker reported that in terms of measurements for the asset management program, the goal is to get the asset management program identified, structured, and implemented within the Authority – and the metric then becomes how many assets are able to be added.

Mr. Jones asked if they needed additional asset management software to be able to manage that.

Ms. Whitaker responded that the goal team was resistant when they started the discussion, and where they are headed is likely to software that can link to GIS and the other work order systems to be a universal platform. She commented that they are currently in the “pre-RFP” stages in which they are identifying needs and what platforms are available for management.

Mr. O'Connell asked if she expected some of this to surface in the next CIP request to be submitted.

Ms. Whitaker replied that it would be either in the CIP or the Operations and Management budget, with asset management having a cost to implement for software purchasing and consultant assistance. She stated that there would also be resources needed for some of the master planning work, and it could be done through capital or operations.

Mr. Oberdorfer asked how much of the inventory could be rated, from an asset condition rating perspective.

Ms. Whitaker asked him to define his definition of “rating.”

Mr. Oberdorfer responded that it could be a condition rating on all 300 miles of pipe, for example.

Ms. Whitaker responded that the Authority's infrastructure is divided into two categories: inside the fence and outside the fence. She explained that they have a fairly extensively developed program on below ground, outside of the fence assets such as water pipelines and sewer manholes. She stated they have had a master plan in place for the sewer program, which has been updated once in the five-year cycle, and they have a fair amount of information in terms of

498 knowing what needed to be upgraded and when. Ms. Whitaker added that they are finishing up
499 their first major round of CCTV work on all of that, and they have permanent flow meters in the
500 whole system. She stated that on the water side, they have gone through the second and third
501 round of valve replacements, and they have done some pipeline condition assessments. Ms.
502 Whitaker noted that Rivanna's infrastructure is either very old or 25 years old, and the things that
503 are on the cusp of failing have been recently replaced or would be replaced soon. She
504 emphasized that where they feel they need to invest some effort is inside the fence line, in part
505 because the facility was built in 1981 and 1983, with the most recent upgrade happening in 2009.
506 Ms. Whitaker added that there are several hundred pumps onsite, with records of upkeep and
507 maintenance, but the timeline for replacement and associated budgeting needed to be clarified.
508 She mentioned that a lot of the infrastructure with the water treatment plants was going to be
509 replaced soon.

510
511 Dr. Palmer commented that it is amazing how much infrastructure replacement and improvement
512 has been done over the last 15-18 years. She stated that Rivanna has done a lot, especially given
513 that there was no master plan in place for some time, and it was great that they were going to the
514 next step.

515
516 Ms. Whitaker thanked her, adding that staff was very interested in constantly improving what
517 they were doing and how they were doing it.

518
519 Mr. Thomas stated that as the organization moves forward and tries to get to its desired future
520 state or vision, staying true to its values and focusing on its mission, it believes it should focus on
521 the six goals identified. He stated that organizational performance can be measured by the
522 metrics, which provide guidance, and hopefully these map well with the strategies.

523
524 Mr. Thomas stated that they would like to complete the strategic plan over the next two to three
525 weeks, with the framework, environmental scan, a message from the Executive Director and the
526 Chair, a trend analysis of the industry, a community profile, etc. He stated that ultimately it
527 would result in a document that could help guide the organization, allow the Board to stay
528 engaged with what's going on at the detailed operational level, and communicate externally to
529 stakeholders.

530
531 Board members thanked him for Raftelis's work.

532
533 Mr. Thomas responded that Rivanna had a great team.

534
535 Mr. Mawyer stated that he was pleased with the status of the plan and it had been a very positive
536 and inclusive process, with Board feedback integrated with staff's input. He stated that while the
537 process was ending, it was really just beginning because they were getting to actionable items,
538 strategies, and implementation. Mr. Mawyer stated that while there were challenges, there were
539 also opportunities.

540
541 Mr. Gaffney asked if the goal teams would continue meeting and measuring against objectives.
542

Mr. Mawyer responded that they would, noting that they may reconstitute the teams to reflect skill sets and time availability, and they would need to come up with phasing for strategies and resources required – which would be presented to the Board. He added that Rivanna also looked for ways through its own efficiencies and to address the easier items first, finding other ways to do business that may not require additional resources. Mr. Mawyer acknowledged that the goal team discussions did discuss the need for future resources, and he was aware that they may need to ask for those.

Mr. Gaffney asked if there could be quarterly reports from team leaders.

Mr. Mawyer responded that there would be, and this would be discussed further in a future meeting.

11.0 Closed Meeting

At 3:25 p.m., Mr. Jones moved that the Rivanna Solid Waste Authority Board enter into a joint closed meeting with the Rivanna Water & Sewer Authority Board to discuss confidential personnel matters as permitted by Section 2.2-3711.A1 of the Code of Virginia. Dr. Palmer seconded the motion, which passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the vote.

Certify Closed Meeting

At 4:03 p.m., the Board came out of closed session.

Mr. Krueger read the following resolution into the record:

WHEREAS, the Rivanna Solid Waste Authority has convened a joint closed meeting with the Rivanna Water and Sewer Authority 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 that such closed meeting was conducted in conformity with Virginia law;

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

Mr. Jones moved to adopt the resolution certifying the joint closed meeting with the Rivanna Water & Sewer Authority Board. Dr. Palmer seconded the motion, which passed by a roll call vote of 6-0. Ms. Galvin was absent from the meeting and the vote.

Mr. Gaffney stated now that both boards are back in session, after coming out of close sessions, that there is an agreement to raise the Executive Director's salary 3.5%, from \$177,500 to \$183,712.50.

589
590 **Dr. Palmer moved to raise the Executive Director's salary. Mr. Jones seconded the motion,**
591 **which passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the vote.**
592

593 **12.0 Adjournment**

594 **At 4:04 p.m., Dr. Palmer moved to adjourn the RSWA Board meeting. Mr. Jones seconded**
595 **the motion, which passed by a vote of 6-0. Ms. Galvin was absent from the meeting and the**
596 **vote.**

597
598 There being no further business, the meeting adjourned at 4:04 p.m.
599
600



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

DATE: FEBRUARY 27, 2018

Compostable Food Waste Program

Through a competitive bidding process, we now have a new vendor, a reduced cost to transport and process compostable food waste, and a new service available for residents and businesses at the IMUC.

Black Bear Composting (BBC) was the low bidder on our recent procurement. BBC will collect UVA, and other regional compostable food wastes from the Authority, and take the material to BBC's composting facility in Crimora near Waynesboro. We now have small containers at the IMUC available for free disposal of compostable materials from IMUC customers. With the equipment and handling efficiencies created by the smaller compost containers and closer processing site, our cost has decreased from about \$250 per ton to \$178 per ton.

Electronic Waste (eWaste) Program

Staff has explored the feasibility of offering this program for recycling of computers, printers, televisions and other electronic equipment. Our findings indicate:

- the McIntire Recycling Center does not have the space to support such a program
- IMUC would be a reasonable location, with an estimated cost of \$60,000 per year for fulltime service after a first-year cost of \$100,000.
- Sponsoring "eWaste Days" at the IMUC with a vendor was the best option for a daily cost of \$12,000.

Spring Household Hazardous Waste and Bulky Waste Amnesty Days

The next special commercial hazardous waste collection day at the Ivy Materials Utilization Center will be held on Thursday, April 26, 2018. This event requires registration for businesses.

The next Residential Household Hazardous Waste Collection at the Ivy Materials Utilization Center will be held Friday, April 27th and Saturday, April 28th, 2018 from 9am to 2pm.

Spring 2018 Bulky Waste Amnesty Days will be held at the Ivy Material Utilization Center on the following Saturday dates from 8:30-4pm:

Amnesty Item	Collection Date
Furniture/Mattresses	May 5, 2018
Appliances	May 12, 2018
Tires	May 19, 2018

Community Outreach

UVA's Theta chapter of the Alpha Phi Omega service group volunteered on Saturday, January 20th, 2018 at the McIntire Road Recycle Facility. Projects included cleaning and organizing of the book bin and the cleaning of the Schenk's Greenway creek bank behind the facility. On Saturday, February 3rd, 2018, UVA's Theta chapter of the Alpha Phi Omega service group volunteered at The Ivy Material Utilization Center. The 10-member group collected trash off of the 5-mile RSWA adopted section of Dick Woods Rd., starting at the 64 interchange and ending at Miller School Rd.

Proposed Solar Facility at the Ivy Material Utilization Center

The Community Power Group has notified us that the company's proposal to construct a solar facility at the IMUC was not selected by Dominion Energy, and therefore would not be pursued further at this time.













RIVANNA SOLID WASTE AUTHORITY
695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: LONZY WOOD, DIRECTOR OF FINANCE AND
ADMINISTRATION**

SUBJECT: JANUARY 2018 FINANCIAL SUMMARY

DATE: FEBRUARY 27, 2018

The results of operations and remediation activities for the first seven months of this fiscal year are summarized below:

	<u>Operating Results</u>	<u>Remediation Results</u>	<u>Total</u>
Total Revenues	\$ 825,708	\$ -	\$ 825,708
Total Expenses	<u>(1,211,454)</u>	<u>(345,263)</u>	<u>(1,556,717)</u>
Net operating results	(385,746)	(345,263)	(731,009)
Support - MOU & Local	<u>336,640</u>	<u>266,501</u>	<u>603,141</u>
Surplus/(Deficit)*	<u>\$ (49,106)</u>	<u>\$ (78,762)</u>	<u>\$ (127,868)</u>

* Cash reserves are used when deficits occur. (Use of up to \$278,000 in reserves for an expected shortfall for remediation was included in FY 2018 budget.)

Total operating revenues for July through January were 6% over budget and total operating expenses were 4% over budget. The Authority processed 9,510 tons of waste so far this year. A breakdown of net revenue or cost per ton, including overhead and administrative support costs, is shown below.

	<u>Ivy MSW</u>	<u>Ivy - All Other</u>	<u>Recycling</u>	<u>Total</u>
Tonnage	4,828	3,527	1,155	9,510
Net operating costs	\$ (162,859)	\$ (80,196)	\$ (142,690)	\$ (385,745)
Net revenue (cost) per ton	\$ (33.73)	\$ (22.74)	\$ (123.54)	\$ (40.56)

Attachments

Target Rate: 58.33%

Operations	Budget	Actual Y-T-D	IVY OPERATIONS		MSW-IVY TRANSFER		RECYCLE OPERATIONS		ADMIN. SERVICES	
			Budget	Actual Y-T-D	Budget	Actual Y-T-D	Budget	Actual Y-T-D	Budget	Actual Y-T-D
REVENUES										
Ivy Operations Tipping Fees	\$ 189,860	87,443	\$ 189,860	87,443						
Ivy MSW Transfer Tipping Fees	660,315	407,668			660,315	407,668				
Material & Other Sales-Ivy	112,500	70,278	112,500	70,278						
Recycling Revenues	222,400	172,380					222,400	172,380		
Other Revenues	78,000	59,133			78,000	59,133				
Interest & Fees	27,200	28,805							27,200	28,805
Total Revenues <i>Budget vs. Actual*</i>	\$ 1,290,275	\$ 825,708 63.99%	\$ 302,360	\$ 157,721 52.16%	\$ 738,315	\$ 466,801 63.23%	\$ 222,400	\$ 172,380 77.51%	\$ 27,200	\$ 28,805 105.90%
EXPENSES										
Ivy Operations	297,616	167,881	297,616	167,881						
Ivy MSW Transfer	930,685	559,623			930,685	559,623				
Recycling Operations	351,106	259,041					351,106	259,041		
Administration	489,723	308,951							489,723	308,951
Total Expenses <i>Budget vs. Actual*</i>	2,069,130	1,295,497 62.61%	297,616	167,881 56.41%	930,685	559,623 60.13%	351,106	259,041 73.78%	489,723	308,951 63.09%
Net Results Before Administrative Allocation	\$ (778,855)	\$ (469,789)	\$ 4,744	\$ (10,160)	\$ (192,370)	\$ (92,822)	\$ (128,706)	\$ (86,661)	\$ (462,523)	\$ (280,146)
Administrative allocations: Administrative costs to Envir. MOU (below)	138,757	84,044							138,757	84,044
Administrative costs to Operations	-	-	(115,631)	(70,037)	(115,631)	(70,037)	(92,505)	(56,029)	323,766	196,102
Net Operating Income (Loss)	\$ (640,098)	\$ (385,746)	\$ (110,887)	\$ (80,196)	\$ (308,001)	\$ (162,859)	\$ (221,211)	\$ (142,690)	\$ -	\$ -
Other Funding Sources										
Local Government Contributions	640,098	336,640								
County Contribution - Capital Grant	2,087,000	321,168								
Transfer to Capital Fund - Transfer Station	(2,087,000)	(321,168)								
Surplus (Deficit) - Operations	\$ -	\$ (49,106)								

Environmental Programs	
Budget	Actual Y-T-D
REVENUES	
Remediation Support	396,786 266,501
Total Revenues <i>Budget vs. Actual*</i>	396,786 266,501 67.16%
EXPENSES	
Ivy Environmental	536,029 261,219
Administrative Allocation	138,757 84,044
<i>Budget vs. Actual*</i>	674,786 345,263 51.17%
Cash Reserves Used	278,000 78,762
Surplus (Deficit) - Environmental	\$ - \$ -
Total Surplus (Deficit)	\$ - \$ (49,106)

**Rivanna Solid Waste Authority
Monthly Financial Status Report
FY 2018**

	July	August	September	October	November	December	January	Year-to-Date
<u>Revenues</u>								
Ivy Operations Tipping Fees	\$ 10,083	\$ 16,063	\$ 10,150	\$ 14,870	\$ 21,314	\$ 9,182	\$ 5,781	\$ 87,443
Ivy MSW Transfer Tipping Fees	68,560	71,892	58,055	56,147	52,912	52,294	47,808	407,668
Ivy Material Sales	14,991	10,795	9,812	8,787	9,164	7,846	8,885	70,278
Recycling	19,277	19,328	18,362	24,542	50,802	16,788	23,280	172,380
Other Revenues	8,603	8,941	7,801	11,887	7,030	5,499	9,372	59,133
Remediation Support	108,099	51,085	-	28,117	-	51,085	28,117	266,501
Interest & Late Fees	4,870	3,567	3,668	4,365	3,328	3,567	5,440	28,805
Total Revenues	\$ 234,483	\$ 181,671	\$ 107,848	\$ 148,714	\$ 144,550	\$ 146,261	\$ 128,682	\$ 1,092,209
<u>Expenses</u>								
Ivy Operations	\$ 22,573	\$ 15,021	\$ 19,122	\$ 19,378	\$ 26,187	\$ 20,863	\$ 44,737	\$ 167,881
Ivy Environmental	28,859	20,351	20,774	62,631	32,491	51,199	44,913	261,219
Ivy MSW Transfer	82,146	78,013	106,013	62,005	90,246	64,928	76,272	559,623
Recycling Operation	31,760	43,092	34,997	40,913	28,910	38,017	41,353	259,041
Administration	44,005	37,038	49,837	38,052	38,677	39,060	62,283	308,951
Total Expenses	\$ 209,343	\$ 193,515	\$ 230,743	\$ 222,979	\$ 216,511	\$ 214,067	\$ 269,558	\$ 1,556,716
Net Operating Income (Loss)	\$ 25,140	\$ (11,844)	\$ (122,894)	\$ (74,265)	\$ (71,961)	\$ (67,806)	\$ (140,876)	\$ (464,507)
<u>Other Funding Sources</u>								
Local Government Contributions	16,591	143,434	-	16,591	-	143,434	16,591	336,640
County Contribution - Capital Grant	-	-	60,495	-	-	41,773	218,900	321,168
Transfer to Capital Fund - Transfer Station	-	-	(60,495)	-	-	(41,773)	(218,900)	(321,168)
<u>Use of Cash Reserves</u>	-	-	-	-	34,150	10,762	33,850	78,762
Surplus (Deficit)	\$ 41,730	\$ 131,590	\$ (122,894)	\$ (57,675)	\$ (37,811)	\$ 86,389	\$ (90,435)	\$ (49,105)

Rivanna Solid Waste Authority
Monthly Cash Flow Report
FY 2018

	July	August	September	October	November	December	January
Net Operating Income	\$ 25,140	\$ (11,844)	\$ (122,894)	\$ (74,265)	\$ (71,961)	\$ (67,806)	\$ (140,876)
Adjustments for cash flow purposes to show funds available for operations:							
Local Government Contributions	16,591	143,434	-	16,591	-	143,434	16,591
(Increase) decrease in accounts receivable	(55,323)	95,520	4,159	12,200	(27,175)	21,038	(3,604)
Increase (decrease) in accounts payable	50,753	(71,523)	41,132	(293,916)	(557)	(10,856)	45,875
Capital reserve fund interest not available in operating cash	(2,030)	(928)	(883)	(2,057)	(906)	(987)	(2,376)
Trust fund interest not available in operating cash	(150)	(170)	(175)	(173)	(181)	(177)	(199)
Trust fund deposit for Transfer Station permit							
Increase (Decrease) in Operating Cash	\$ 34,981	\$ 154,489	\$ (78,661)	\$ (341,620)	\$ (100,779)	\$ 84,647	\$ (84,588)
Operating Cash Balance - Beginning	2,896,807	2,931,789	3,086,278	3,007,617	2,665,997	2,565,218	2,649,864
Operating Cash Balance - Ending	\$ 2,931,789	\$ 3,086,278	\$ 3,007,617	\$ 2,665,997	\$ 2,565,218	\$ 2,649,864	\$ 2,565,276

Rivanna Solid Waste Authority
Fiscal Year 2018
January 2018
Revenue Detail Report

Revenue Detail Report	Tonnage	
Revenue Line Item	Budget FY 2018	Actual YTD
IVY TIPPING FEES		
Clean Fill Material	5,500	2,638
Grindable Vegetative Material	2,000	789
Pallets	70	44
Tires, Whole	100	52
Tires/White Good (per item)		
Subtotal	7,670	3,523

IVY TRANSFER STATION		
Compost Services	-	
MSW Transfer Station	7,900	4,828
<i>Subtotal</i>	7,900	4,828

MATERIAL SALES - IVY	
Encore	
Metals	
Wood Mulch & Chips	
Hauling Fees	
Other Materials	
	<i>Subtotal</i>

RECYCLING	
Material Sales	
Other Materials & Services	
Grants-Operating	
Hauling Fees	
	<i>Subtotal</i>

OTHER REVENUES	
Service Charge Fees	
Other Revenues	

REMEDIATION SUPPORT	
UVA Contribution	
County Contribution	
City Contribution	
	<i>Subtotal</i>

INTEREST, LATE FEES, OTHER
Trust Fund Interest
Finance Charges
Capital Reserve Fund Interest
Operating Investment Interest
<i>Subtotal</i>

Total	15,570	8,351
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Revenue							
Budget FY 2018		Budget YTD		Actual YTD		Budget vs. Actual	Variance %
\$	55,000	\$	32,083	\$	26,364	\$ (5,719)	-17.83%
	96,000		56,000		38,987	(17,013)	-30.38%
	3,360		1,960		2,109	149	7.60%
	19,000		11,083		9,804	(1,279)	-11.54%
	16,500		9,625		10,179	554	5.76%
\$	189,860	\$	110,752	\$	87,443	\$ (23,309)	-21.05%

\$	138,915	\$	81,034	\$	74,554
	521,400		304,150		333,114
				\$	(6,480)
					28,964
					68.64%
					9.52%
\$	660,315	\$	385,184	\$	407,668
				\$	22,484
					5.84%

\$	15,000	\$	8,750	\$	11,543
	27,000		15,750		18,359
	25,000		14,583		2,609
	45,000		26,250		(2,067)
	500		292		1,320
					(1)
\$	112,500	\$	65,625	\$	70,278
				\$	4,653
					7.09%

\$	185,000	\$	107,917	\$	138,962	\$	31,045	28.77%
	7,000		4,083		4,091		8	0.19%
	27,500		16,042		27,118		11,076	69.05%
	2,900		1,692		2,209		518	30.60%
\$	222,400	\$	129,733	\$	172,380	\$	42,647	32.87%

\$	75,000	\$	43,750	\$	42,911
	3,000		1,750		(839)
				\$	14,472
\$	78,000	\$	45,500	\$	59,133
				\$	13,633
					-1.92%
					29.96%

\$ 79,982	\$ 46,656	\$ 79,982	\$ 33,326	71.43%
204,339	119,198	102,170	(17,028)	-14.29%
112,466	65,605	84,350	18,744	28.57%
\$ 396,787	\$ 231,459	\$ 266,501	\$ 35,042	15.14%

\$	1,000	\$	583	\$	1,223
	1,200		700		639
	10,000		5,833		(376)
	15,000		8,750		-53.72%
					74.26%
					95.35%
\$	27,200	\$	15,867	\$	28,805
				\$	12,938
					81.55%

\$ 1,687,062	\$ 984,120	\$ 1,092,209	\$ 108,089	10.98%
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Rivanna Solid Waste Authority
Historical Material Tonnage Report - Recycling
Fiscal Years 2014-2018

Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
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In U.S. Tons

Fiber Products

Newspaper, magazines, catalogs
Cardboard (corrugated)
Mixed paper and phone books
File stock (office paper)

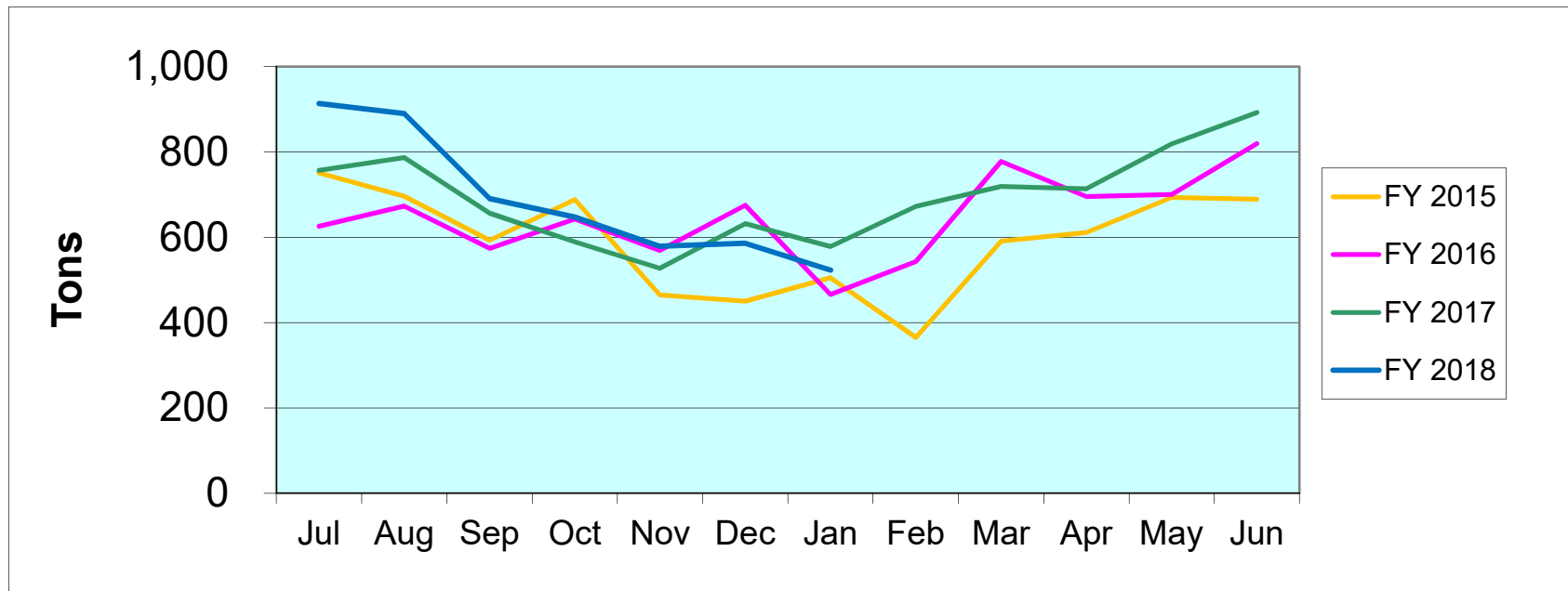
640	524	512	419	246
279	278	459	812	483
265	212	214	156	105
164	125	125	122	67
Total Fiber Products	1,348	1,139	1,310	1,509

Other Products

Glass
Metal Cans
Plastic

249	219	191	252	182
34	30	32	31	20
98	95	82	86	51
Total Other Products	381	344	305	369
Total	1,729	1,483	1,615	1,878

**Rivanna Solid Waste Authority
Ivy MSW Transfer Tonnages
FY 2015 - 2018**





RIVANNA SOLID WASTE AUTHORITY
695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: DAVID RHOADES, ASSISTANT SOLID WASTE MANAGER;
MARK BROWNLEE, SOLID WASTE MANAGER
PHIL MCKALIPS, ENVIRONMENT AND SAFETY MANAGER**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: IVY MATERIAL UTILIZATION CENTER REPORT/
RECYCLING OPERATIONS UPDATE**

DATE: February 27, 2018

Ivy Material Utilization Center (IMUC) : DEQ Permit 132: 300 tons/day MSW limit

November 2017

- The IMUC transfer station operated 22 days and received a total of 578.89 tons of municipal solid waste (MSW), an average of 26.31 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 650.59 tons of non-MSW materials were received at the IMUC
- 1,229.48 tons was the combined total tonnage (MSW + non-MSW) at the IMUC
- 2,692 vehicles crossed the scales at the IMUC
- All loads of material from the Paper Sort Facility were accepted by the receiving mills

December 2017

- The IMUC transfer station operated 22 days and received a total of 585.56 tons of municipal solid waste (MSW), an average of 26.62 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 414.82 tons of non-MSW materials were received at the IMUC
- 1,000.38 tons was the combined total tonnage (MSW + non-MSW) at the IMUC

- 2,767 vehicles crossed the scales at the IMUC
- All loads of material from the Paper Sort Facility were accepted by the receiving mills

January 2018

- The IMUC transfer station operated 22 days and received a total of 523.04 tons of municipal solid waste (MSW), an average of 23.77 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 238.77 tons of non-MSW materials were received at the IMUC
- 770.81 tons was the combined total tonnage (MSW + non-MSW) at the IMUC
- 2,482 vehicles crossed the scales at the IMUC
- All loads of material from the Paper Sort Facility were accepted by the receiving mills

Paint Collection:

This program continues to operate smoothly and provide a significant benefit to the community. By offering daily collection, traffic congestion on Household Hazardous Waste days has been substantially reduced.

History:

On August 3rd, 2016, RSWA started collecting latex and oil-based paint daily. The goal of this program was to make paint disposal more convenient for residents and to alleviate some of the congestion during our fall and spring Household Hazardous Waste Days. RSWA has shipped ten 30-yard containers to date. There were nine containers shipped out from the start of the program through December 31st, 2017. On January 5th, 2018, the Ivy MUC shipped out the tenth full 30-yard container of paint. RSWA has loaded 20 cubic yards of paint for future disposal.

Compostable Food Waste Collection:

On January 26, 2018, the RSWA began to operate the Compostable Food Waste Collection Program (Composting Program) under a new contract. This effectively ends the pilot program under which it had been operated under during the past year. In November of 2017, the RSWA solicited bids for the transportation and disposal of compostable wastes. Two bids were received with the lowest qualified bidder being Black Bear Composting. Under this contract, Black Bear Composting will transport compostable materials from the IMUC to its composting facility in Crimora, Virginia. Compost generated at the Black Bear Composting facility is sold to private, public, and non-profit organizations within the Shenandoah Valley region. The term of this contract is for one year, with four optional one-year extensions. Through this competitive

solicitation, RSWA has been able to reduce the transportation and disposal cost from the range of \$225-\$260 per ton, down to \$178 per ton.

This program continues to operate smoothly at the IMUC. Staff continues to coordinate with UVA, City, and County representatives to invite broader participation within the community. Toward that end, starting in March 2018 collection points for residential and commercial compostable food wastes will be established at the IMUC. A wheeled, lined bin will be placed at the convenience area for residents to deposit compostable food wastes. This will be offered as a free service to County residents. A similar bin will be placed at the location of the Transfer Station for the receipt of compostable food wastes from commercial customers. Commercial customers will be charged the established disposal fee of \$178 per ton.

History:

On January 17th, 2017, RSWA started a 90-day pilot program receiving compostable food waste from UVA transported by Black Bear Composting at Ivy MUC. As of April 2017, a total of 150 tons of compostable food waste has been received and handled at the Ivy transfer station before being transported to McGill in Waverly for composting. DEQ granted the RSWA permission to receive and handle the compostable waste on a three-month trial basis. During the trial period, the transfer station staff ensured that no vector, odor, leachate, nuisance or other environmental issue occurred. None of the compostable waste was stored at the transfer station for more than 7 days. The RSWA has provided DEQ with a brief assessment of how successful we were at preventing environmental, vector, odor and nuisance issues, and that the RSWA plans to continue receiving and handling the compostable waste. At the end of the program a total of 519.57 tons of compostable food waste has been received and handled at the Ivy transfer station before being transported to McGill in Waverly for composting.

Compostable Food Waste Collection at McIntire Recycling Center

The McIntire Recycle Center received 3.16 tons of compostable materials in November, 3.10 tons of compostable materials in December, and 3.93 tons of compostable materials in January 2018.

Alpha Phi Omega Service Volunteers:

UVA's Theta chapter of the Alpha Phi Omega service group volunteered on Saturday, January 20th, 2018 at the McIntire Road Recycle Facility. Projects included cleaning and organizing of the book bin and the cleaning of the Schenk's Greenway creek bank behind the facility. On Saturday, February 3rd, 2018, UVA's Theta chapter of the Alpha Phi Omega service group volunteered at The Ivy Material Utilization Center. The 10-member group collected trash off of the 5-mile RSWA adopted section of Dick Woods Rd. Starting at the 64 interchange and ending at Miller School Rd.

Spring HHW and Bulky Waste Schedule:

Spring 2018 Commercial Hazardous Waste Collection

The next special commercial hazardous waste collection day at the Ivy Materials Utilization Center will be held on:

- **Thursday, April 26, 2018* (requires preregistration)**

Spring 2018 – Residential Household Hazardous Waste (HHW) Days

Household Hazardous Waste Collection at the Ivy Materials Utilization Center will be held **9am-2pm** on:

- **Friday, April 27, 2018**
- **Saturday, April 28, 2018**

Spring 2018 Bulky Waste Amnesty Days

The next special collection will be held at the Ivy Material Utilization Center on the following **Saturday dates from 8:30-4pm:**

<u>Amnesty Item</u>	<u>Collection Date</u>
Furniture/Mattresses	May 5, 2018
Appliances	May 12, 2018
Tires	May 19, 2018

Electronic Waste (eWaste) Recycling:

After several requests by the community to recycle computers, tvs and other electronic waste, RSWA staff completed a preliminary analysis of offering eWaste recycling services. This analysis looked at three possible options:

- 1) daily eWaste receiving at MRC
- 2) daily eWaste receiving at the IMUC
- 3) eWaste Amnesty Day to be held periodically at the IMUC.

Options 1 and 2 required additional staffing to manage the receipt and packaging of eWaste for shipping. These options also included costs for expected equipment and storage containers that would be needed to efficiently operate such a service. Unlike Option 3, the actual off-site recycling of the collected and delivered eWaste (to a facility in Richmond, Virginia) was free.

Option 1 – MRC eWaste Recycling: Limited Space

Although it is hard to estimate how much eWaste would be received at MRC each week, anecdotal evidence suggests that quantities of several thousand pounds of material could be received per week. This material would have to be packaged into large boxes attached to pallets for handling. This brings several complications unique to the MRC site; a lack of room for another significant all-weather storage space with vehicle access, and a lack of handling equipment (fork lift) to manage the material pallets. Adding this space and equipment intensive operation would require termination of one or more of the existing material collections. For these reasons, no further analysis for the MRC-based option was conducted.

Option 2 – IMUC eWaste Recycling: \$100,00, then \$60,000 annually

Unlike the MRC site, the IMUC site has significant amount of potential available space, especially once the transfer station operations move into their new facilities later in 2018. The IMUC also has the advantage of having existing truck loading facilities and material handling (fork lift) resources.

For this Option, the analysis assumed that eWastes would be directly loaded into enclosed trailers (presumably 53-foot-long highway trailers) that would be located at the existing transfer station loading dock. RSWA staff would periodically drive the filled trailers to the recycler (e.g., Computer Recycling of Virginia located in Richmond, Virginia) where eWaste materials would be received free of charge. Preliminary estimates of resources required to undertake Option 1 would include part-time staff needed to monitor and manage the collection, packaging, and preparation for shipment of eWaste materials, two used enclosed highway trailers, consumable pallets and boxes for collecting and packaging materials, miscellaneous signage and material handling equipment, and monthly hauling from the IMUC to the receiving facility would cost in the range of \$100,000 for the first year dropping to approximately \$60,000 for subsequent years. This estimate could vary significantly based on the quantity and nature of materials received.

Option 3 – eWaste Amnesty Days: \$12,000 per day

The third option consisted of sponsoring a special eWaste Amnesty Day (similar to Amnesty Days currently held for Household Hazardous Waste [HHW], Tires, Furniture/Mattresses, and Appliances). For this option, commercial contractor services would be obtained to manage all the receipt, packaging, hauling, and recycling activities, in a manner similar to the existing HHW Amnesty Days. This service would be free to residents. An The analysis of these three options (two viable options) were undertaken to give a preliminary estimate on the possible cost of offering the new service of eWaste collection and recycling as requested estimate for providing these services has been obtained from the firm that provides our HHW services. Their estimate suggests that one, two-day eWaste collection Amnesty Day could be undertaken for less than

\$25,000.00 per event. This assumes that the contractor will provide the trucks and materials necessary to collect in excess of 30,000 pounds of eWaste materials (the amount that would fill two trucks). Without some precise data on demand (i.e., incoming eWaste materials) such an event may create in the community, it is difficult for staff to gauge whether 30,000 pounds will accurately fulfill the need. This could be resolved once community interest is assessed, by offering additional collection events.

If requested by the Board of Directors, staff can prepare a more defined eWaste Recycling Pilot program proposal for evaluation and board action.

Ivy Material Utilization Center
Daily Scale Crossing Data



November 1-30, 2017

Days of

Operation: **22**

Operation: 22		MSW collected at Transfer Station (tons)						Non-MSW
		Vehicles	Count	Citizen-Can	Construction	Domestic	MSW Total	Total Tons
11/01/17	Wednesday	121	120	0.31	12.78	14.32	27.41	28.30
11/02/17	Thursday	113	121	0.42	15.55	11.38	27.35	19.61
11/03/17	Friday	145	154	0.47	17.35	13.17	30.99	32.00
11/04/17	Saturday	160	196	0.82	16.90	15.84	33.56	6.22
11/05/17	Sunday	-	-	-	-	-	-	-
11/06/17	Monday	-	-	-	-	-	-	-
11/07/17	Tuesday	119	117	0.35	16.39	18.48	35.22	13.21
11/08/17	Wednesday	89	94	0.21	11.99	10.54	22.74	7.00
11/09/17	Thursday	79	80	0.27	7.74	4.90	12.91	23.18
11/10/17	Friday	118	143	0.39	16.83	14.13	31.35	3.29
11/11/17	Saturday	-	-	-	-	-	-	-
11/12/17	Sunday	-	-	-	-	-	-	-
11/13/17	Monday	-	-	-	-	-	-	-
11/14/17	Tuesday	200	212	0.55	22.33	24.66	47.54	83.73
11/15/17	Wednesday	96	110	0.51	7.26	16.35	24.12	6.11
11/16/17	Thursday	113	141	0.22	12.21	9.54	21.97	66.00
11/17/17	Friday	130	136	0.46	9.80	15.15	25.41	69.84
11/18/17	Saturday	246	294	0.97	16.05	16.69	33.71	16.05
11/19/17	Sunday	-	-	-	-	-	-	-
11/20/17	Monday	-	-	-	-	-	-	-
11/21/17	Tuesday	163	216	0.47	10.33	30.77	41.57	21.74
11/22/17	Wednesday	113	146	0.19	5.77	15.97	21.93	39.84
11/23/17	Thursday	-	-	-	-	-	-	-
11/24/17	Friday	-	-	-	-	-	-	-
11/25/17	Saturday	240	419	1.33	12.54	20.77	34.64	7.01
11/26/17	Sunday	-	-	-	-	-	-	-
11/27/17	Monday	-	-	-	-	-	-	-
11/28/17	Tuesday	175	223	0.52	13.78	25.46	39.76	147.93
11/29/17	Wednesday	148	168	0.18	12.95	23.01	36.14	30.70
11/30/17	Thursday	124	172	0.42	17.43	12.72	30.57	28.83
Total		2,692	3,262	9.06	255.98	313.85	578.89	650.59
Average		122	148	0.41	11.64	14.27	26.31	29.57
Median		124	146	0.42	12.95	15.84	30.99	23.18
Maximum		246	419	1.33	22.33	30.77	47.54	147.93
Minimum		79	80	0.18	5.77	4.90	12.91	3.29

Material Type & Description

Citizen-Can: Roll-off container at the Ivy MUC Convenience Center-citizens dispose of prepaid trashbags

Construction: Construction/demolition debris (shingles, sheetrock, treated lumber, etc.)

Count: Transactions per item (appliances, hauling fees, service fees, tag-bag stickers, tires)

Domestic: Business/residential general or household waste

MSW: Materials processed/handled at the Transfer Station

Non-MSW: Materials processed/handled on-site

Vehicle: Transactions or vehicles processed in a day

Ivy Material Utilization Center
Daily Scale Crossing Data



December 1-31, 2017

Days of

Operation: 22

Operation: 22		MSW collected at Transfer Station (tons)						Non-MSW
	Vehicles	Count	Citizen-Can	Construction	Domestic	MSW Total	Total Tons	
12/01/17	Friday	143	194	0.32	14.33	20.36	35.01	18.58
12/02/17	Saturday	223	248	0.50	9.55	26.00	36.05	9.17
12/03/17	Sunday	-	-	-	-	-	-	-
12/04/17	Monday	-	-	-	-	-	-	-
12/05/17	Tuesday	169	175	0.10	14.66	27.26	42.02	50.89
12/06/17	Wednesday	106	119	0.08	8.41	18.98	27.47	71.19
12/07/17	Thursday	83	113	0.02	17.36	10.32	27.70	9.53
12/08/17	Friday	126	148	0.12	13.05	13.15	26.32	37.37
12/09/17	Saturday	69	78	0.49	1.86	5.63	7.98	10.49
12/10/17	Sunday	-	-	-	-	-	-	-
12/11/17	Monday	-	-	-	-	-	-	-
12/12/17	Tuesday	126	146	0.89	10.67	24.61	36.17	24.06
12/13/17	Wednesday	88	96	0.10	7.20	16.39	23.69	20.69
12/14/17	Thursday	91	116	0.01	10.45	15.65	26.11	20.25
12/15/17	Friday	118	140	0.20	8.88	13.52	22.60	20.18
12/16/17	Saturday	157	192	1.18	3.56	13.35	18.09	2.91
12/17/17	Sunday	-	-	-	-	-	-	-
12/18/17	Monday	-	-	-	-	-	-	-
12/19/17	Tuesday	161	161	0.28	17.28	18.64	36.20	18.92
12/20/17	Wednesday	116	152	0.60	9.97	19.61	30.18	9.73
12/21/17	Thursday	121	137	0.67	11.49	15.80	27.96	30.53
12/22/17	Friday	141	197	0.81	7.24	13.06	21.11	6.60
12/23/17	Saturday	114	164	0.97	4.64	8.46	14.07	4.56
12/24/17	Sunday	-	-	-	-	-	-	-
12/25/17	Monday	-	-	-	-	-	-	-
12/26/17	Tuesday	99	132	0.85	3.20	11.11	15.16	5.06
12/27/17	Wednesday	129	178	1.00	6.69	28.64	36.33	3.82
12/28/17	Thursday	110	157	0.68	7.47	17.38	25.53	20.58
12/29/17	Friday	154	183	0.94	7.67	18.57	27.18	17.24
12/30/17	Saturday	123	120	0.71	5.43	16.49	22.63	2.47
12/31/17	Sunday	-	-	-	-	-	-	-
Total		2,767	3,346	11.52	201.06	372.98	585.56	414.82
Average		126	152	0.52	9.14	16.95	26.62	18.86
Median		122	150	0.55	8.65	16.44	26.75	17.91
Maximum		223	248	1.18	17.36	28.64	42.02	71.19
Minimum		69	78	0.01	1.86	5.63	7.98	2.47

Material Type & Description

Citizen-Can: Roll-off container at the Ivy MUC Convenience Center-citizens dispose of prepaid trashbags

Construction: Construction/demolition debris (shingles, sheetrock, treated lumber, etc.)

Count: Transactions per item (appliances, hauling fees, service fees, tag-bag stickers, tires)

Domestic: Business/residential general or household waste

MSW: Materials processed/handled at the Transfer Station

Non-MSW: Materials processed/handled on-site

Vehicle: Transactions or vehicles processed in a day

Ivy Material Utilization Center
Daily Scale Crossing Data



January 1-31, 2018

Days of

Operation: 22

Days 61

Operation: 22			MSW collected at Transfer Station (tons)				Non-MSW
	Vehicles	Count	Citizen-Can	Construction	Domestic	MSW Total	Total Tons
01/01/18	Monday	-	-	-	-	-	-
01/02/18	Tuesday	102	159	0.64	4.56	10.26	15.46
01/03/18	Wednesday	91	124	0.69	5.15	12.55	18.39
01/04/18	Thursday	79	93	0.54	5.49	14.70	20.73
01/05/18	Friday	94	140	0.70	11.20	18.27	30.17
01/06/18	Saturday	116	164	1.10	4.58	10.87	16.55
01/07/18	Sunday	-	-	-	-	-	-
01/08/18	Monday	-	-	-	-	-	-
01/09/18	Tuesday	114	143	0.71	4.23	13.42	18.36
01/10/18	Wednesday	103	130	0.70	7.67	10.98	19.35
01/11/18	Thursday	90	88	0.62	3.51	9.72	13.85
01/12/18	Friday	93	95	0.72	6.02	12.68	19.42
01/13/18	Saturday	177	235	1.30	7.55	18.53	27.38
01/14/18	Sunday	-	-	-	-	-	-
01/15/18	Monday	-	-	-	-	-	-
01/16/18	Tuesday	122	140	0.67	12.73	23.95	37.35
01/17/18	Wednesday	-	-	-	-	-	-
01/18/18	Thursday	90	113	0.51	8.17	10.56	19.24
01/19/18	Friday	98	121	0.61	11.51	10.33	22.45
01/20/18	Saturday	199	251	1.02	12.41	16.41	29.84
01/21/18	Sunday	-	-	-	-	-	-
01/22/18	Monday	-	-	-	-	-	-
01/23/18	Tuesday	168	194	0.53	12.59	21.62	34.74
01/24/18	Wednesday	105	130	0.73	11.73	11.82	24.28
01/25/18	Thursday	107	109	0.53	11.97	7.32	19.82
01/26/18	Friday	135	172	0.61	12.40	12.89	25.90
01/27/18	Saturday	213	245	1.21	8.11	24.96	34.28
01/28/18	Sunday	-	-	-	-	-	-
01/29/18	Monday	-	-	-	-	-	-
01/30/18	Tuesday	102	133	0.60	39.72	9.04	49.36
01/31/18	Wednesday	84	118	0.51	15.79	9.82	26.12
Total		2,482	3,097	15.25	217.09	290.70	523.04
Average		113	141	0.69	9.87	13.21	23.77
Median		103	133	0.67	8.17	12.55	22.45
Maximum		213	251	1.30	39.72	24.96	49.36
Minimum		79	88	0.51	3.51	7.32	13.85

Material Type & Description

Citizen-Can: Roll-off container at the Ivy MUC Convenience Center-citizens dispose of prepaid trashbags

Construction: Construction/demolition debris (shingles, sheetrock, treated lumber, etc.)

Count: Transactions per item (appliances, hauling fees, service fees, tag-bag stickers, tires)

Domestic: Business/residential general or household waste

MSW: Materials processed/handled at the Transfer Station

Non-MSW: Materials processed/handled on-site

Vehicle: Transactions or vehicles processed in a day



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHIL MCKALIPS, ENVIRONMENT & SAFETY MANAGER

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: IVY LANDFILL ENVIRONMENTAL STATUS UPDATE

DATE: FEBRUARY 27, 2018

Corrective Action Plan (CAP)

On March 14, 2017, VA DEQ provided their Second Technical Review of the revised Corrective Action Plan. In summary, the Department's comments were generally minor administrative corrections or requests for further detail on specific portions of the Corrective Action Plan. Our response to these comments was provided to the Department by the June 12, 2017 deadline. VA DEQ has not provided further comments on the revised Corrective Action Plan or a schedule as to when further comments or an approved Corrective Action Plan may be expected.

History:

The Virginia Department of Environmental Quality (VA DEQ) approved the amendment to Permit 125 incorporating the CAP on October 29, 2004. The groundwater elements of the CAP started with a pilot study of engineered, enhanced bioremediation (EBR). Additionally, the CAP incorporated components to provide specific remedial efforts in the Paint Pit Area (Paint Pit Interim Measure), and to monitor surface water during CAP implementation.

The implementation of the full-scale EBR program with active substrate injections was active from October 2007 through June 2013, and groundwater samples to evaluate the performance of the injection program were collected on a monthly basis. Periodic groundwater monitoring has remained active from 2007 to date, and has shown areas with positive results (reductions in constituent levels) and areas with less conclusive results. Because groundwater moves through rock fractures below the surface whose path is not fully known, variability of results is expected.

In July 2013, a revised CAP was submitted to VA DEQ for review. This amended CAP allows for the suspension of active EBR remediation so that the long-term effects of past efforts can be evaluated. During this period of suspended EBR, extensive groundwater monitoring is being maintained to evaluate the effects of past efforts as well as to maintain a high level of assurance that impacted groundwater continues to remain under control. Care will be taken to respond to increases in constituent levels that may adversely affect human health or the environment. If such increases are observed, a return to injections of substrate materials will be considered, where and

as needed. These modifications have been documented in a CAP revision which is currently under review by VA DEQ.

A summary of the activities from EBR, operation of the SVE system, Surface Water monitoring, and Cell 3 Drains monitoring were included into a combined Corrective Action Site Evaluation (CASE) Report. This report is submitted to VA DEQ annually (triennially starting in October 2016) by October 29, and replaces quarterly and annual reports that used to be submitted separately.

Paint Pit Interim Measure (Soil-Vapor Extraction System)

The Soil-Vapor Extraction (SVE) System has been turned off due to cold weather. Historically, the SVE system cannot sustain necessary operating temperatures during colder weather as components of the gas stream, which act as fuel for the thermal oxidizer, become less volatile. The system will be restarted if extended warm weather is forecast. The system has destroyed over 6,800 pounds of volatile organic compounds from the soils in the Paint Pit area.

The purpose of the SVE is to proactively extract volatile organic compounds (VOCs) from the soil in the Paint Pit area to prevent further contamination of groundwater. This is accomplished by pulling vapors from the soil and through a flare designed to destroy the VOCs. The SVE has been running since October 20, 2006 and is undergoing periodic maintenance and monitoring activities as required under the VA DEQ Operating Permit.

Surface Water

The Fall 2017 surface water survey and monitoring were completed and no anomalies were observed. Preparation for the Spring 2018 survey and monitoring event are underway. Once data from the visual survey and analysis of samples are completed, they will be included in a tri-annual CASE report to be submitted to VA DEQ in 2018.

The specific objectives of the Surface Water Monitoring Program proposed in the CAP are to evaluate and document the chemical, physical, and biological integrity of the surface water and define the overall ecological integrity of the Site's surface water system.

Non-CAP Groundwater Monitoring

Groundwater monitoring activities for the Fall 2017 sampling event have been completed with no anomalies identified. The results of the analysis of groundwater samples will be documented in a report to VA DEQ by the end of April 2018.

During the last several years a decline in water levels has been observed in MW-18, a compliance monitoring well, as well as several other wells on-site. As of the last monitoring period, this well only had a few inches of water in it and was barely able to be sampled. Plans are underway to install a replacement monitoring well near this location to act as a substitute point of compliance. This work is being done with VA DEQ concurrence.

The reason for this drop in water levels in this and other wells appears to correspond to the capping of the landfill cells during the mid to late 1990s. As the cells were capped, precipitation was no longer allowed to infiltrate to groundwater which may be the cause of decreasing water levels adjacent to the landfill cells. This phenomenon is not observed in wells that are not closely located near the closed landfill cells.

These groundwater monitoring activities are being completed in accordance with the requirements of our DEQ Permit and the 2000 settlement agreement with the landfill neighbors.

Cell 3 and Leachate Collection and Treatment System

The horizontal drain system to the landfill gas collection system continues to be throttled to maintain proper balance of the system's pressures and flows. Documentation summarizing the activities related to Cell 3 will be submitted to VA DEQ in the 2018 tri-annual Site-wide CASE report.

As a result of higher than normal leachate levels discovered in Cell 3-Lined and Cell 3-Unlined, RSWA authorized the design of a new leachate collection system for these cells. The intent of this program was to further the aims of the site bioremediation program and odor abatement program by restoring normal leachate and gas management to these two waste cells. These proposed improvements required a Major Permit Amendment from VA DEQ. Notification of the Approval of the Major Permit Amendment was received from VA DEQ on March 18, 2008. The leachate removed is being transported to the Moores Creek Wastewater Treatment Plant for treatment.

Engineer's Inspection of Landfill

Resource International, LTD (Resource) has completed a draft settlement analysis protocol and is finalizing an analysis of specific areas of landfill settlement at the Ivy MUC. A report documenting the protocol and subsequent analysis will be submitted to VA DEQ by the end of April 2018.

Based on observed landfill settlement, a normal occurrence at solid waste disposal landfills, VA DEQ has asked RSWA to evaluate the effect of this settlement on the integrity of the landfill cap systems. RSWA has retained Resource to prepare a protocol for evaluating the settlement effects on landfill cap integrity. This protocol will provide a road map for future analysis of landfill settlement throughout the remainder of the post-closure care period.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: MICHELLE SIMPSON, SENIOR CIVIL ENGINEER
PHIL McKALIPS, ENVIRONMENTAL AND SAFETY MANAGER**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: STATUS REPORT: ONGOING PROJECTS

DATE: FEBRUARY 27, 2018

This memorandum reports on the status of the following Capital Projects at the IMUC:

1. New Solid Waste Transfer Station

Design Engineer:	SCS Engineers
Construction Contractor:	Lantz Construction Company
Construction Start:	September 2017
Percent Complete:	20 %
Base Construction Contract + Change Orders to Date = Current Value:	\$2,211,000
Expected Completion Date:	October 2018
Total Capital Project Budget:	\$3,061,367

Current Status:

The contractor has constructed most of the concrete footers and continues to tie rebar, set forms and pour concrete for the walls of the building. Site grading, installation of storm sewer, and construction of sediment ponds is on-going.

History:

Following a November 2015 Albemarle County Board of Supervisors' decision to replace the existing solid waste transfer station with a new facility, the Rivanna Solid Waste Authority Board of Directors authorized the design of the new transfer station by SCS Engineering. The new 11,600 square foot concrete and steel frame transfer station is designed to meet all current regulatory requirements for solid waste handling, maximize use of the existing infrastructure, improve traffic flow, and potentially expand recycling services while retaining existing waste disposal services. The new facility will be located on the western portion of the existing Ivy Material Utilization Center (Ivy MUC) site and will continue to use the existing entrance and scales. The existing transfer facility and compactor system will remain in service until the new transfer station is placed into

service, at which time the existing facility will be decommissioned and removed.

SCS Engineers completed the design of the New Ivy Solid Waste Transfer Station and the project was advertised for bids (RFB No. 335) on July 2, 2017. Construction bids for the project were opened on August 3, 2017, and eight competitive bids were received ranging from \$2,211,000 to \$3,151,400. After reviewing the bid documents, SCS Engineering recommended award of the contract to the apparent low bidder, Lantz Construction Company. Due to cost increases in the construction market and final design requirements, additional funding was requested from Albemarle County to fully support project costs, and to purchase additional operating equipment in FY 2019.

2. Enclosed Landfill Gas Flare

Design Engineer:	Resource International
Construction Contractor:	SCS Field Services
Construction Start:	February 2018
Percent Complete:	0 %
Base Construction Contract + Change Orders to Date = Current Value:	\$369,911
Expected Completion Date:	October 2018
Total Capital Project Budget:	\$450,000

Current Status:

RSWA opened bids on November 7, 2018. The contracts have been signed and a pre-construction conference is anticipated in the next few weeks.

History:

Installed in 1999, the existing landfill gas flare has operated almost continuously, destroying methane and odor-causing components of the landfill gas. The flare was designed to destroy landfill gases at a temperature of 1600 °F at a range in flow from 1500 cubic feet per minute (cfm) to approximately 200 to 300 cfm. Due to normal reductions in waste decomposition over time, landfill gas flows have fallen to the lower end of the existing flare's operating range.

With RSWA BOD approval in June 2016, RSWA executed a work authorization with Resource International, Ltd for the engineering services required to evaluate, design, and develop bid specifications for the replacement of the existing landfill gas flare with one that will be appropriately sized for the current and future methane flows. This item was included in the capital budget.



RIVANNA SOLID WASTE AUTHORITY
695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: RECOMMENDATION FOR APPROVAL OF THE STRATEGIC
PLAN 2018 FOR THE AUTHORITIES**

DATE: FEBRUARY 27, 2018

A Strategic Plan has been completed for the Authorities. Development of the Strategic Plan was a collaborative effort with involvement from all levels of the Authorities and the community including Board Members, staff and community stakeholders. The process included many internal Project Steering Committee meetings, work sessions with the Boards, an on-line survey for staff, one-on-one interviews Board Members, regulatory agencies and community organizations.

The 2017 project schedule included:

June 26 – July 14:	On-Line Survey for All Employees and Board Members
June 26 – 29:	Employee Focus Group meetings; and one-on-one External Stakeholder Interviews with Raftelis
August 3rd:	Public Meeting (evening) hosted by Rivanna and Raftelis
August 22:	Work Session #1 with the Boards, after the regular Board meetings
August 31:	Project Steering Committee meeting #2, (full day) “Foundation Workshop”
Sept. 19 – 21:	Goal Teams Workshops (employee teams)
October 12:	Project Steering Committee and employee Goal Teams meeting, (full day, “Strategy Workshop”)
November 14:	Work Session #2 with the Boards, after the regular Board meetings
December 19:	Work Session #3 with the Boards, after the regular Board meetings, to Finalize the Strategic Plan

Board Action Requested:

The Executive Director recommends that the Board of Directors approve the Rivanna Water and Sewer Authority and Solid Waste Authority Strategic Plan 2018.



RIVANNA
WATER AND SEWER AUTHORITY
& SOLID WASTE AUTHORITY

STRATEGIC PLAN 2018



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The Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority (Rivanna) have long served their community by providing exceptional water, wastewater, and solid waste services.



MESSAGE FROM THE EXECUTIVE DIRECTOR

Continuing to do so, and to be a recognized leader in the environmental stewardship of the region, requires:

- A supportive Board of Directors
- A team of committed employees
- Sufficient financial resources
- Extensive, modern, and well-maintained infrastructure
- Efficient operations
- Satisfied customers and stakeholders

As an important component of our efforts to effectively and efficiently manage both Authorities, Rivanna has developed a new, joint strategic plan in pursuit of a well-defined and positive future for all our constituencies. This document presents and describes that plan.

We would like to express the appreciation of the Rivanna Boards of Directors and management for the support and contributions of the

many people who helped us develop this plan, including:

- Employees who provided input, developed the plan, and will ultimately implement the plan
- External stakeholders who provided valuable input.

We believe that Rivanna has created a strategic plan that will build a strong foundation to position the Authorities as valued environmental and community resources for the City of Charlottesville and Albemarle County. Working as a cohesive team, Rivanna is committed to being a recognized leader in environmental stewardship by providing exceptional water and solid waste services.

William I. Mawyer, Jr., PE

Executive Director

*Rivanna Water and Sewer Authority
and Rivanna Solid Waste Authority*

INTRO

OVERVIEW

The Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority (Rivanna) initiated a joint strategic planning process in June 2017 to create an organizational vision and a framework for guiding the utility into the future. The strategic framework presented in this document will help guide investment, allocate resources, and provide a structure for annual reviews to assure that long-term goals and objectives are achieved.

PROCESS

Rivanna's strategic planning process was designed to assure:

- A shared vision of Rivanna's ultimate goals. Organizations driven by clear purposes and shared values have a greater capacity to succeed than those that are not.
- A collective understanding of the available resources, the environment, and the principles upon which strategies will be based.
- Acceptance of the direction and urgency of the strategic and operating plans, which will be integrated into the way Rivanna is operated on a day-to-day basis.

TO ACHIEVE THESE CONDITIONS FOR SUCCESS,

Rivanna's strategic planning process involved input from a broad group of internal and external stakeholders, and deep involvement of more than 60 employees in the strategy development process. Major elements of the process included:

Stakeholder Input

Input was obtained from Board members, employees, and external stakeholders through a combination of interviews, an online employee survey with 74 responses, a public meeting, two board workshops, and four employee focus groups, with approximately 40 attendees.

Foundation Workshop

A Project Steering Team (PST), consisting of members of Rivanna's staff, senior management, and representatives from the Board of Directors, met to consider stakeholder input and to draft the organization's Vision, Values, Mission, and Goals.

Goal Teams

Six multidisciplinary goal teams of employees were established to develop goal statements, key objectives, and potential strategies for the respective goals. Goal Team roles included:

- Goal Champions - the liaisons between the Team and senior management, providing support, and ensuring appropriate resource availability for the team.
- Goal Team Members - six or seven employees from various functions and levels of the Organization.

Strategy Workshop

The Goal Teams presented their work to the PST, which made preliminary decisions concerning the measures and strategies to be included in the final plan.

PST Review

After documentation of the Strategy Workshop results, the PST met again to review and revise, as necessary, the elements of Rivanna's strategic plan.

GOAL TEAMS

The PST believes that the input of the Goal Teams was critical to the success of the strategic planning effort and, as discussed later in the document, the Goal Teams will be integral to successful implementation. To recognize their contribution, the members of the Goal Teams are presented below.

COMMUNICATIONS

Goal Champion:
Lonnie Wood

Goal Team Members:
Ken Chapman
Mark Roach
Carol Wiles
Konrad Zeller
Teri Kent
Katie McIlwee
Chris Ward
Steve Minnis Jr.

ENVIRONMENTAL STEWARDSHIP

Goal Champion:
Andrea Terry

Goal Team Members:
Junior Harris
Bethany Houchens
Cliff Hunt
Jim Langolf
Bill Morris
Kathy Ware

SOLID WASTE SERVICES

Goal Champion:
Phil McKalips

Goal Team Members:
Miranda Baird
Mike Haley
Mark Brownlee
Scott Schiller
Jay Young
Mark Charron

WORKFORCE DEVELOPMENT

Goal Champion:
Betsy Nemeth

Goal Team Members:
Cynthia Polaro
Travis Goode
David Rhoades
Will Dobson
Steve Minnis
Patricia Defibaugh
Brian Haney

INFRASTRUCTURE

Goal Champion:
Jennifer Whitaker

Goal Team Members:
Chris Barfield
Elizabeth Duncan
Ben Fricke
Jon Lowry
Greg Marrs
Dave Tungate
Rob Haacke

OPERATIONAL OPTIMIZATION

Goal Champion:
Rich Gullick

Goal Team Members:
Tim Castillo
Matt Bussell
Brian Baird
Kevin Palmer
Debra Hoyt
Doug March
Steven Miller

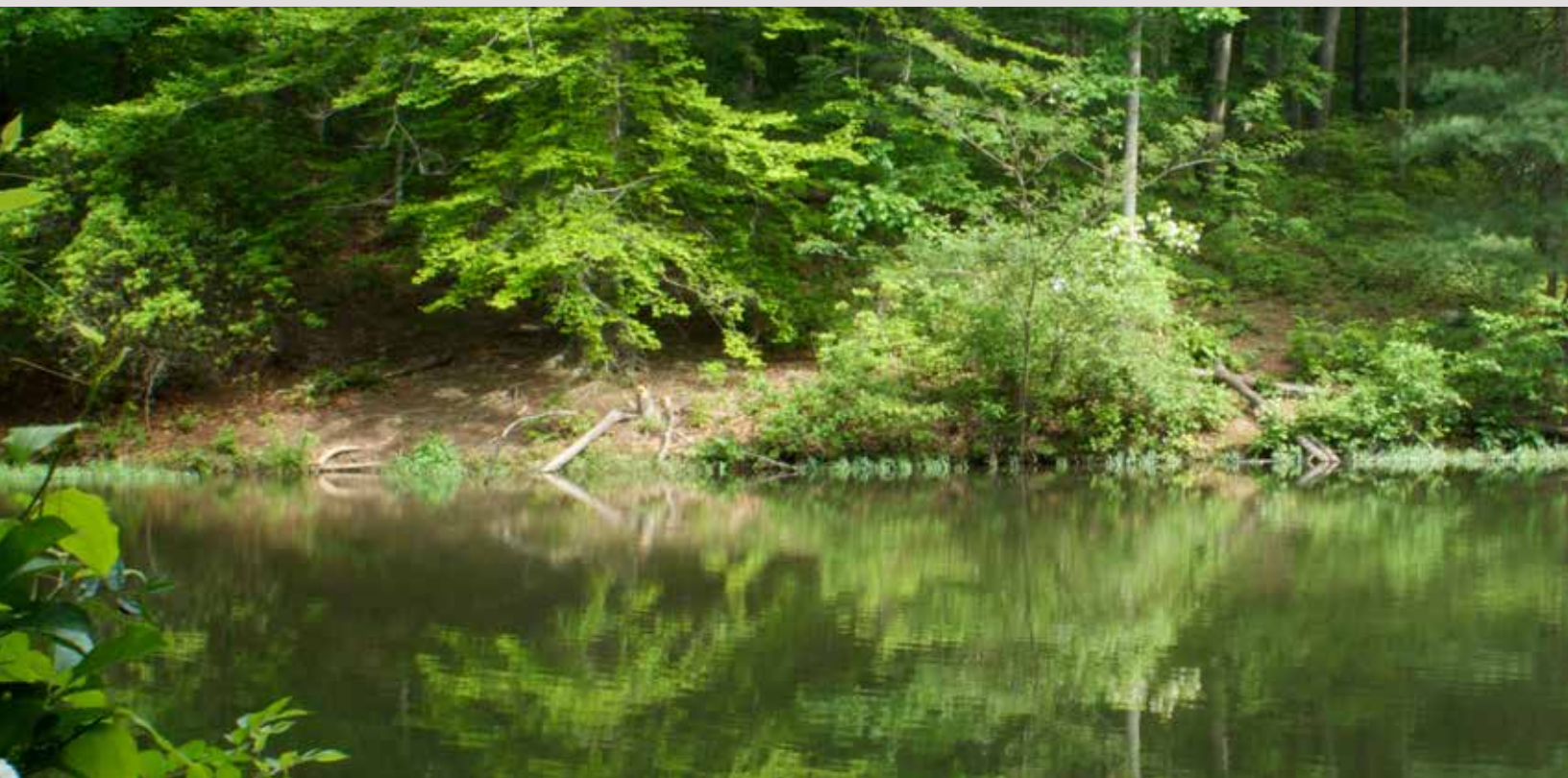
ENVIRONMENTAL SCAN

***THE RIVANNA
AUTHORITIES'
OPERATING
ENVIRONMENT
WAS DOCUMENTED
THROUGH:***

Analysis of community demographics and other external influences (Community Profile)

Considerations of key industry trends and their potential impact on the Organization

The Organization's Strengths, Opportunities, Aspirations, and Results (SOAR)



COMMUNITY PROFILE

The Rivanna Water and Sewer Authority was created in 1972 by the City of Charlottesville (City) and Albemarle County (County) to provide wholesale water supply, water treatment, and wastewater interception and treatment for the City and County. In 1990, the Rivanna Solid Waste Authority was created by the City and County to assume operation of the existing Ivy Landfill, which later closed in 1998. While the Water and Sewer Authority has two main customers (the City and County), the Solid Waste Authority currently provides recycling, solid waste, and household hazardous waste disposal services for more than 8,000 City and County residents and businesses each month.

The Authorities are located in central Virginia. Charlottesville is surrounded by Albemarle County, but the City and County are two separate entities. According to the US Census Bureau, both the City and the County have experienced 8% population growth rates between 2010 (43,475; 98,970 respectively) and 2016 (49,912; 106,878 respectively). The median household income in the City is \$49,775, which is lower than both that of the County (\$68,449) and the national median (\$53,482). In 2016, the New York Post ranked Charlottesville as the 3rd best place to live in the United States, and Entrepreneur Magazine and Liveability.com ranked the City as the 4th best city in the United States for entrepreneurs.

The largest regional employers are the University of Virginia/UVA Hospital/UVA Medical Center, Albemarle County, the City of Charlottesville, State Farm Mutual Automobile Insurance, the US Department of Defense, and Northrup Grumman Corporation. The area has a rich cultural heritage, having been home to Presidents Thomas Jefferson, James Madison, and James Monroe's estate, Highlands, with the County housing Thomas Jefferson's estate, Monticello. Charlottesville's Downtown Mall is one of the longest outdoor pedestrian malls in the country, and the nearby Shenandoah National Park offers many recreational activities year-round.



INDUSTRY TREND & LOCAL CONTEXT

The services provided by the Rivanna Authorities are central to assuring a sustained vitality of the service area. To achieve continued success, Rivanna must address several local, state, and national trends as it implements its strategic plan.

Rivanna must address future regulatory requirements, changes in usage patterns, and growing concerns about the impact of global climate change. These, and other challenges, must be considered to adequately plan for the Authorities' future.



TREND #1: POPULATION

THE CURRENT SITUATION

The service population is increasing, with the US Census Bureau reporting an 8% increase in both the City and the County's population between 2010 and 2016.

EXPECTATIONS FOR THE FUTURE

- The community seems to be growing, building is increasing, and the density around existing facilities is increasing

POTENTIAL RIVANNA RESPONSES

- Develop a Facilities Master Plan that reflects anticipated growth and stays abreast of other master planning efforts
- Complete capital projects including upgrading the Observatory, Crozet, and Rivanna Water Treatment Plants, completing the Rivanna-to-Ragged Mountain Reservoir Pipeline, and the new Ivy Transfer Station

TREND #2: THE POLITICAL ENVIRONMENT

THE CURRENT SITUATION

Rivanna is highly regarded as a well-run organization. The community has had differing views on several growth-related issues. Also, the City and County sometimes have differing interests, which affects both Authorities. Issues can change quickly, which affects the mission, especially solid waste.

EXPECTATIONS FOR THE FUTURE

- The political situation is expected to be stable, but some capital projects may generate community tension

POTENTIAL RIVANNA RESPONSES

- Continue to be an asset to the community, and provide great water, wastewater, and solid waste services

TREND #3: REGULATIONS

THE CURRENT SITUATION

Like utilities across the nation, Rivanna faces increased regulation and enforcement, which ultimately impacts rates, operations, and capital budgets. Regulations set many priorities for the capital improvements plan (CIP). Rivanna builds to exceed current regulations in order to meet future regulations and to have additional capacity and resiliency.

EXPECTATIONS FOR THE FUTURE

- Continued and changing regulatory challenges, including security, federal dam regulations, and emerging contaminants are of concern
- Increasingly the water quality discussion is shifting from "in the system" to "at the tap", which increases the need for customer outreach
- Changes necessitated by regulation will require careful planning and implementation in terms of processes, equipment, funding, timelines, etc.

POTENTIAL RIVANNA RESPONSES

- Monitor and accommodate changing regulations
- Continue involvement in state and professional associations, such as the Virginia Association of Municipal Wastewater Agencies, to provide input into regulations and process

TREND #4: WORKFORCE ISSUES

THE CURRENT SITUATION

Since many employees have been with Rivanna for several decades, there is some “brain drain” concern related to imminent retirements. In addition, there is concern that the workforce is not yet representative of the demographics of the service population. Finally, Rivanna has faced hiring challenges due to a shortage of applicants with the desired skill sets for open positions.

EXPECTATIONS FOR THE FUTURE

- Retirements are coming
- Trade positions are becoming more sophisticated
- Current hiring challenges are expected to persist

POTENTIAL RIVANNA RESPONSES

- Continue to emphasize hiring locally
- Partner with local organizations that help to develop necessary skills and competencies
- Emphasize knowledge transfer and the importance of training programs



TREND #5: TECHNOLOGY

THE CURRENT SITUATION

Technology is key to meeting environmental regulations, and it touches every facet of Rivanna’s business. To continue to meet customer expectations and service levels, Rivanna needs to ensure that it can fully utilize its existing technology, and consider opportunities to strategically increase technology use.

EXPECTATIONS FOR THE FUTURE

- Regulation and growth will continue to drive the need for enhanced technology
- Rivanna has new technological drivers associated with its sustainability goals

POTENTIAL RIVANNA RESPONSES

- Create a Technology Master Plan, with internal and external resources devoted to developing business cases for new technologies, and to assess the organization’s needs and opportunities
- Allocate sufficient resources to ensure technology training and implementation



TREND #7: UTILITY FINANCIAL CONSTRAINTS

THE CURRENT SITUATION

Rivanna has an extensive, multi-million-dollar capital improvement plan. Future regulations may define necessary resources, as will local government and community expectations. Currently, the Solid Waste Authority is not self-supporting.

EXPECTATIONS FOR THE FUTURE

- Capital and O&M requirements will increase

POTENTIAL RIVANNA RESPONSES

- Work to present information in creative ways, and to communicate the value of the water/ wastewater/ and solid waste services being delivered to the public

TREND #6: CUSTOMER EXPECTATIONS

THE CURRENT SITUATION

The public expects excellent service, but political and economic considerations often place downward pressure on rates. As an organization, Rivanna needs to define its customer base. Additionally, the general public does not differentiate between Rivanna, the Albemarle County Service Authority, and the City of Charlottesville Public Utilities.

EXPECTATIONS FOR THE FUTURE

- Increased planning, growth, and public involvement
- Rivanna needs to decide who it is trying to reach with its communication efforts

POTENTIAL RIVANNA RESPONSES

- Define and communicate with external customers
- Define internal customers and support functions
- Collaborate with a consistent message

TREND #8: ENERGY/REUSE

THE CURRENT SITUATION

Rivanna does not currently face significant energy availability challenges, especially with a third reactor going in at Lake Anna. Although the cost of power is a significant portion of the operating budget, rates are reasonable, there are several alternative energy sources, and Rivanna has upgraded to more efficient facilities and equipment.

EXPECTATIONS FOR THE FUTURE

- Alternative energies may become more cost-effective
- There will likely be more community pressure to conserve

POTENTIAL RIVANNA RESPONSES

- Consider methane or other energy bi-products



TREND #9: INCREASED RISK PROFILE

THE CURRENT SITUATION

The Rivanna Authorities are at risk for weather events that can compromise water, wastewater, and solid waste infrastructure.

EXPECTATIONS FOR THE FUTURE

- Natural disasters can impact facilities and impact treatment, as can dam breaches and cyber risks

POTENTIAL RIVANNA RESPONSES

- Be more involved in City/County planning processes
- Be prepared for wet weather, hurricanes, floods, droughts, etc.



“ TO ACHIEVE CONTINUED SUCCESS, RIVANNA MUST ADDRESS SEVERAL LOCAL, STATE, AND NATIONAL TRENDS AS IT IMPLEMENTS ITS STRATEGIC PLAN. ”



**THE RIVANNA AUTHORITIES UTILIZED
A *STRENGTHS, OPPORTUNITIES,
ASPIRATIONS, AND RESULTS* (SOAR)
ANALYSIS TO FORM THE BASIS FOR
ITS STRATEGIC PLAN.**



STRENGTHS

provided input to the development of a **Mission** that builds upon what the organization does extremely well.



OPPORTUNITIES

helped the goal teams and the PST develop **Strategies** to identify and explore innovative approaches to meeting future needs.



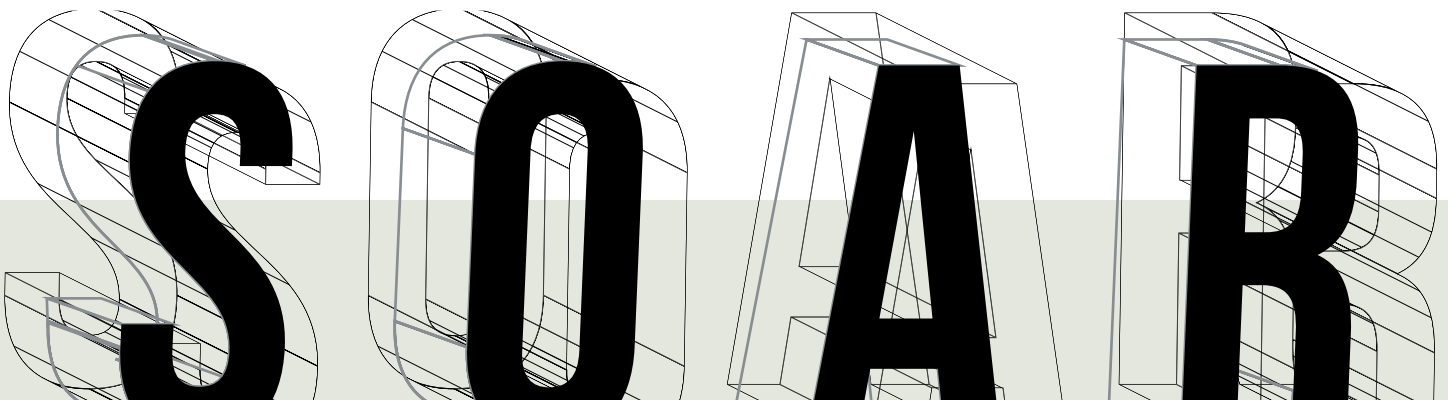
ASPIRATIONS

focused on the expectations or hopes of internal and external stakeholders to inform Rivanna's **Vision**.



RESULTS

supported the determination of the **Measures** of strategic progress.



STRATEGIC

DIRECTION

THIS STRATEGIC PLAN SERVES AS A
BLUEPRINT FOR FUTURE DECISION MAKING.

The Strategic Plan contains the Organization's Vision, Mission Statement, Values, Goals, Measures, and Strategies. It addresses Rivanna's current and future challenges.

This plan provides a structure by which annual reviews can be accomplished to assure that goals and measures retain their relevance over time. By laying out a course of action, this plan represents a disciplined process for making the fundamental decisions that will shape Rivanna's future.



VISION

Ultimately, implementation of this plan will enable Rivanna to achieve its desired future state as articulated in its Vision, which is:

“To serve the community and be a recognized leader in environmental stewardship by providing exceptional water and solid waste services.”

MISSION

The Mission describes the organization’s purpose and role within the service area. Rivanna’s Mission is expressed as:

“Our professional team of knowledgeable and engaged personnel serve the Charlottesville, Albemarle, and UVA community by providing high quality water treatment, refuse, and recycling services in a financially stable and environmentally responsible manner.”

VALUES

Values articulate Rivanna’s deeply held beliefs, norms, and qualities, which drive day-to-day activities. The Rivanna Authorities’ Value Statement is:

The Rivanna Water and Sewer and Rivanna Solid Waste Authorities are committed to the following values:

- Integrity
- Teamwork
- Respect
- Quality



GOALS

Goals represent the most important issues that must be addressed to achieve the desired future. Rivanna's Goals are driven primarily by the factors that are most critical to the organization's future success.

WORKFORCE DEVELOPMENT



To attract, develop, and retain a professional, highly skilled, dedicated, and versatile team.

A high performing workforce requires high performing individuals. Accordingly, Rivanna will attract, retain, motivate, manage, and reward exceptional employees who make significant contributions to its success.

OPERATIONAL OPTIMIZATION



To efficiently, reliably, and safely provide high quality services, assuring the best value for our customers.

The Rivanna team recognizes the importance of making the most of its human, natural, and financial resources. Rivanna's commitment to efficiency will incorporate innovative solutions from across the organization.

COMMUNICATION AND COLLABORATION



To foster a culture that encourages open communications and strengthens partnerships.

Rivanna has committed to maintaining effective internal and external partnerships in furtherance of its mission and vision. Ensuring the Authorities' success requires strong, consistent communication through a variety of mediums.

ENVIRONMENTAL STEWARDSHIP



To be a leader in our community's environmental protection and education.

Maintaining and enhancing the long-term health of Rivanna's community and environment are among Rivanna's highest priorities. The Rivanna Authorities are committed to meeting or surpassing all regulatory requirements while providing high quality water, wastewater, and solid waste services.

SOLID WASTE SERVICES



To provide reliable, convenient, and innovative solid waste and recycling services.

The Rivanna Solid Waste Authority provides recycling, solid waste, and hazardous waste disposal services to 8,000 City and County residents and businesses every month. Rivanna is dedicated to helping its communities optimize their solid waste and materials management.

INFRASTRUCTURE AND MASTER PLANNING



To plan, deliver, and maintain dependable infrastructure in a financially responsible manner.

The Rivanna Authorities are proud of their work on existing infrastructure systems and the new infrastructure under construction. A continued focus on developing and maintaining a sustainable infrastructure that will meet customer needs now and in the future will be critical to success.

MEASURABLE STRATEGIES

Measures demonstrate progress toward accomplishing each Goal. Strategies are the approaches to be used in achieving the Goals. These critical elements of the Strategic Plan, as well as the Vision, Values, Mission, and Goals, are presented in the strategic framework on the following pages.



Through this strategic plan, Rivanna has committed to improving internal and external communications. Effective communication is critical not only for the successful implementation of the strategic plan, but also for Rivanna's overall success.

COMMUNICATIONS

The issue of communication, which surfaced in the stakeholder input process, cuts across the various strategic goals. As indicated on the strategic framework, communications will be enhanced through several efforts, including:

- Enhancing use of multi-disciplinary teams to manage issues and projects
- Leveraging the continued contribution of the Goals Teams convened for the strategic planning effort
- Creating a culture of communication, both internally and externally
- Expanding team building and networking, tying individual contributions to overall organizational success

Enhanced communications will be a major initiative throughout the organization to ensure that all teams and individuals are working towards the ultimate vision and mission.

IMPLEMENTATION

The Goals, Measures, and Strategies contain a series of initiatives and projects that, when implemented, will move Rivanna toward achievement of its desired outcomes. However, it is important to note that for the desired results to be achieved, the Strategies must be effectively implemented. Therefore, careful attention and focus on strategy implementation is essential to achieving strategic success. Elements of the implementation process include:

LEVERAGE GOAL TEAMS

The Goal Teams are knowledgeable, energized and committed to the implementation of the Strategies for their respective Goals. Therefore, they will be instrumental in the implementation planning and ultimate implementation process. Specifically, Goal Teams will:

- Draft implementation plans for each Strategy that will include:
 - » Tasks necessary for implementation
 - » Assigned individuals or groups
 - » Due dates for key tasks
 - » Resources required
- Monitor implementation progress
- Report on implementation progress to senior management

INVOLVE SENIOR MANAGEMENT

During the implementation process, the Goal Teams will communicate with senior management concerning issues such as:

- Implementation progress
- Resources required (people, money, equipment, etc.)
- Strategies, which after initial implementation efforts, may require updates

REPORT TO BOARD OF DIRECTORS

Senior management is accountable to the Board of Directors for implementation of the approved strategic plan and achievement of the stated Goals and Measures. Accordingly, senior management will periodically update the Board on progress, achievements, and issues related to the strategic plan.



Strategic planning is a way of thinking that guides an analysis of the present and helps create a vision of the future. Rivanna has developed a strategic plan that will take some time to implement completely. However, the plan will provide a guide to the organization's long-term strategic success.

STRATEGIC framework

VISION

To serve the community and be a recognized leader in environmental stewardship by providing exceptional water and solid waste services

VALUES

The Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority are committed to the following values:

- Integrity
- Teamwork
- Respect
- Quality

MISSION

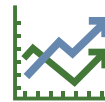
Our professional team of knowledgeable and engaged personnel serve the Charlottesville, Albemarle, and UVA community by providing high quality water treatment, refuse, and recycling services in a financially and environmentally responsible manner

GOALS



WORKFORCE DEVELOPMENT

To attract, develop, and retain a professional, highly skilled, dedicated, and versatile team



OPERATIONAL OPTIMIZATION

To efficiently, reliably, and safely provide high quality services, assuring the best value for our customers



COMMUNICATION AND COLLABORATION

To foster a culture that encourages open communications and strengthens partnerships



ENVIRONMENTAL STEWARDSHIP

To be a leader in our community's environmental protection and education



SOLID WASTE SERVICES

To provide reliable, convenient, and innovative solid waste and recycling services



INFRASTRUCTURE AND MASTER PLANNING

To plan, deliver, and maintain dependable infrastructure in a financially responsible manner

MEASURES

1. Reduce turnover rate to below 10% annually
2. Increase percentage (%) of required trainings completed and applicable licenses obtained
3. Increase the number of employees who meet minimum requirements for positions one level above their current position



1. Develop a comprehensive staffing, classification, and compensation plan
2. Create a formal development and career pathing program
3. Conduct a training needs assessment and enhance the training program
4. Develop an employee engagement program

1. Conduct at least two process audits per department annually
2. Ensure that 90% of preventive maintenance (PM) work orders are completed on time
3. Decrease number of safety incidents and injury lost time



1. Continually evaluate, prioritize, and improve key business and operational processes
2. Improve preventative maintenance and emergency planning
3. Enhance Rivanna's culture of safety
4. Protect our workforce and the public through continually growing a culture of safety

1. Increase website performance metrics
2. Increase employee understanding and engagement ratings
3. Increase number of external partnerships and engagement activities
4. Increase community awareness of Rivanna initiatives



1. Create and implement a comprehensive public outreach plan
2. Create and maintain internal communication platforms
3. Enhance internal and external collaboration

1. Achieve and maintain 100% permit compliance
2. Increase number of green projects
3. Increase number of times standards on effluent or treated water quality were positively exceeded
4. Increase percentage (%) of solid waste tonnage recycled



1. Increase internal environmental engagement
2. Designate resources to support environmental outreach and green initiatives
3. Provide regional leadership in environmental stewardship
4. Increase collaboration with other environmental groups

1. Increase participation rate (both number of people and types of waste)
2. Increase tonnage rates
3. Increase patron satisfaction and outreach



1. Determine community needs and preferred service levels
2. Enhance partnerships with local governments and the University of Virginia
3. Explore and implement high impact, best-in-class solid waste business practices and service delivery

1. Improve infrastructure performance and condition rating
2. Increase percent of assets populated in Asset Management Program
3. Increase percent master planning coverage



1. Implement an Authority-wide asset management program
2. Develop a comprehensive environmental compliance and infrastructure planning and delivery program
3. Develop and maintain long-term master plans for all critical asset classes

REALIZING THE VISION

Our vision is “To serve the community and be a recognized leader in environmental stewardship by providing exceptional water and solid waste services.”

This is attainable. To make that future a reality, we must have a plan in place to guide us in making the right decisions and the right investments of our limited time and resources. We have created this plan with the input of our staff and our external stakeholders to ensure that we meet and exceed their expectations. Rivanna is grateful to all the individuals who took the time to provide input during this strategic planning process, and we look forward to sharing our progress and success as we work to achieve our shared goals.



WWW.RIVANNA.ORG
695 Moores Creek Ln
Charlottesville, VA 22902



MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY;
RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: LONNIE WOOD, DIRECTOR OF FINANCE AND
ADMINISTRATION**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: PURCHASING MANUAL AND POLICIES UPDATE

DATE: FEBRUARY 27, 2018

The Authorities last updated the Purchasing Manual in October 2015, as adopted by the Boards. Since that time, the Virginia Public Procurement Act (VPPA) has had several changes that need to be incorporated into the Purchasing Manual of both Authorities.

There were no significant changes made to the purchasing thresholds already stated in the policy manual since the last adoption. The most significant changes included:

- elevating the standing and procedures of Competitive Negotiation (Section VIII) to be the same as Competitive Sealed Bidding (Section XI) for goods and other than professional services. Previously, Competitive Sealed Bidding was the preferred method and Competitive Negotiations could only be used in special circumstances. Therefore, this change and the process for executing this procedure as promulgated by the VPPA were incorporated into the manual/policy.
- adding a requirement for many types of procurements to solicit proposals or bids from businesses certified by the [Virginia Department of Small Business and Supplier Diversity](#) as a small business, a women-owned business, a minority-owned business, a service disabled veteran-owned business and/or a micro business.

Several other minor changes were made as needed from the amended code, changing or adding Code of Virginia sections to match the current code, and minor clarifications in wording since the last adoption. A red-lined version is included and attached with this memo for your review.

Board Action Requested:

It is requested that the Board of Directors approve the updated Purchasing Manual (as shown in the attached red-lined version).

PURCHASING MANUAL

RIVANNA WATER & SEWER AUTHORITY AND RIVANNA SOLID WASTE AUTHORITY

Revised and adopted ~~October 27~~ draft - February 27, 2018~~5~~

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I. INTRODUCTION

This manual has been prepared as a reference and guide for the purchasing policies and procedures adopted by the Rivanna Water & Sewer Authority and the Rivanna Solid Waste Authority (together “Authority”). This Manual is designed to guide all Authority employees involved in some way in the purchasing function in implementing the Authority’s procurement regulations in the acquisition of all goods and services, including construction services to make the policies and procedures clearly understood resulting in a more effective and efficient system.

The requirements of this manual are intended to assure fair and ethical procurement practices for the cost-effective acquisition of all goods and services, including construction services, and to promote good, continuous relations with suppliers. The Manual is also intended to assure compliance with the Virginia Public Procurement Act, as amended (Virginia Code § [2.2-4300](#) et seq.) [and other applicable law](#). By buying competitively the Authority will obtain maximum value for public funds spent. Nothing in this Manual and no deviation from its guidance by Authority staff is intended to nor shall create rights in any third person, including but not limited to Authority suppliers, contractors, service providers, bidders or proposers.

No person shall purchase or contract for any goods, services, insurance or construction except as provided by this Manual. The Authority shall not be bound by any purchase order or contract made contrary to these procedures. Any person responsible for such purchase shall be held personally liable for such purchase, and, if already paid for out of Authority funds, the amount may be recovered in the name of the Authority.

The manual shall be subject to the requirements of the Virginia Public Procurement Act as amended. This Manual was adopted with all provisions effective as of July 1, 2013 ~~(Subsequently revised and adopted – October 27, 2015, February 27, 2018)~~. To the extent any provision in this Manual is deemed inconsistent with the Code of Virginia, Title 2.2, Chapter 43, -the Virginia Public Procurement Act, whether due to amendment of that Chapter or otherwise, then the provisions of that Chapter shall control as to such inconsistency.

II. PURCHASING STAFF ORGANIZATION

The Executive Director is authorized to enter into, administer, terminate and otherwise manage contracts subject to any approval thresholds that may be established by the Board. The Executive Director, or his designee, shall have the sole authority to authorize, in writing:

- a) extension of professional services contracts per the renewals authorized in the original terms and conditions of the contract and within the limitations specified in law; and
- b) use of competitive negotiation for ~~goods~~, construction ~~and non-professional~~ services as provided by law.

The Executive Director has delegated to the Director of Finance/Administration the role of Purchasing Agent. The Purchasing Agent:

- a) manages the purchasing function, with ~~certain exceptions*~~ [HAH1] related to capital project contracts as noted below* ~~and to the hiring of consultants~~ [HAH2];
- b) helps set policy; and
- c) supervises all procedures including interpretation of policies and procedures;

The Purchasing Agent is responsible for the

- a) procurement of insurance, goods, ~~and non-professional~~ services, and non-capital construction services*;
- b) general supervision of all inventories of goods held by the Authority;
- c) the development and enforcement of specifications;
- d) the disposal of surplus property; and
- e) the enforcement of these policies and procedures; and
- f) ensuring that this manual maintains conformance with the Code of Virginia and other applicable law and with efficient Authority operations.

The Purchasing Agent has delegated certain authority and responsibility to the Buyer and, under the Small Purchase Procedure, to the Managers and Directors. The Purchasing Agent monitors all purchasing activity, including that managed by the Executive Director, for compliance with these rules and regulations and applicable laws.

The Accounts Payable/Purchasing Technician is designated the Authority's Buyer and is responsible for:

- a) following procedures
- b) the selection of vendors and ordering (with certain exceptions noted below*);
- c) follow through;
- d) record keeping; and
- e) verification of coding of purchases.

The Buyer is under the regular supervision of the Purchasing Agent and delegates Buyer functions to staff as appropriate.

*Exception: The hiring of legal and other professional services consultant services and the procuring of contracts for construction or capital related projects are managed by the Executive Director with the technical assistance of the Purchasing Agent.

III. POLICY

Purchasing staff has the responsibility to purchase or contract for all [insurance](#), materials, equipment, and [non-professional](#) services ~~(with certain exceptions)~~. The Authority strives to achieve the goal of securing the best value in acquiring materials or services through open and fair competition among vendors. This Manual is intended to assist responsible Authority staff to ensure that all procurements:

1. Are made in an ethical manner that is impartial and above reproach, with preferential treatment for none.
2. Are made efficiently and economically through open and fair competition among vendors.
3. Ensure, at a minimum, that:
 - a. Solicitations and contracts are properly advertised, posted and issued.
 - b. The methods of contractor selection and contract type are appropriate to the procurement and represent the Authority's best interest.
 - c. Bonding and security are obtained when appropriate.
 - d. Contractors have the necessary insurance to protect the Authority's interests.
 - e. Liquidated damages, when appropriate, are included in contracts.
 - f. Contractors perform in accordance with the terms and conditions of their contracts.
 - g. Payments are made only for goods and services, including construction services, received and authorized in the contract.
4. Are made only to contractors selected in accordance with the stated evaluation criteria.
5. Are made without restrictive specifications that limit or inhibit full and open competition.
6. Are made on a sole-source or limited competition basis only after justification in writing.
7. Include reasonable efforts to increase the opportunity for participation by business enterprises eligible under the Authority's [Disadvantaged Business Enterprise business development p](#)Program.
8. Are approved at the proper level.
9. Have approved funding.

~~*Exception: The hiring of legal and consultant services and the procuring of contracts for capital projects are managed by the Executive Director with the technical assistance of the Purchasing Agent. [HAH3]~~

IV. ETHICS

The Authority recognizes its special responsibilities under the Code of Virginia and incorporates Article Six, "Ethics in Public Contracting," of the Virginia Public Procurement Act, Article 6, Virginia Code § [2.2-4367](#) et seq., Virginia State and Local Government Conflict of Interests Act, Va. Code § [2.2-3100](#) et seq., Virginia Governmental Frauds Act § [18.2-498.1](#) et seq., and Articles 2 (§ 18.2-438 et seq.) and 3 (§ 18.2-446 et seq.) of Chapter 10 of Title 18.2 into its Policies and Procedures. The Standards of Conduct section of the Authority Personnel Manual are also part of the behavior requirements.

The following rules should guide employees involved in the procurement process:

- 1) All Authority employees having official responsibility in the procurement process are subject to and should become familiar with its provisions.
- 2) Definitions:
 - a. "Official responsibility" means administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom.
 - b. "Procurement transaction" means all functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.
 - c. "Immediate family" shall mean a spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee.
 - d. "Public employee" shall mean any person employed by a public body, including elected officials or appointed members of governing bodies.
- 3) No Authority employee having official responsibility for a procurement transaction shall participate in that transaction on behalf of the Authority when that employee knows that:
 - a. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction;
 - b. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five (5) percent;
 - c. The employee, the employee's partner or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or
 - d. The employee, the employee's partner or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, offeror or contractor.
- 4) Vendor contacts should be limited to the purpose of obtaining information related to an actual Authority purchase.
- 5) No Authority employee will accept any gifts, meals, or free trips prior to the awarding of a purchase contract or subsequent to award of a contract except as may be provided for as a part of the contract.
 - a. Should any bid, proposal or contract require travel outside the Authority's service area, all travel related expenses shall have been provided for as part of the contract or they shall be paid for by the Authority.
 - b. This section shall not prohibit employees from accepting items of nominal value which are generally available and are primarily intended for advertising. [The Authority has determined nominal value to be \\$25.00.](#)
- 6) No Authority employee or former Authority employee having official responsibility for procurement transactions shall accept employment with any bidder, offeror or contractor

- with whom the employee or former employee dealt in an official capacity concerning procurement transactions for a period of one (1) year from the cessation of employment by the Authority unless the employee, or former employee, provides written notification to the Executive Director prior to commencement of employment by that bidder, offeror or contractor
- 7) No Authority employee may contract to provide goods or services to the Authority.
 - 8) No employee shall have a financial interest in the purchase of Authority surplus material and equipment in excess of \$500 or purchase such surplus material unless allowed by law.

GIFTS

The following rules should guide employees' acceptance of gifts related to services provided in the course of their job

- 1) Employees will not accept any personal gift, favor, service, money, business or professional opportunity, or anything of value which might reasonably be inferred as having the potential to influence the impartial discharge of duties, or as a reward for an official action
- 2) Gifts should be discouraged. If the gifts cannot be declined gracefully, and are of more than nominal value (see 5b above) the gifts shall be declared surplus property and addressed accordingly unless the gifts are consumables, e.g. cookies, in which they will be set out for all to consume. [SJJ4] ~~the employee should donate them to charity~~ [SJJ5]. Employees should bear in mind that the donor of gifts, presents and favors may come to expect or seek preferential treatment. Therefore, the perception of an individual's action is as important as the monetary value of the gift.
- 3) Employees with procurement responsibilities will not accept gifts or money for services the Authority pays them they are paid to perform.
- 4) Favoritism, especially as a result of acceptance of a gift or favor, will not be tolerated. Employees will not give any special consideration, treatment or advantage to any vendor or citizen beyond that which is available to every other vendor or citizen.
- 5) Nothing contained herein prohibits employees from attending vendor-sponsored seminars or trade shows where they will benefit from receiving product information and learning of new techniques and product or service trends. Food, drinks and give-away items offered to all participants at such functions may be accepted by Authority employees attending.

V. AUTHORIZED METHODS OF PROCUREMENT AND THRESHOLDS

AUTHORIZED PURCHASE METHODS

- a) Field Purchase (See below)
- b) Small purchase (Section VII)
 - a. Goods and services
 - b. Professional services
- c) Request for proposals
 - a. Goods and services (Section VIII)
 - b. Professional services (Section IX & X)
- d) Invitation for bids (Competitive Sealed Bid) (Section XI)
- e) Sole Source (Section XV)
- f) Emergency (Section XVI)
- g) Cooperative procurements (Section XVII)
- h) Public Auction (See below)
- i) Public-Private Partnership in Education and Infrastructure Act (PPEA) (See below)

THRESHOLDS – SMALL OR INFORMAL PURCHASES

Under \$1,500 - Field Purchase, Small Purchases below \$5,000

Small purchases under \$1,500 are considered field purchases for operational needs by Directors and Managers (or as delegated) for time and convenience purposes. Field purchases are to be held to a minimum and all are subject to review by the Purchasing Agent. Only in unusual circumstances may \$1,500.00 be exceeded.

Procedures for the purchase of goods and services from \$1,500 to \$5,000 will be prescribed by the Purchasing Agent or the Executive Director. The Purchasing Agent shall from time to time evaluate the use of field purchases and purchases below \$5,000 to determine whether warehousing of spare parts or the like is advantageous. Single transactions under \$5,000 do not require competition, though it's always advisable.

All Purchases over \$5,000

All purchases over \$5,000 must have a purchase order.

Goods, Non-professional Services and Construction

\$5,000 to \$29,999.99

Requires soliciting at least three (3) written or verbal quotes from valid sources. [Include businesses, if available, from the annual listing provided by the Authorities which includes businesses certified by the Virginia Department of Small Business and Supplier Diversity that sell the products and services most commonly purchased by the Authorities.](#) Requisition to be prepared and a tabulation of the quotes received should be forwarded to Purchasing where the documentation will be audited and, if approved, a purchase order will be prepared and mailed. Files are required for the annual audit. Requisitions without proper documentation may be returned. It is strongly recommended that all quotes over \$5,000 be confirmed in writing.

\$30,000 to \$99,999.99

Requires soliciting at least four (4) written quotes from valid sources. No fewer than four (4) [valid](#) sources shall be solicited to submit written quotations for purchases between \$30,000 and \$99,999.99. [Include businesses, if available, from the annual listing provided by the Authorities which includes businesses certified by the Virginia Department of Small Business and Supplier Diversity that sell the products and services most commonly purchased by the Authorities.](#) [All solicitations between thirty thousand dollars \\$30,000 and 99,999 shall also include posting of a public notice on, at least, the Authority Procurements website.](#)[SJ6]

Professional Services

\$5,000 - \$59,999.99

Requires soliciting at least four (4) written quotes from valid sources. Include businesses, if available, from the annual listing provided by the Authorities which includes businesses certified by the Virginia Department of Small Business and Supplier Diversity that sell the products and services most commonly purchased by the Authorities. – Professional services are defined in the Glossary (Section XXVII). All other services are classified as non-professional. The VPPA provides the authority for local public bodies to develop procedures to solicit single or term contracts for professional services without requiring competitive negotiation, provided the aggregate or the sum of all phases is not expected to exceed \$60,000 (refer to Small Purchase procedures for professional services Page 13).

THRESHOLDS – FORMAL PROCUREMENT PROCEDURES PURCHASES

Professional Services \$60,000 and above

Requires a formal Request for Proposal.

Over \$100,000 and above – Goods and Non-professional Services

All purchases for goods and non-professional services over \$100,000 must have a formal **procurement** process, either a competitive sealed bid or, ~~if approved by the Executive Director~~^(SJJ7), competitive negotiation, unless exceptions apply.

OTHER PURCHASING METHODS

Public Auction

Upon a written determination made in advance that the purchase of goods, products or commodities from a public auction sale is in the best interests of the public, such items may be purchased at the auction, including online public auctions. The written determination, approved by the Purchasing Agent, is required stating the basis for the determination. All requests for using a public auction on procurements exceeding the formal competitive sealed bidding process requirements must be reviewed and approved by the Executive Director or his designee. The written determination must be retained in the contract file.

Public-Private partnership in Education and Infrastructure Act (PPEA)

When authorized in advance by the Board of Directors, the Authority may solicit proposals for projects under the Virginia Public-Private Partnership in Education and Infrastructure Act as an alternative means of procurement to the options represented in this ~~Section~~ Manual. In soliciting proposals under the PPEA, the Authority shall follow the PPEA Guidelines (previously adopted by the Board of Directors of the RWSA only) and included as **Appendix A** to this Purchasing Manual ~~to be as~~ adopted by the Board of Directors of both the RWSA and the RSWA in 2013.

The Authority may also receive unsolicited proposals from potential contractors as prescribed in the Authority's PPEA Guidelines.

VI. EXEMPTIONS TO PROCUREMENT (QUOTES, BIDS, OR PROPOSALS) BIDDING

The Authority has determined that the following categories of purchases are often not susceptible to competitive purchasing and thus are either exempt from the relevant requirements in the purchasing procedure or are treated explicitly in sections of this manual. However, one quote must be obtained and documented, and a purchase order must be issued for requirements over the delegated purchase limit.

Those categories are:

1. Purchases under the delegated purchase limit of \$5,000.
2. The following selected categories of goods and services up to and including the formal competitive process requirement:
 - a) Legal services or expert witnesses or other services associated with litigation or regulatory proceedings.
 - b) Books, pre-printed materials, reprints and subscriptions (e.g., print or electronic), pre-recorded audio and videocassettes, compact discs, slide presentations, etc., when only available from the publisher/producer.
 - c) Academic/research consulting services.
 - d) Honoraria, entertainment (speakers, lecturers, musicians, performing artists).
 - e) Training that is specialized, proprietary, and not typically available to the general public for which competition is generally unavailable, off-site, and requires a registration fee. Contact the Procurement Division to ascertain if the training being requested is available through an existing contract or another source.
 - f) Royalties and film rentals when only available from the producer or protected distributors.
 - g) Professional Organizational Membership dues.
 - h) Writers.
 - i) Artists (does not include graphic artists); original works of art; and original, or authentic antique period art frames (does not include newly created replacement or reproduction frames).
 - j) Photographers other than for graduations and yearbooks, e.g., for official photographs/portraits.
 - k) Advertisements such as in newspapers, magazines, journals, radio, television, etc.
 - l) Utility charges, where competition is not practicably available.
 - ~~m) Conference facilities [SJJ8][HAH9] (to include conference support and related lodging and meals) only when the use of a specific facility is directed by an outside donor, sponsor, or organization.~~
 - m) Accreditation fees and academic testing services.
 - n) Pumps and other equipment repair services when the initial anticipated cost is expected to be under the delegated purchase limit of \$5,000, but after equipment tear down it is realized additional repair work is needed and the ability to obtain competition is limited due to the circumstances. Documentation of a fair and reasonable price must be made prior to processing payment for any such purchase.
3. Purchases of used equipment up to and including the formal competitive sealed bidding requirement. This ~~is~~ also includes used equipment purchased at a public auction, if determined in writing that the purchase would be in the best interest of the Authority.
4. Purchases from the federal government, other states and their agencies or institutions, and public bodies, if the terms and conditions of their contract permit such purchases and meet the requirement of the VPPA. Care must be exercised to be certain that the price is fair and reasonable. This exemption includes all purchased for good and/or services obtained within the Virginia Water and Wastewater Agency Response Network (VA WARN) emergency assistance program.
5. Surplus property.
6. Purchases for testing or evaluation services (limited to purchases of quantities considered necessary for complete and adequate testing) not to exceed the dollar threshold defined above for formal procurement of goods and non-professional services.
7. Emergency purchases (competition obtained when practicable).

| 8. [Purchase or lease of](#) Real Estate [and easements](#).

9. Travel services.

10. Purchase under a cooperative procurement contract through another state or local public agency as described in Section XVII of this Manual provided pricing under such contract was competitive.

VII. SMALL OR INFORMAL PURCHASES

General

This section covers procedures for informal procurements of goods and non-professional services based on price, to include processes requiring both verbal and written quotes. For thresholds on informal purchases, to include thresholds that require written quotes, see Section V of this Manual. This Section does not include the procurement of non-professional services by competitive negotiations (see Section VIII for competitive procurement procedures).

Your total requirements should be considered in determining the value of the purchase. You cannot use an informal, small purchase to drive a large sole source award later.

Obtaining Quotes

When you get a verbal or written quote, make sure you get complete information. Oral or written quote records must show:

- a) name and address of vendor,
- b) complete item description or service offered,
- c) price quoted,
- d) delivery/performance date(s),
- e) payment terms,
- f) FOB point (see definition in Glossary),
- g) name of person quoting prices, and date received, if not confirmed in writing.

When complete send a requisition with all documentation to Purchasing to have a purchase order issued.

FOB Destination Prepaid and Allowed is preferred and should be requested. You can also request this by asking for “a delivered price”. This is important because title and risk of loss are borne by the vendor until the Authority actually receives the goods. In a written quote “FOB Destination Prepaid and Allowed” should be specified.

Evaluation

There are three determining factors when evaluating quotes:

- a) **RESPONSIVE** - Did the vendor meet all minimum requirements requested, including specifications payment terms, and delivery time?
- b) **RESPONSIBLE** - Is the vendor deemed capable of doing the job, based on references or knowledge of prior jobs? *Since you are selecting the vendors to contact, a majority of the time you should know this before you contact them for a price.*
- c) **PRICE** - Is the price reasonable and within budget?

When evaluating price, make sure you have “apples and apples”. Specifically, ensure that the items are equal or meet your minimum requirements, shipping is included in all quotes, and consider reasonable prompt payment discounts.

If the price is not reasonable, or affordable, you can try to get a lower price.

You can:

- a) revise your specifications or delivery schedule and ask everyone to re-quote, or:
- b) cancel the procurement.

You **CANNOT**

- a) "Auction", or
- b) Let vendors know what other quotes are until after award.

SOLICIT QUOTES FROM VENDORS YOU BELIEVE ARE QUALIFIED TO DO THE WORK REQUESTED. DO NOT SOLICIT FROM UNQUALIFIED VENDORS.

VIII. REQUEST FOR PROPOSAL - OTHER THAN PROFESSIONAL SERVICES

Competitive negotiation is a method for purchasing ~~professional services, and, if approved for use by the Executive Director, non-professional services, and goods as well as~~ construction in limited circumstances, ~~and goods of a complex nature.~~ The “professional services” definition is included in the Glossary to this Manual (Section XXVII). All other services are categorized as non-professional.

Unlike the use of the RFP process for professional services, which prohibits the consideration of cost in the initial evaluation process, cost can be a consideration when using competitive negotiation for other than professional services and should always be included within Evaluation Criteria, though it need not be the sole determining factor.

~~Use of competitive negotiation for other than professional services requires a determination in writing that competitive sealed bidding is not practicable or fiscally advantageous to the Authority, the reasons why, approved by the Executive Director and included in the procurement file.~~

Procedure:

The RFP is prepared and stating in general terms:

- a) the services sought as well as related contingent services that may be needed;
- b) the time and place for receipt of proposals;
- c) the factors to be used in evaluating proposals, including cost;
- d) the contractual terms and conditions; to include whether services are specific to a single project for the duration of that project, or multiple project for a specific term; and
- e) any unique capabilities or qualifications required of the proposers.

A Public Notice of RFP's exceeding \$100,000 for goods and non-professional services -shall be:

- a) advertised in The Daily Progress and/or Cville Weekly at least ten (10) business days prior to receipt of proposals;
- ~~b) sent directly to firms that have requested to be notified of work and may be sent to those firms believed to be qualified to perform the work; and~~
- ~~e) b) posted on the Authority's Procurement web-site at least ten (10) business days prior to the date set for receipt of proposals.~~

~~A Public Notice of RFP's exceeding \$100,00 for goods and non-professional services and \$60,000 for professional services:~~

- a) may be sent directly to firms that have requested to be notified of work
- b) ~~and may be~~ may be sent to those firms believed to be qualified to perform the work; and
- c) if potential offerors are solicited directly, the Authority must include businesses certified by the Virginia Department of Small Business and Supplier Diversity as a small business, a women-owned business, a minority-owned business, a service disabled veteran-owned business and/or a micro business.

~~Sealed~~ [SJJ10] ~~p~~Proposals are

- a) Received at the specified location and receipt is documented;
- b) ~~Proposals are opened at the specified time.~~ Proposals not received at the specified time shall not be opened and should be returned unopened.
- ~~c) Only the name of the offeror is read aloud. [SJJ11]~~
 - ~~i. None of the information in the proposal is disclosed.~~
- ~~d) c)~~ All RFP responses are to be evaluated.
 - i. Proposals not meeting requirements should be evaluated lower but only bids in response to an IFB may be determined to be nonresponsive.

- e)d) Proposals are evaluated solely on the basis of the criteria set forth in the RFP, using the scoring criteria (qualitative and/or quantitative) previously determined, including cost. Prior to scoring, if a proposal is missing any needed information in order to evaluate or the committee has any specific questions regarding information in the proposal, a short period of time may be provided to the offeror to answer questions and provide missing information. A deadline should be set for receipt of the information, and if the offeror does not meet the deadline, it may be necessary to score the proposal lower in the areas affected by the lack of information/questions.
- f)e) A short list of firms is developed and presentations or discussions with offerors may be scheduled, as necessary, to clarify material in the proposal, to help determine those fully qualified and best suited.
- g)f) A final ranking is done at the completion of the interview process if interviews are conducted, or after receipt of answer to questions, if asked, are received. Negotiations are then conducted with each of the two or more offerors selected (at least the top two) as being fully qualified and best suited among those submitting proposals.
- h)g) _____ After negotiations have been conducted with each offeror selected, the Authority shall select the one (or more than one when allowed by the RFP) which, in its opinion, has made the best proposal and provides the best value, and award the contract to that offeror.
- i)h) If the Authority determines, in writing and in its sole discretion, that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.
- j)i) When multiple awards have been approved by the Executive Director in advance of the RFP and the terms and conditions of multiple awards have been included in the RFP, awards may be made to more than one offeror.

Any agreement reached as a result of negotiation must incorporate all agreements from negotiations into the written contract.

Any offeror may inspect proposal records after the evaluation and negotiation are completed but prior to award of the contract, except in cases where the Purchasing Agent or Executive Director have decided not to accept any of the proposals and to reopen the procurement. All records subject to public disclosure under the Virginia [Freedom of Information Act](#) shall be open to public inspection only after award of the contract.

When the terms and conditions of multiple awards have been included in the RFP in advance, awards may be made to more than one offeror.

VPPA

§ 2.2-4301. Definitions 2.2-4302.2. Process for competitive negotiation.

~~3 (b) Procurement of other than professional services. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the public body shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. When the terms and conditions of multiple awards are so provided in the Request for Proposal, awards may be made to more than one offeror. Should the public body determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.~~

A (3) For goods, nonprofessional services, and insurance, selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. In the case of a proposal for information technology, as defined in § 2.2-2006, a public body shall not require an offeror to state in a proposal any exception to any liability provisions contained in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. The offeror shall state any exception to any liability provisions contained in the Request for Proposal in writing at the beginning of negotiations, and such exceptions shall be considered during negotiation. Price shall be considered, but need not be the sole or primary determining factor. After negotiations have been conducted with each offeror so selected, the public body shall select the offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that offeror. When the terms and conditions of multiple awards are so provided in the Request for Proposal, awards may be made to more than one

offeror. Should the public body determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror

For a detailed sample format for a request for Proposal refer to the Commonwealth of Virginia Department of General Services, Division of Purchases and Supply, Agency Procurement and Surplus Property Manual (APSPM), Chapter 7, Annex A

Contract awards from all formal Requests for Proposals with competitive negotiation for which fees may exceed \$100,000 shall be made by affirmative action of the Authority's Board of Directors upon recommendation of the Executive Director. ~~Affirmative action of the Board may be in the form an approved annual budget and/or capital budget, annual and special appropriations, and approval of Capital Improvement Projects.~~ The Executive Director may appoint a Selection Committee to review proposals, conduct competitive negotiations, and rank proposals.

The Executive Director is authorized to award contracts from Request for Proposals whenever fees are \$100,000 or less.

IX. REQUEST FOR PROPOSAL - PROFESSIONAL SERVICES

Except as otherwise allowed by the Authority's small purchase procedures, ~~C~~competitive negotiation must, by law, be used for purchasing professional services if the estimated cost for such services is expected to be \$60,000 or more. Professional Services are defined in the VPPA as "work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying-, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering." All other services are categorized as non-professional.

A difference between the RFP process for professional services is that, for professional services, the law prohibits the consideration of cost in the initial evaluation process though it can be considered with the introduction of "non-binding cost estimates" after the responses have been evaluated and a short list developed for interviews.

Procedure:

The RFP is prepared and stating in general terms;

- a) the services sought;
- b) the time and place for receipt of proposals;
- c) the factors to be used in evaluating proposals,
 - a. ***The RFP must not request estimates of labor hours or cost for services.***
- d) the contractual terms and conditions; and
- e) any unique capabilities or qualifications required of the proposers.

A Public Notice of the RFP shall be:

- a) advertised in The Daily Progress or Cville Weekly at least ten (10) business days prior to receipt of proposals;
- ~~b) sent directly to firms that have requested to be notified of work and may be sent to those firms believed to be qualified to perform the work; and~~
- ~~e)b~~ posted on the Authority Procurement website at least ten (10) business days prior to receipt of proposals.

- ~~d) may be sent directly to firms that have requested to be notified of work~~
- ~~e) may be sent to those firms believed to be qualified to perform the work; and~~
- ~~f) if potential offerors are solicited directly, the Authority must include businesses certified by the Virginia Department of Small Business and Supplier Diversity as a small business, a women-owned business, a minority-owned business, a service disabled veteran-owned business and/or a micro business.~~

Sealed proposals are:

- a) Received at the specified location and receipt is documented;
- b) ~~Proposals are opened at the specified time. [SJJ12]~~ Proposals not received at the specified time shall not be opened and should be returned unopened.
- ~~c) Only the name of the offeror is read aloud. [SJJ13]~~
- ~~d)c~~ None of the information in the proposal is disclosed.
- ~~e)d~~ All RFP responses are to be evaluated.
- ~~f)e~~ Proposals not meeting requirements should be ranked lower but only bids in response to an IFB may be determined to be nonresponsive.
- ~~g)f~~ Proposals are evaluated solely on the basis of the criteria set forth in the RFP, ranking offerors using previously determined qualitative or quantitative means.
- ~~h)g~~ A short list of firms is developed and the Authority shall engage in individual discussions with two or more offerors deemed fully qualified. Repetitive informal interviews are permissible.
- ~~i)h~~ **At the discussion stage, the Authority may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services.**

- j) At the conclusion of discussions, a final ranking is done on the basis of evaluation factors published in the RFP and all information developed in the selection process to this point.
- k) The Authority shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious.
- l) Negotiations shall then be conducted, beginning with the offeror ranked first.
 - i. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror.
 - ii. Otherwise, negotiations with that offeror are formally *terminated* and the Authority cannot re-engage that offeror in further negotiations. Then negotiations shall be conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price.
- m) When multiple awards have been approved in advance of the RFP by the Executive Director and the terms and conditions of multiple awards have been included in the RFP, awards may be made to more than one offeror.

Should the Authority determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

Any agreement reached as a result of negotiation must incorporate all agreements from negotiations into the written contract.

Any offeror may inspect proposal records after the evaluation and negotiation are completed but prior to award of the contract, except in cases where the Purchasing Agent or Executive Director have decided not to accept any of the proposals and to reopen the procurement. All records subject to public disclosure under the Virginia Freedom of Information Act shall be open to public inspection only after award of the contract.

VPPA

§ 2.2-4301. Definitions

~~3. a. — Procurement of professional services. The public body shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. — In addition, offerors shall be informed of any ranking criteria that will be used by the public body in addition to the review of the professional competence of the offeror. The Request for Proposal shall not, however, request that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the public body may discuss nonbinding estimates of total project costs, including, but not limited to, life cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of discussion, outlined in this subdivision, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the public body shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Notwithstanding the foregoing, if the terms and conditions for multiple awards are included in the Request for Proposal, a public body may award contracts to more than one offeror.~~

§ 2.2-4302.2. Process for competitive negotiation.

A (4). For professional services, the public body shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. In addition, offerors shall be informed of any ranking criteria that will be used by the public body in addition to the review of the professional competence of the offeror. The Request for Proposal shall not, however, request that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the public body may discuss nonbinding estimates of total project costs, including, but not limited

to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. In accordance with § 2.2-4342, proprietary information from competing offerors shall not be disclosed to the public or to competitors. For architectural or engineering services, the public body shall not request or require offerors to list any exceptions to proposed contractual terms and conditions, unless such terms and conditions are required by statute, regulation, ordinance, or standards developed pursuant to § 2.2-1132, until after the qualified offerors are ranked for negotiations. At the conclusion of discussion, outlined in this subdivision, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the public body shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable and pursuant to contractual terms and conditions acceptable to the public body, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price.

Notwithstanding the foregoing, if the terms and conditions for multiple awards are included in the Request for Proposal, a public body may award contracts to more than one offeror.

Should the public body determine in writing and in its sole discretion that only one offeror is fully qualified or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

Contract awards from all formal Requests for Proposals with competitive negotiation which fees may exceed \$100,000 shall be made by affirmative action of the Authority's Board of Directors upon recommendation of the Executive Director. The Executive Director may appoint a Selection Committee to review proposals, conduct competitive negotiations and rank proposals.

The Executive Director is authorized to award contracts from Request for Proposals whenever fees are \$100,000 or less.

X. REQUEST FOR PROPOSAL - PROFESSIONAL SERVICES CONTRACTS FOR MULTIPLE PROJECTS AND MULTIPLE YEARS

A contract for architectural or professional engineering services relating to construction projects may be negotiated by a public body, for multiple projects within limits outlined in the VPPA. The procurement process is the same as that used for professional services.

The VPPA allows such contracts providing:

- a) the projects require similar experience and expertise,
- b) the nature of the projects is clearly identified in the Request for Proposal, and
- c) the contract term is limited to one year or when the cumulative total project fees reach the maximum cost authorized in the VPPA, whichever occurs first.

The Authority may award contracts renewable, with the written approval of the Executive Director, for four additional one-year terms at the option of Authority.

The law requires that in such contracts:

- a) the fair and reasonable prices, as negotiated, shall be used in determining the cost of each project performed
- b) the sum of all such projects within a single one-year term shall not exceed ~~-\$56~~ million; and
- c) the sum for any single project within a single one-year term shall not exceed ~~\$2.5~~ million as specified in § 2.2-4303.1.

Any unused amounts from the first contract term shall *not* be carried forward to the additional term in determining the sum of all projects within a term, however, costs against the allowed limit for a single project shall be cumulative from the initial one-year term and subsequent additional terms.

Competitive negotiations for such contracts may result in awards to more than one offeror provided:

- a) the RFP so states; and
- b) the initial contract term shall be limited to two years or when the cumulative total project fees reach \$5 million, whichever occurs first. the Authority has established procedures for distributing multiple projects among the selected contractors during the contract term. Such procedures shall prohibit requiring the selected contractors to compete for individual projects based on price.

VPPA

§ 2.2-4301 § 2.2-4303.1. Architectural and professional engineering term contracting; limitations.

~~3. a. —(Third paragraph) A contract for architectural or professional engineering services relating to construction projects may be negotiated by a public body, for multiple projects provided (i) the projects require similar experience and expertise, (ii) the nature of the projects is clearly identified in the Request for Proposal, and (iii) the contract term is limited to one year or when the cumulative total project fees reach the maximum cost authorized in this paragraph, whichever occurs first. For local public bodies, including metropolitan planning organizations or planning district commissions, such contract may be renewable for four additional one-year terms at the option of the public body. Under such contract, the fair and reasonable prices, as negotiated, shall be used in determining the cost of each project performed, (a) except those awarded for environmental, location, design and inspection work regarding highways and bridges by the Commissioner of Highways, the sum of all projects performed in one contract term shall not exceed \$500,000 or, in the case of a state agency, as defined in § 2.2-4347, such greater amount as may be determined by the Director of the Department of General Services, not to exceed \$1 million, except that in any locality or any authority, sanitation district, metropolitan planning organization or planning district commission with a population in excess of 80,000, the sum of all such projects shall not exceed \$5 million; and those awarded for any airport as defined in §5.1-1 and aviation transportation projects, the sum of all such projects shall not exceed \$1.5 million, and (b) except those awarded for environmental, location, design and inspection work regarding highways and bridges by the Commissioner of Highways or for architectural and engineering services for rail and public transportation projects by the Director of the Department of Rail and Public Transportation, the project fee of any single project shall not exceed \$100,000 or, for architectural or engineering services for airports as defined in §5.1-1 and aviation transportation projects, the project fee of any single project shall not exceed \$500,000, or, in the case of a state agency, such greater amount as may be determined by the Director of the Department of General Services not to exceed \$200,000, except that in any locality or any authority or sanitation district with a population~~

~~in excess of 80,000, such fee shall not exceed \$2 million. Any unused amounts from the first contract term shall not be carried forward to the additional term. Competitive negotiations for such contracts may result in awards to more than one offeror provided (1) the Request for Proposal so states and (2) the public body has established procedures for distributing multiple projects among the selected contractors during the contract term.~~

A. A contract for architectural or professional engineering services relating to multiple construction projects may be awarded by a public body, provided (i) the projects require similar experience and expertise, (ii) the nature of the projects is clearly identified in the Request for Proposal, and (iii) the contract is limited to a term of one year or when the cumulative total project fees reach the maximum authorized in this section, whichever occurs first.

Such contracts may be renewable for four additional one-year terms at the option of the public body. The fair and reasonable prices as negotiated shall be used in determining the cost of each project performed.

B. 2. Any locality with a population in excess of 78,000 or school division within such locality, or any authority, sanitation district, metropolitan planning organization, transportation district commission, or planning district commission, or any city within Planning District 8, the sum of all projects performed in a one-year contract term shall not exceed \$6 million;

C. Competitive negotiations for such architectural or professional engineering services contracts may result in awards to more than one offeror, provided (i) the Request for Proposal so states and (ii) the public body has established procedures for distributing multiple projects among the selected contractors during the contract term. Such procedures shall prohibit requiring the selected contractors to compete for individual projects based on price.

D. 2. Any locality with a population in excess of 78,000 or school division within such locality, or any authority, transportation district commission, or sanitation district, or any city within Planning District 8, the project fee shall not exceed \$2.5 million.

E. For the purposes of subsection B, any unused amounts from one contract term shall not be carried forward to any additional term, except as otherwise provided by the Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et seq.).

XI. COMPETITIVE SEALED BID

Competitive sealed bidding is required for procurements over \$100,000 where performance specifications can be written in specific detail and price is the basis of award. In competitive sealed bidding the invitation for bid (IFB) is the tool used to list the purchase specifications or scope of work and all contractual terms and conditions. Bids are posted on the Authority's Public Announcement Board and Procurement website and may be posted on other web sites such as the state's Virginia Business Opportunities. Bids are not required by law to be advertised in newspapers; ~~however large construction contracts are generally advertised [SJ114].~~ IFB will be posted on the Authority website – procurement section/location. In addition to the public notice, bids may be solicited directly from potential qualified bidders and any such direct solicitations shall include businesses selected from an electronic list made available by the ~~Department of Minority Business Enterprise (DMBE)~~ Virginia Department of Small Business and Supplier Diversity (SBSD).

Bids ~~shall~~ be received at the specified location and remain unopened in a secure area until the date and time established for opening. When bids are received they should be date and time stamped on the envelopes showing the time of receipt. The Purchasing Agent shall be responsible for deciding when the receipt deadline has arrived and no bids shall be accepted after that time. Late bids cannot be opened or considered.

Unlike ~~in the opening of a RFP~~ processing, in the competitive sealed bids ~~process, bids~~ are publicly opened and the following information read aloud:

- a) bidders' names;
- b) significant unit prices or lot prices; as may be deemed appropriate by the Authority ~~or are requested by attendees;~~
- c) discount terms offered, if discount terms are to be considered in making the award
 - i) if the Authority is certain that it can regularly process payments within a prescribed time frame and wants to consider cash discounts in its evaluation, then it may do so by including a statement in the bid document such as "discounts for prompt payment within _#_ (state number of days, e.g., 10, 20, etc.) days will be considered in determining net low bid."
- d) brand names and model numbers only if requested by the attendees otherwise can be provided on bid tabulation provided later.

Any competitive sealed bidding bidder, upon request, shall be ~~given~~ afforded the an opportunity to inspect bid records within a reasonable time after opening ~~of all bids and evaluation of bids [SJ115].~~ but prior to award, except in the event the agency decides not to accept any of the bids and to reopen the contract. ~~reject all bids or offers and rebid.~~ Otherwise, bid records shall be open to public inspection only after award of the contract. (VPPA, § 2.2-4342C).

Awards are, by law, based on a determination of the lowest responsive and responsible bidder. Responsible and responsive bidder/offeror are defined in Section XXVII of this Manual. When the terms and conditions of multiple awards are so provided in the Invitation for Bids, awards may be made to more than one bidder.

A responsive bid must comply in all material aspects with the terms and conditions and specifications in the IFB. Bids shall be evaluated based upon the requirements set forth in the invitation, which may include special qualifications of potential contractors, life-cycle costing, value analysis, and any other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability. Failure to comply with the requirements set forth in the IFB may result in a bid being declared non-responsive. For ~~example, and not by way of limitation:~~ failure to ~~sign the bid, return required bid documents, substitution of a vendor's terms for the Authority's, deletion of terms and conditions stated in the IFB or failure to offer a product or service that meets the specifications may be grounds for this finding.~~ A non-responsive bid is removed from consideration for award. The Authority has the right to waive informalities.

Caution must be exercised in words used in all aspects of the Invitation for Bid from specifications to terms and conditions for words such as "may", "should", "could", "will" and "must". If you say a specific action "may

cause rejection of the bid” you have leeway to exercise your discretion. However, if you say a specific action “shall cause rejection of the bid” you have no discretion as “shall” is an imperative.

No contract may be awarded to a bidder who is determined by the Purchasing Agent to be non-responsible. The Purchasing Agent must follow the procedure per the VPPA 2.2-4359 for declaration of non-responsibility of a bidder. Responsible bidder/offeror and responsive bidder/~~offeror~~ are defined in Section XXVII of this ~~m~~Manual. In determining the responsibility of a bidder, the following criteria will be considered:

- a) The ability, capacity or skill of the bidder to perform the contract or provide the services required;
- b) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c) The character, integrity, reliability, reputation, judgment, experience and efficiency of the bidder;
- d) The quality of performance on previous contracts or services, for the Authority or others;
- e) The previous and existing compliance by a bidder with laws and ordinances relating to the contract or service;
- f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g) The quality, availability, and adaptability of the goods or services to the particular use required;
- h) The number and scope of any conditions attached to the bid;
- i) Whether the bidder is in arrears to the Authority on a debt or contract or is in default on a surety to the Authority;
- j) Such other information as may be secured by the Purchasing Agent, having a bearing on the decision to award the contract.

Contract awards from Competitively Sealed Bids exceeding \$100,000 shall be made by affirmative action of the Authority’s Board of Directors upon recommendation of the Executive Director, except that with respect to awards of contracts for purchase of chemicals used at various plants in the normal course of operations, which the board’s approved yearly operation budget contemplates as an operating expense, no additional affirmative action by the Board shall be required to proceed with the purchase.

Negotiation with the Lowest Responsible Bidder: If the bid from the lowest responsible bidder exceeds available funds, the Authority may negotiate with the apparent low bidder to obtain a contract price within available funds if the solicitation contains the appropriate clause to do so within the IFB, Virginia Code § 2.2-4318.

The Authority’s process for negotiations includes:

1. The requesting department shall provide the Executive Director with a written determination that the apparent low bid exceeds available funds. Such determination shall be confirmed in writing by the Executive Director or his designee. The requesting department shall also provide the Executive Director with a suggested reduction in scope or other suggested bid modification(s) to obtain a contract price within available funds.
2. The Executive Director or designee shall advise the lowest responsible bidder in writing that the proposed purchase exceeds available funds. He shall further suggest a reduction in scope or other bid modification(s) for the proposed purchase and invite the lowest responsible bidder to amend its bid based upon the proposed reduction in scope or other bid modification(s).
3. Informal discussions shall be commenced with the low bidder, and repetitive informal discussions for the purposes of obtaining a contract within available funds shall be permissible.
4. The low bidder shall submit an addendum to its bid, which addendum shall include the change in scope for the proposed purchase, the reduction in price and the new contract value. If the addendum is acceptable to the Authority the Authority may award a contract within funds available to the lowest responsible bidder based upon the amended bid proposal.

5. The Authority reserves the right to infuse additional funds during or subsequent to negotiations to meet a negotiated price.
- ~~4.6.~~ If the Authority and the lowest responsible bidder cannot negotiate a contract within available funds, all bids shall be rejected.

Determinations of responsiveness and responsibility shall be made by the Purchasing Agent in consultation, if necessary, with the Authority's Attorney.

For a detailed sample format for an Invitation for Bid refer to the Commonwealth of Virginia Department of General Services, Division of Purchases and Supply, Agency Procurement and Surplus Property Manual (APSPM), Chapter 6, Annex B.

XII. PREQUALIFICATION PROCESS FOR CONSTRUCTION CONTRACTS

1. The Executive Director or his designee may, in his discretion and when he believes it to be in the best interests of the Authority, require prequalification of prospective contractors to bid on a specific construction project for the Authority. The purpose of such prequalification shall be to limit prospective bidders for such construction project to contractors who show themselves to be qualified to construct the project. In addition, the IFB may waive the requirement for certain bonds when the pre-qualification process is used. When the prequalification process is used for a project, only contractors who have complied with the prequalification process and have been determined qualified will be eligible to submit bids for the project.
2. The Executive Director or his designee shall develop the appropriate documentation for potential contractors to apply for prequalification. The Executive Director or his designee may prescribe in such documentation specific mandatory requirements contractors must meet to prequalify for specific projects.
3. In conducting prequalification of potential contractors, the Executive Director or his designee shall follow this prequalification process and the requirements of Virginia Code § 2.2-4317.
4. The documentation used in the Authority's prequalification process shall set forth the criteria upon which the qualifications of such contractors will be evaluated. The documentation shall request of prospective contractors only such information as is appropriate for an objective evaluation of all prospective contractors pursuant to such criteria. The documentation shall allow the prospective contractor seeking prequalification to request, by checking the appropriate box, that all information voluntarily submitted by the contractor pursuant to this subsection shall be considered a trade secret or proprietary information subject to the provisions of subsection ~~D-F~~ of § 2.2-4342.
5. In all instances in which the Authority requires prequalification of potential contractors for construction projects, advance notice shall be given of the deadline for the submission of prequalification applications. The deadline for submission shall be sufficiently in advance of the date set for the submission of bids for such construction so as to allow the procedures set forth in this subsection to be accomplished.
6. At least 30 days prior to the date established for submission of bids or proposals under the procurement of the contract for which the prequalification applies, the Authority shall advise in writing each contractor who submitted an application whether that contractor has been prequalified. In the event that a contractor is denied prequalification, the written notification to the contractor shall state the reasons for the denial of prequalification and the factual basis of such reasons.
7. A decision by the Executive Director or his designee denying prequalification under the provisions of this subsection shall be final and conclusive unless the contractor appeals the decision as provided in § 2.2-4357.
8. The Authority may deny prequalification to any contractor only if the public body finds one of the following:
 - a. The contractor does not have sufficient financial ability to perform the contract that would result from such procurement. If a bond is required to ensure performance of a contract, evidence that the contractor can acquire a surety bond from a corporation included on the United States Treasury list of acceptable surety corporations in the amount and type required by the Authority shall be sufficient to establish the financial ability of the contractor to perform the contract resulting from such procurement;
 - b. The contractor does not have appropriate experience to perform the construction project in question;

- c. The contractor or any officer, director or owner thereof has had judgments entered against him within the past ten years for the breach of contracts for governmental or nongovernmental construction, including, but not limited to, design-build or construction management;
 - d. The contractor has been in substantial noncompliance with the terms and conditions of prior construction contracts with the Authority without good cause. If the Authority has not contracted with a contractor in any prior construction contracts, the public body may deny prequalification if the contractor has been in substantial noncompliance with the terms and conditions of comparable construction contracts with another public body without good cause. The Authority may not utilize this provision to deny prequalification unless the facts underlying such substantial noncompliance were documented in writing in the prior construction project file and such information relating thereto given to the contractor at that time, with the opportunity to respond;
 - e. The contractor or any officer, director, owner, project manager, procurement manager or chief financial official thereof has been convicted within the past ten years of a crime related to governmental or nongovernmental construction or contracting, including, but not limited to, a violation of (i) Article 6 (§ [2.2-4367](#) et seq.) of the Virginia Public Procurement Act, (ii) the *Virginia Governmental Frauds Act* (§ [18.2-498.1](#) et seq.), (iii) Chapter 4.2 (§ [59.1-68.6](#) et seq.) of Title 59.1, or (iv) any substantially similar law of the United States or another state;
 - f. The contractor or any officer, director or owner thereof is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state or agency of the federal government; and
 - g. The contractor failed to provide to the public body in a timely manner any information requested by the public body relevant to subdivisions a through f of this subsection.
9. In determining if a contractor has the “appropriate experience” to be prequalified, the Authority may consider and use specific minimum experience requirements established by the Executive Director or his designee for the specific project. The Authority may also consider the contractor’s past performance on the projects that provide its past experience to determine if the projects provide the appropriate experience required.
10. To the extent any provision in this process is deemed inconsistent with Virginia Code § [2.2-4317](#), whether due to amendment of that statutory provision or otherwise, then the provisions of Virginia Code § [2.2-4317](#) shall control as to such inconsistency.
11. The provisions of this process and its implementation are intended to be severable, and if any provision is deemed invalid, this shall not be deemed to affect the validity of other provisions.
12. This prequalification process does not apply to any procurement done under the Public-Private Education facilities and Infrastructure Act of 2002 (“PPEA”), Code of Virginia §[56-575.1](#), et seq., and is in no way intended to limit the Authority’s discretion in the way it selects contractors under PPEA.
13. A determination that a contractor is prequalified does not necessarily preclude the Authority from determining that such contractor is not responsible following bid opening. Among other things, a change in circumstances or change in information, as well as different criteria allowed to be considered for prequalification versus responsibility, may lead to a different result. For example, a prequalified contractor that becomes debarred between prequalification and bid opening, or a contractor who is subsequently discovered not to have been totally candid in answering its prequalification questionnaire, might be deemed non-responsible.
14. Prequalification of a contractor to bid on one project does not prequalify that contractor to bid on a different project or mean that the contractor will necessarily be deemed to be a responsible bidder for a different project.

15. Neither the Prequalification Process nor its implementation by the Authority shall be deemed to create and contract right in any prospective contractor or to give any prospective contractor any right beyond that conferred by Code of Virginia § [2.2-4317](#). All prospective contractors shall be responsible for their own expenses in applying for prequalification, and the Authority shall have no liability for any such expense.

XIII. BONDS

Bid Bonds. Except in cases of emergency or prequalification, all bids or proposals for non-transportation-related construction contracts in excess of \$500,000 shall be accompanied by a bid bond from a surety company selected by the bidder that is legally authorized to do business in Virginia. The specified amount of the bid bond shall not exceed five percent of the amount bid (*Code of Virginia*, § [2.2-4336](#)). For non-transportation-related construction contracts in excess of \$100,000 but less than \$500,000, the bid bond requirements may be ~~are~~ waived provided that prospective contractors shall be prequalified for each individual project in accordance with § [2.2-4317](#).

Performance and Payment Bonds. (*Code of Virginia*, § [2.2-4337](#)).

Unless otherwise authorized in this section, upon the award of any (i) public construction contract exceeding \$500,000 awarded to any prime contractor; ~~or~~ (ii) construction contracts exceeding \$500,000 awarded to any prime contractor requiring the performance of labor or the furnishing of materials for buildings, structures or other improvements to real property owned by the Authority, or (iii) construction contract exceeding \$500,000 in which the performance of labor or the furnishing of materials will be paid with public funds, the contractor shall furnish to the Authority the following bonds:

- a) A performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications and conditions of the contract.
- b) A payment bond in the sum of the contract amount. The bond shall be for the protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors, in furtherance of the work provided for in the contract, and shall be conditioned upon the prompt payment for all materials furnished or labor supplied or performed in the furtherance of the work.
- c) Nothing in this section shall preclude the Authority from requiring payment or performance bonds for construction contracts below \$500,000 for non-transportation-related projects.

Bonds on Other Than Construction Contracts. The Authority may require bid, payment, or performance bonds for contracts for goods or services if provided in the Invitation for Bids or Request for Proposal.

Alternative Forms of Security. A certified check, cashier's check or cash escrow may be accepted in lieu of a bid, payment, or performance bond in the face amount required for the bond. If approved by Authority's attorney, a bidder may furnish a personal bond, property bond or bank or savings institution's letter of credit on certain designated funds in the face amount required for the bid, payment, or performance bond. Approval shall be granted only upon a determination by the attorney that the alternative form of security proffered affords protection to the Authority equivalent to a corporate surety's bond. (*Code of Virginia*, § [2.2-4338](#)).

XIV. WITHDRAWAL OF BIDS

The Authority recognizes that errors can occur in bidding and has established procedures for withdrawal of bids for other than construction contracts and incorporates the procedure per § 2.2-4330 of the VPPA for withdrawal of a bid for a public construction contract, other than a contract for construction or maintenance of public highways, to provide a consistent and fair means of allowing a bidder to withdraw a bid due to error.

For construction contracts the Authority shall specify which procedure listed under paragraph B will be used in the Invitation for Bids.

A. Procedure for withdrawal of a bid for other than a construction contract:

A bidder for *other than a contract for construction* may withdraw a bid from consideration if the price was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and, the Purchasing Agent, in his sole discretion, determines, in writing, that the mistake was a clerical mistake as opposed to a judgmental mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of the bid, or if the purchasing agent determines that it is in the best interest of the Authority to allow the withdrawal of the bid.

- a) Procedure: The bidder shall give notice, in writing, to the purchasing agent of a claim of right to withdraw a bid within two business days after the conclusion of the opening of the bids. The ~~p~~Purchasing ~~a~~Agent may, if there is sufficient cause to suspect an error exists, suggest that a bidder review a bid and offer an opportunity to withdraw the bid in question.
- b) If the ~~p~~Purchasing ~~a~~Agent denies the withdrawal of a bid under the provisions of this section, he or she shall notify the bidder in writing stating the reasons for the decision.
- c) No bid may be withdrawn under this section when the result would be to award the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent (5%).
- d) If a bid is withdrawn under the authority of this section, the lowest remaining bid shall be deemed to be the low bid.

B. Withdrawal of a bid for a public construction contract, other than a contract for construction or maintenance of public highways shall be in accordance with Virginia Code repeated below:

§ 2.2-4330. Withdrawal of bid due to error. -- A. A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake in the bid, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid that shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

B. One of the following procedures for withdrawal of a bid shall be selected by the Authority and stated in the advertisement for bids:

1. bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice; or
2. Where the Authority opens the bids one day following the time fixed for the submission of bids, the bidder shall submit to the public body or designated official his original work papers, documents and materials used in the preparation of the bid at or prior to the time fixed for the opening of bids. The work papers shall be

delivered by the bidder in person or by registered mail. The bidder shall have two hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract shall not be awarded by the Authority until the two-hour period has elapsed.

Under these procedures, the mistake shall be proved only from the original work papers, documents and materials delivered as required herein. The work papers, documents and materials submitted by the bidder shall, at the bidder's request, be considered trade secrets or proprietary information subject to the conditions of subsection F of § [2.2-4342](#).

C. The Authority may establish procedures for the withdrawal of bids for other than construction contracts (see A above).

D. No bid shall be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent.

E. If a bid is withdrawn in accordance with this section, the lowest remaining bid shall be deemed to be the low bid.

F. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.

G. The Authority shall notify the bidder in writing within five business days of its decision regarding the bidder's request to withdraw its bid. If the Authority denies the withdrawal of a bid under the provisions of this section, it shall state in such notice the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder. At the same time that the notice is provided, the Authority shall return all work papers and copies thereof that have been submitted by the bidder.

Bids can always be withdrawn at any time before the time specified for opening.

XV. SOLE SOURCE

Competitive procedures are waived when a determination is made that the goods or services required are practicably available from only one source. The procurement record for a sole source procurement must include the appropriate approval in support of the action to forego the competitive process, and be posted to the Authority's web site identifying that which is being procured, the contractor selected, and the date of the decision.

Negotiations for a sole source contract or purchase order award may commence without providing for full and open competition only after the Purchasing Agent justifies the use of such actions in writing, certifies the accuracy and completeness of the justification, and obtains any required approvals. A justification must contain sufficient facts and rationale to justify the use of the sole source method. In making this determination, the purchasing agent shall determine whether there is, in fact, only one vendor practicably available to provide the goods and services. ~~because the specifications or statement of work and/or vendor requirements (experience, licensing, certifications, etc...), the schedule or other factors may have been written so narrowly that they effectively preclude all but one product or provider being responsive.~~ Prior to making his determination, the purchasing agent may conduct his own investigation, request additional information or consult with the Authority's attorney. If the request is denied the normal procurement procedures will be followed.

Before award of any sole source procurement, the proposed price must be determined to be fair and reasonable using the method most appropriate to the procurement.

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E. Upon a determination in writing that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. The writing shall document the basis for this determination. The public body shall issue a written notice stating that only one source was determined to be practicably available, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted on the Department of General Services' central electronic procurement website or other appropriate websites, and in addition, public bodies may publish in a newspaper of general circulation on the day the public body awards or announces its decision to award the contract, whichever occurs first. Posting on the Department of General Services' central electronic procurement website shall be required of any state public body. Local public bodies are encouraged to utilize the Department of General Services' central electronic procurement website to provide the public with centralized visibility and access to the Commonwealth's procurement opportunities.

XVI. EMERGENCY

Reasonable steps shall be taken to avoid using non-competitive emergency procurement methods. An emergency situation occurs when the failure to acquire the goods, services, or construction in a timely manner would seriously threaten the health or safety of any person; the preservation or protection of property; the continuation of necessary Authority functions; or the Authority's compliance with legal requirements.

Parts or services greater than \$5,000 when time or other circumstance does not permit full review may be classed an emergency if so approved by the Executive Director or the Purchasing Agent. For parts and services under \$5,000 the Small Purchase Procedure shall apply.

For an emergency purchase the employee responsible should find an appropriate source and then direct the vendor to proceed. Even in an emergency, the procurement shall be made with such competition as is practicable under the circumstances, obtaining a fair and reasonable price, and documenting the procurement action. In an emergency competition is not necessarily limited to cost. Since immediate action is required, factors such as delivery, availability and response time can be more critical than cost. By definition an emergency purchase should immediately address the problem. Emergency procurements must be limited to only the emergency procurement need. Additional goods and services not needed for the emergency procurement are not allowed.

When placing an emergency order, the following information must be obtained from the vendor and entered on a confirming requisition to be sent to the Purchasing Agent:

- a) Accurate prices if possible (for services this may be hourly rates for services and equipment);
- b) Payment terms;
- c) Method of shipment (Ship Via);
- d) Delivery date or completion date (the purchase must immediately address the problem so this should not be in terms of weeks or months);
- e) Accurate FOB point;
- f) How ordered (by telephone, email, fax, etc.);
- g) First and last name of vendor representative who accepts the order; and
- h) Obtain a written quote (email or fax is acceptable) if possible.

On the requisition clearly indicate that this is a "Confirming Telephone Order (or email -or fax)" complete with

- a) the date the order was phoned in;
- b) the name of the person at the company accepting the order;
- c) the name of the departmental personnel placing the order; and
- d) details of all other quotes solicited and/or received.

Include with the requisition an explanation of:

- a) the emergency, stating the urgent nature of the emergency;
- b) the reasons this vendor was selected; and
- c) all details of the agreement made with the vendor.

The Purchasing Agent will review the transaction and process the requisition through normal channels. If goods or services have been ordered or received, no purchase order will be issued. The requisition will be submitted to the appropriate director for review.

Emergency procedures may be utilized only to purchase the goods or services necessary to address the emergency. Subsequent requirements shall be obtained using normal purchasing procedures. The emergency purchase procedure is not intended to be used to cover inadequate planning or control or to by-pass the normal procedure.

The Authority shall issue a written notice stating that the contract is being awarded on an emergency basis, identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted on the Authority website.

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F. In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The public body shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted on the Department of General Services' central electronic procurement website or other appropriate websites, and in addition, public bodies may publish in a newspaper of general circulation on the day the public body awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable. Posting on the Department of General Services' central electronic procurement website shall be required of any state public body. Local public bodies are encouraged to utilize the Department of General Services' central electronic procurement website to provide the public with centralized visibility and access to the Commonwealth's procurement opportunities.

XVII. USE OF STATE AND OTHER COOPERATIVE CONTRACTS AND JOINT PROCUREMENTS

The Authority may participate in, sponsor, conduct, or administer a joint procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, the U.S. General Services Administration, or the Metropolitan Washington Council of Governments, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods, services, or construction (VPPA § 2.2-4304.A).

The Authority may from time to time participate in, sponsor, conduct, or administer a cooperative procurement agreement with one or more public bodies for reasons of efficiency and/or cost savings in accordance with the VPPA § 2.2-4304.B.

The most commonly used cooperative contracts are state contracts, including: those entered into by the Commonwealth of Virginia, listed on their web site and including local governments as eligible users. The contract listing can be accessed from the State Contract link on the Virginia Division of Purchases and Supplies (DPS) website. 1) Virginia State Contracts, 2) Virginia Information Technology Agency Contracts, 3) Virginia Office of Fleet Management Fuel Programs, 4) Division of Engineering and Buildings, and 5) other Virginia localities and authorities.

~~Except for contracts for: 1) architectural and engineering services; and 2) Construction, except for the installation of artificial turf and track surfaces, including all associated and necessary construction, and for construction in excess of \$200,000 from the contract of another local public body that is more than a straight line distance of 75 miles from the territorial limits of the local public body procuring the construction, The Authority may purchase from another public body's contract or from the contract of the Metropolitan Washington Council of Governments or the Virginia Sheriffs' Association even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was a cooperative procurement being conducted on behalf of other public bodies, except for:~~

~~1. Contracts for architectural or engineering services; or~~

~~2. Construction, except for the installation of artificial turf and track surfaces, including all associated and necessary construction, which shall not be subject to the limitations prescribed in this subdivision.~~

~~may purchase from another public body's contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies. The Purchasing Agent must ensure that the contract is in effect, the goods or services needed are covered by the scope of the contract and that the terms and conditions of the contract are acceptable to the Authority, that the price provided to the Authority is in accordance with the cooperative contract and that the price is fair and reasonable.~~

Consistent with applicable federal regulations and provided the terms of the contract permit such purchases, the Authority may purchase goods and nonprofessional services from a U.S. General Services Administration contract. The GSA Cooperative Purchasing Program makes available GSA Schedules 70 and 84. GSA Schedule 70 is available for the acquisition of Information Technology goods and services and Schedule 84 contracts are available for the acquisition of security, fire and law enforcement equipment-information technology goods and services. If a vendor recommends a cooperative contract to you the Purchasing Agent should be consulted to insure that the contract is in compliance with all legal requirements and can be used by the Authority. Note that some GSA contracts are pre-qualification lists with the direction to compete amongst those vendors that have

been prequalified, so a procurement process may still be required. Follow the direction of the specific GSA schedule, ~~to ensure a legal basis of competition.~~

If a vendor recommends a cooperative contract to you, the Purchasing Agent should be consulted to ensure that the contract is in compliance with all legal requirements and can be used by the Authority.

The Authority will generally be responsible for contracting directly with the vendor under cooperative contracts.

XVIII. PURCHASE REQUISITION

A requisition is a request for goods or services necessary for the day to day operation of a department. It is to be filled in COMPLETELY as shown below and sent to Purchasing. Be sure you allow adequate time for processing, ordering and shipping. The requisition is used to collect all information to support the issuance of the Purchase Order described in Section XX.

All purchases over \$5,000 must be placed on a purchase requisition. Requisitioned purchases are reviewed for appropriateness, required approvals, and funds availability.

All requisitions must be approved by the Director of Water & Sewer (for Water & Sewer), the Executive Director (for Solid Waste) or his delegate, or the Purchasing Agent before a purchase order is prepared.

Complete as follows:

- a. Requestor: person to contact for further information
- b. For: facility and what used for or on
- c. Budget Acct: Account from which payment is to be made.
- d. Vendor Information: If you have received quotes and selected a vendor put all pertinent information on the selected vendor – Legal Name, Address, contact name, phone number, fax number and email address. If this has been purchased from a vendor before, if you know where it's available or if you've talked about it to a particular vendor, put that vendor's name here or list under Vendor Research below or attach a separate sheet.
- e. Vendor Data: indicate the appropriate box and provide detail if either Only Source or Best Vendor (and not the lowest cost) and provide reasons under Vendor Research or attach an additional sheet.
- f. Quantity: how many of what unit such as each (ea), dozen (dz), pounds (lbs), square feet (sf), square yards (sy) etc.
- g. Part number: any identification, from catalog, parts list, manual or the like. Indicate source of information. If known provide the serial number here
- g. Description: Fill in with the most complete description possible including size, color, manufacturer, model number, special requirements.
- h. Unit Cost: price per unit
- i. Total Cost: total cost for that line item
- j. Vendor Research: If you have received quotes and selected a vendor put all pertinent information on the selected vendor and information on the solicitations and, if applicable, attach all written quotes. If Purchasing is soliciting bids/proposals and this has been purchased from a vendor before, if you know where it's available or if you've talked about it to a particular vendor, put that vendor's name here. If there are multiple possible sources available attach a separate sheet
- k. Approved, Verified, Purchase Order # and date will be completed by the Purchasing Agent

Confirming requisitions are to be used after an emergency purchase of goods or services.

XIX. SPECIFICATIONS

A. Purpose

To describe as completely and accurately as reasonably possible the goods or services required and to allow purchase of those goods or services on a competitive basis with the goal that the Authority receives the best value for the level of quality required.

The Virginia Public Procurement Act § [2.2-4300](#) (C) requires “that specifications reflect the procurement needs of the purchasing body rather than being drawn to favor a particular vendor” and that “all procurement procedures be conducted in a fair and impartial manner” and “that rules governing contract awards be made clear in advance of competition”. Specifications must be written to allow for competitive bids and not to arbitrarily exclude a particular firm or product. They’re written so as to promote competition.

B. Preparation

Specifications are developed by purchasing staff with the assistance of the other Authority staff, vendors, other agencies, and other resources. Contact with prospective contractors is allowed to learn industry capabilities but care must be taken to not use information provided to create a proprietary non-competitive specification. Also, no person who, for compensation, prepares an Invitation to Bid or Request for Proposal for or on behalf of the Authority shall:

- i. submit a bid or proposal for that procurement or any portion thereof, or
- ii. disclose to any bidder or offeror information concerning the procurement which is not available to the public.

However, the Authority may permit such person to submit a bid or proposal for that procurement or any portion thereof if Authority, in writing, determines that the exclusion of such person would limit the number of potential qualified bidders or offerors in a manner contrary to the best interests of the Authority (*Code of Virginia*, § [2.2-4373](#)).

Specifications and purchase descriptions shall state Authority needs in a manner designed to promote full and open competition or maximum practicable competition based on the nature of the goods and services including construction being procured.

To the maximum practicable extent requirements should be stated in terms of:

- i. functions to be performed;
- ii. performance required; or
- iii. essential physical characteristics.

Requirements should be defined in terms that enable and encourage the offer of commercial items to the extent that commercial items that meet Authority needs are available.

The Authority may describe a requirement by use of a brand name. Unless otherwise provided in the solicitation, the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand or manufacturer named. , provided the description is followed by the words "or equal." ~~The~~ is brand name description shall be used only when adequate specifications or a more detailed purchase description cannot be reasonably employed. When using a brand name or equal purchase description, the description shall also list the salient characteristics and minimum acceptable features. Restrictive provisions or conditions may be used only to the extent necessary to satisfy Authority needs. Any article that the public body in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. If the Authority justifies, in writing, use of a brand name only specification, then state as “brand name-no substitute.”

XX. PURCHASE ORDER

The Purchase order is a legal contract between the Authority and the vendor specified to deliver the goods or services. The vendor is to deliver the goods or services specified at the quoted prices and the Authority is obligated to pay the amount shown in the time specified.

A purchase order is prepared from an approved requisition (see Section XVII.) after all necessary information has been obtained by one of the purchase methods previously outlined and after the availability of funds has been verified. Purchase orders are assigned by the Purchasing Agent or Accounts Payable/Purchasing Technician and are valid only when signed by the Purchasing Agent or his/her designee.

The purchase order is distributed as follows:

Vendor Copy. This is the vendor's authorization to ship as specified.

Purchasing Copy. Retained in Purchasing as permanent record. Provides reference for order, record of receipt and vendor performance. Filed after completed with all associated documents in completed purchase order history files).

Requestor Copy.

Sent to using agency for their records. Should be checked against requisition immediately upon receipt to insure that goods or services ordered are as requested. To be used as reference when receiving and inspecting goods or approving service performance. It is also to be used to acknowledge receipt of the goods or performance of the service and returned for payment processing with packing tickets attached to ultimately be filed in vendor files

Confirming purchase orders are used to document orders that were placed by telephone to help ensure speedy delivery and are so marked to avoid duplicate orders. Purchase orders can have attached agreements with additional terms over the standard form PO or specifications detailing the services or goods to be provided and are part of the purchase order if referenced.

XXI. CHANGE ORDER & CONTRACT MODIFICATIONS

Any modification in a purchase order or contract requires issuance of a change order. This is legal authorization for the change to be made by the vendor and for the Authority to accept and pay for goods or services that vary from those originally ordered.

To change a purchase order a requisition is required specifying the change required and authorized, whether it be to the quantity, specification or price. The requisition should be clearly marked "Change to Purchase Order Number_____". A purchase order is then prepared as before except that it will indicate that it is a change order. The body of the order will explain the purpose of the change order. If a price change is involved it will show an "adjusted net total". It will, in the body, reflect the change made whether to quantity, delivery or price requisition in the case of a purchase order.

Where a formal contract exists, a change order or contract modification request form, with appropriate approvals, is required for the issuance of a change order or contract modification. All change orders and contract modifications must be approved and issued by the Purchasing Agent, Executive Director or the Board of Directors as required below.

ALL CHANGES TO A CONTRACT MUST BE IN WRITING. This provides legal authority for the change and also provides a record of the history of the delivery/performance for future reference.

A contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than the allowable increase specified in the VPPA, § [2.2-4309](#), without the advance written approval of the Board of Directors. This limitation applies to the aggregate change orders in a contract. The term of an existing contract may be extended for services to allow completion of any work undertaken but not completed during the original term of the contract.

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§ [2.2-4309](#). Modification of the contract.

A. A public contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than twenty-five percent of the amount of the contract or \$50,000, whichever is greater, without the advance written approval of the governing body. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer.

B. Any public body may extend the term of an existing contract for services to allow completion of any work undertaken but not completed during the original term of the contract.

C. Nothing in this section shall prevent any public body from placing greater restrictions on contract modifications.

D. The provisions of this section shall not limit the amount a party to a public contract may claim or recover against a public body pursuant to § 2.2-4363 or any other applicable statute or regulation. Modifications made by a political subdivision that fail to comply with this section are voidable at the discretion of the governing body, and the unauthorized approval of a modification cannot be the basis of a contractual claim as set forth in § 2.2-4363.

XXII. PROCUREMENT UNDER ASSISTANCE AGREEMENTS

Procurements funded with federal, state, or local funds, shall be guided by the Purchasing Manual except as necessary to conform to the requirements of the funding source, provided that such conformance does not violate the terms and conditions of other applicable federal, state, or local laws.

Under the Virginia Public Procurement Act, Article 3, Exemptions and Limitation, § [2.2-4343](#) the Authority is authorized to conform to mandatory conditions on Federal grants or contracts that are in conflict with the Act if the Board of Directors determines in writing that such conformation is in the public interest. The specific provision of the Act conflicting with the special conditions shall be identified.

No such conflict is yet apparent in the Environmental Protection Agency's Procurement under Assistance Agreements (40 CFR Part 33) with which the Authority must comply as a condition of receiving EPA State Revolving Loan funds. Therefore, the Agreements are regarded for the purposes of compliance as a part of this Manual. The Agreements in certain circumstances generally place more stringent procurement requirements upon the Authority for certain circumstances than does the Procurement Act.

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Article 3, Exemptions and Limitation:

§ [2.2-4343](#). Exemption from operation of chapter for certain transactions. —A.

(B) Where a procurement transaction involves the expenditure of federal assistance or contract funds, the receipt of which is conditioned upon compliance with mandatory requirements in federal laws or regulations not in conformance with the provisions of this chapter, a public body may comply with such federal requirements, notwithstanding the provisions of this chapter, only upon the written determination of the governing body, in the case of political subdivisions, that acceptance of the grant or contract funds under the applicable conditions is in the public interest. Such determination shall state the specific provision of this chapter in conflict with the conditions of the grant or contract.

XXIII. DISADVANTAGED BUSINESS PROGRAM

PURPOSE

By adoption of this program the Authorities affirm ~~its~~their policy to make every reasonable effort to maintain and increase opportunities for small, minority and women owned businesses, micro businesses and businesses owned by service disabled veterans to participate in Authority purchasing activities.

DEFINITIONS

Minority individual means an individual who is a citizen of the United States or a legal resident alien and who satisfies one or more of the following definitions:

1. "African American" means a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.
2. "Asian American" means a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Mariana, the Philippines, a U.S. territory of the Pacific, India, Pakistan, Bangladesh, or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.
3. "Hispanic American" means a person having origins in any of the Spanish-speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.
4. "Native American" means a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

A minority-owned business means a business that is at least 51% owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals.

A women-owned business means a business that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

A small business means a business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

A micro business means a certified Small Business under the SWaM Program and has no more than twenty-five (25) employees AND no more than \$3 million in average annual revenue over the three-year period prior to their certification.

Service disabled veteran means a veteran who (i) served on active duty in the United States military ground, naval, or air service, (ii) was discharged or released under conditions other than dishonorable, and (iii) has a service-connected disability rating fixed by the United States Department of Veterans Affairs.

A service disabled veteran business means a business that is at least 51% owned by one or more service disabled veterans or, in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more individuals who are service disabled veterans and both the management and daily business operations are controlled by one or more individuals who are service disabled veterans.

POLICY

The Rivanna Authorities through ~~their~~^{its} employees and agents shall make reasonable efforts to increase and maintain opportunities for small, minority, micro, service disabled vetera~~en~~^{ans} and women owned businesses to participate in Authority purchasing procedures. All such efforts shall be consistent with all local, state, and federal laws and regulations and with the other sections of this Purchasing Manual. Following are examples of actions the Authority shall take ~~in order~~ to promote purchasing of facilities, equipment, materials, supplies and services from disadvantaged businesses:

- assuring such businesses are included on bidder's lists;
- assuring solicitation of such businesses when appropriate;
- dividing purchases when economically feasible to promote broader participation;
- establishing delivery schedules whenever feasible to encourage broader participation;
- using the services of the Small Business Administration, the Office of Minority Business Enterprise, local professional and business organizations, and other groups to help promote participation of such businesses; and
- requiring prime contractors to take such affirmative action steps when letting subcontracts.

RESPONSIBILITIES

Responsibilities for development, implementation and management of this program rest with the Purchasing Agent, who shall:

- develop means to ensure inclusion of disadvantaged businesses on Authority bidder lists and to ensure they have open opportunity to compete for purchasing contracts
- develop and maintain lists of disadvantaged businesses for prime contractor use;
- develop a system to monitor program effectiveness;
- plan and conduct training seminars as necessary for disadvantaged businesses; and
- participate when able to in small and/or minority, service disabled veteran or female owned business purchasing exhibitions.

PROCEDURES

Authority purchasing staff shall follow these procedures as a minimum effort to implement this program:

- provide copies as requested of RFP's and IFB's;
- remain open and cooperative in answering questions regarding the program;
- encourage disadvantaged businesses to compete for Authority purchases;
- review bid and proposal specifications to ensure they protect the Authority's interests and conform to legal requirements without unnecessarily restricting disadvantaged firms from bidding or proposing.

XXIV. DISPOSAL OF SURPLUS PROPERTY

From time to time the Authority may choose to dispose of surplus property that is either in excess of requirements, no longer used, obsolete, worn out, or scrapped. The Purchasing Agent shall use his/her best judgment to dispose of surplus property by one of the following means:

Surplus materials means personal property including, but not limited to, materials, supplies, equipment, and recyclable items, but does not include property as defined in *Code of Virginia*, § [2.2-1147](#) (real property or real estate), that is determined to be surplus.

Surplus property must be handled carefully and stored properly, in a manner that minimizes breakage or damage from rough handling, improper stacking, excessive wear, or inappropriate storage outside that exposes property to weather, or any other poor storage condition. Surplus property, including recyclable materials, shall NOT be taken for personal use or personal sale by any Authority employee.

METHODS OF DISPOSAL

Sales/Transfers to Governmental Institutions - Sales may be made to governmental entities at the item's fair market value. Occasionally, a no-cost transfer is appropriate, for example, to facilitate a cooperative program between governmental institutions. Donations of surplus property may be utilized for items which remain unsold after a public sale or when the cost of handling the sale would exceed expected returns. Donations will only be authorized for governmental entities and non-profits providing services to the local community. A donation or no-cost transfer shall be approved by the Executive Director. Sales to other public bodies are not governed by the VPPA.

Competitive Sealed Bidding - Property may be sold by competitive sealed bidding on an individual item or lot basis. Advertisements are posted on the Authority's Bid Board, in newspapers, web sites, and/or solicitations are sent to persons or firms on bidder's lists maintained by the Purchasing Agent.

Department of General Services Office of Surplus Property Management – The Authority is authorized to use the services or facilities of the Commonwealth's DGS/OSPM to dispose of their surplus property, pursuant to the OSPM policies, procedures, and guidelines. For questions or information about the disposal of surplus property contact the Director, DGS/OSPM at (804) 236-3675 or email statesurplus@dgs.virginia.gov with a description of their surplus material. Proceeds from the sale of the surplus property shall be returned to the Authority minus a service fee. The service fee charged by the Department shall be consistent with the fee charged by the Department to state public bodies.

Advertisement for a fixed price – The sale price shall be at fair market value. Sale shall be advertised to the public and notices may be sent to persons or firms known to be interested in the sale. Procedures must be established for sale on a "first come - first served" basis such as a sale at designated location and specific time when sale shall be open to the public.

Fixed price sale - Surplus property may be offered to the public at a set- or fixed-price with approval of the Executive Director. The sales price of an item is based on known sales experience and/or assessed current market value. Generally, set-price sales should be publicly advertised at least a week in advance including the procedures established for the sale

Negotiated Sale - Under exceptional circumstances, surplus property may be sold through negotiation, such as when property has not been sold despite efforts of public sales, or where timely removal from the department's premises is crucial.

On-line Public Auctions - Property may be sold through internet on-line auctions, which generally allows items to remain at the Authority while posted for sale. Surplus items may be sold through a contracted on-line auction vendor or through the Commonwealth's DGS/OSPM Division which has contracted with a vendor for on-line auction sales.

Live Public Auction – A live advertised public auction may be conducted if sufficient surplus property exists and the value is sufficient to justify the expenses and labor including the fee paid for advertising and an auctioneer. The auctioneer should be obtained using the required procurement procedures based on the expected fee or through an available cooperative agreement.

Recycling - Recycling of eligible unsold surplus property such as computer monitors, large amounts of surplus paper products, etc. is strongly encouraged.

Spot Bid - For the disposal of scrap materials such as aluminum, steel, brass, copper wire, etc., the spot bid procedure may be used for selling items. This procedure involves contacting buyers on an informal basis to determine the best price under the current market conditions. Use of this method streamlines the disposal effort and eliminates storage of items until a sufficient quantity is available for competitive sealed bidding. The Spot Bidding procedure is also authorized for the Authority's sale of recyclable material received at solid waste centers including the McIntire Recycling Center.

Trade-ins - Obsolete, worn out, inactive, or uneconomical operating equipment may be traded in on the purchase of new equipment. Trade-in procedures should not be used if the monetary allowance offered is substantially below the known current sales price less expected administration costs associated with other disposal options. Items for trade-in must be fully described on the requisition and purchase order with the trade-in allowance shown on the purchase order. Authority property may not be used as credit on future purchases or to pay for a service provided to the Authority.

Computers and other information technology (IT) Assets including copiers - The state has a contract available to public bodies for the provision of Secure Data Destruction and Recycling Services available on the Virginia Information Technology (VITA) website. Prior to the disposal, regardless of the method used, sale, trade, recycling or any other transfer of computers or other IT assets, the Purchasing Agent must ensure that all hard drives or other sources of secure data or any other confidential Authority data or personal identifying information of employees have been removed.

Disposition and Accountability of Federally Funded Property – Disposition of any material or equipment purchased with Federal Funds must be accounted for in accordance with current Federal regulations.

PURCHASES BY AUTHORITY EMPLOYEES AND THEIR FAMILIES.

Except within the limits noted below, the *Code of Virginia*, § [2.2-3100](#) of the Conflict of Interests Act prohibits employees and their immediate family from engaging in certain transaction with a public employer, including purchasing surplus property valued at over \$500. An employee's immediate family includes a spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee. A \$500 limit to purchasing surplus property applies to surplus property sales, such as auctions or internet sales even if the buyer works for a different agency than the selling agency unless the property is purchased in any sale of surplus property at uniform (fixed) prices that are available to the public. Employees of the Authority should not purchase property if they influence the maintenance, surplus designation, pricing or disposition of the property item.

XXV. DEBARMENT OF PROSPECTIVE CONTRACTORS

1. Generally

The purchasing agent may, in the public interest and consistent with § [2.2-4321](#) of the VPPA, Debarment, debar a prospective contractor (including a prospective subcontractor, supplier, insurer or surety) for any of the causes listed in section 2 below, using procedures described in section 3. The existence of a cause for debarment under section 2, however, does not necessarily require that the contractor be debarred. The seriousness of the contractor's acts or omissions and any mitigating factors should be considered in making any debarment decision. When debarment occurs, such debarment shall be considered to be just cause for cancellation of any existing contracts held by the person or business debarred.

2. Causes

The purchasing agent may, after consulting with the Authority's attorney, debar a prospective contractor for any of the following causes:

- a) Conviction of, or civil judgment establishing the contractor's:
 - i. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract; or
 - ii. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; or
 - iii. Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of the prospective contractor; or
 - iv. Failing to disclose a condition constituting a conflict of interest by any officer, director, owner, partner, or agent of the vendor in a contract or purchase order awarded by Authority;
 - v. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals; or
 - vi. Conviction of any officer, director, owner, partner, or agent of the vendor of any criminal offense involving public contracting.
- b) Violation of the terms of a government contract or subcontract so serious as to justify debarment, such as (but not limited to) willful failure to perform in accordance with the terms of one (1) or more contracts, or a history of failure to perform, or of unsatisfactory performance of one (1) or more contracts.
- c) Debarment by a federal, state or local government, a public authority, or other agency or entity subject to public procurement laws and requirements.
- d) Any other cause of so serious or compelling a nature that it affects the present responsibility of a government contractor or subcontractor.

3. Debarment procedures

The following procedures governing the debarment decision-making process are designed to be as informal as practicable, consistent with principles of fundamental fairness:

- a) Notice to contractor.
 - i. Debarment shall be initiated by advising the prospective contractor, by hand-delivery or by certified mail, return receipt requested, that debarment is being considered. Such notice shall include the reasons for the proposed debarment in terms sufficiently detailed to put the contractor on notice of the conduct or transaction(s) upon which the debarment is based, and shall identify the specific period of debarment under consideration. Unless a response is received from the prospective contractor within ten (10) working days of the date of this notice, the purchasing agent's decision shall be final. For the purposes of this subsection the "date of the notice" shall be deemed to be the date on which the notice is hand-delivered to the contractor or is deposited in the United States Mail.
- b) Opportunity of contractor to respond.
 - i. The prospective contractor or his authorized representative may submit to the purchasing agent, in writing, and within ten (10) working days of the date of the notice described in subparagraph 3(a), any information or argument that the contractor deems relevant to the proposed

debarment, including, without limitation, any specific information that raises a genuine dispute as to a fact that is material to the purchasing agent's findings or conclusions. Following timely receipt of information from the contractor, the purchasing agent shall review the proposed debarment and shall, within ten (10) working days thereafter, render a final determination. During the ten-day review period, the prospective contractor shall provide the purchasing agent with such additional information as he may request in order to complete his review of the proposed debarment.

4. Appeals

A decision to debar or suspend shall be final and conclusive, unless the debarred or suspended person within five (5) working days after receipt of the decision protests the decision in writing to the Executive Director. The Executive Director shall issue a decision in writing within ten (10) working days after receipt of the protest stating the reasons for the action taken. This decision shall be final unless legal action as provided for in § [2.2-4364](#) Code of Virginia is taken within ten (10) working days of the Executive Director's decision.

5. Notice of decision.

A copy of the decision to debar or suspend shall be mailed or otherwise furnished immediately to the debarred or suspended person, with a copy to the Executive Director.

6. Period of debarment

A debarment shall be and remain effective for a period commensurate with the seriousness of the cause, as determined by the purchasing agent in his discretion, but shall not exceed three (3) years or for the length of the contract upon which debarment is based, whichever is longer.

XXVI. VENDOR APPEALS PROCEDURE

While the Authority is authorized in § [2.2-4365](#) of the VPPA, to “establish an administrative procedure for hearing (i) protests of a decision to award or an award, (ii) appeals from refusals to allow withdrawal of bids, (iii) appeals from disqualifications and determinations of non-responsibility, and (iv) appeals from decisions on disputes arising during the performance of a contract, or (v) any of these” the Authority has determined that the Virginia Public Procurement Act and the courts provide adequate review and remedies of Authority procurement practices. Therefore, no other administrative appeals procedure has been established.

Any inquiring vendors should be directed to the Virginia Public Procurement Act, [Article 5](#), Remedies, and their contract or purchase order if applicable.

XXVII. GLOSSARY OF COMMONLY USED TERMS

Bid Bond: An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid.

Brand name or equal specification: A specification limited to one or more items by manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other salient characteristics needed to meet requirements and which provides for the submission of equivalent products.

Business: any type of corporation, partnership, limited liability company, association, or sole proprietorship operated for profit.

Change order (unilateral): A written order signed and unilaterally issued by the Authority directing any contractor to make changes which the "changes" clauses of the contract authorizes the Authority to order without the consent of the contractor.

Claim: a written assertion or demand, by one of the parties to a contract, which seeks, as a contractual right, payment of money, adjustment of contract terms, or other relief, for injury, loss, or damage arising under or relating to the contract.

Competitive Negotiation: A method for purchasing goods and services, usually of a complex and technical nature whereby qualified individuals or firms are solicited by means of a Request for Proposals (RFP). Negotiations are conducted with selected offerors and the best proposal, as judged against criteria contained in the Request for Proposals, is accepted and an award issued.

Competitive sealed bidding: The offer of firm bids by individuals or firms competing for a contract, privilege, or right to supply specified services or goods bid submitted in a sealed envelope to prevent disclosure of its contents before the deadline set for the receipt of all bids. Competitive sealed bidding shall not be used to contract for professional services.

Construction: Construction shall mean building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property;

Contract: An agreement enforceable by law, between two or more competent parties, to do or not to do something, not prohibited by law, for a consideration. A contract is any type of agreement or order for the procurement of goods or services.

Contract modification: Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of any contract accomplished by mutual action of the parties of the contract.

Contractor: Any person having a contract with the Authority.

Cooperative Procurement: A procurement by a public body with one or more other public bodies, for the purpose of combining requirements for the purchase of like goods and/or services in order to increase efficiency and/or reduce administrative expenses.

Direct or indirect participation in procurement process: Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

Disadvantaged business: A business which is owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

F.O.B. - (Free On Board): Term designating ownership of shipped goods and assigning liability for freight costs and damaged or lost goods. Most commonly used are:

- a) *Shipping Point* - Prepay and Add: title of goods passes to buyer when goods leave vendors' dock, buyer is liable for loss or damage in transit; seller pays freight costs and adds to invoice
- b) *Destination* - Prepaid and allowed: title passes to buyer upon receipt; seller is liable for loss or damage in transit; seller pays freight costs; preferred

Governing Body: The Board of Directors.

Immediate family: A spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee.

Informality: A minor defect or variation of the bid or proposal from the exact requirements of the Invitation for Bids or the Request for Proposals, which does not affect the price, quality, quantity, or delivery schedule for the goods, services or construction being procured.

Invitation for bids: A document, containing or incorporating by reference the specifications or scope of work and all contractual terms and conditions, that is used to solicit written bids for a specific requirement for goods or nonprofessional services.

Late Bid or Proposal: A bid or proposal which is received at the place designated in the Invitation for Bids or Request for Proposals after the deadline established by the solicitation.

Liquidated Damages: A sum stated in a contract to be paid as ascertained damages for failure to perform in accordance with the contract. The damage figure stipulated must be a reasonable estimate of the probable loss to the agency, and not calculated simply to impose a penalty on the contractor.

Minority Individual: "Minority individual" means an individual who is a citizen of the United States or a non-citizen who is in full compliance with United States immigration law and who satisfies one or more of the following definitions:

1. "African American" means a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.
2. "Asian Americans" means a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Marianas, the Philippines, a U. S. territory of the Pacific, India, Pakistan, Bangladesh or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.
3. "Hispanic American" means a person having origins in any of the Spanish speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.
4. "Native American" means a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

Nonprofessional services: Any services not specifically identified as professional services in the definition of professional services.

Notice of Intent to Award: The Notice of Intent to Award is a written notice, or bid tabulation sheet publicly displayed, prior to award, that shows the selection of a vendor for the award of a specific contract or purchase order. This decision may be changed prior to the actual award of a contract or purchase order.

Potential Bidder or Offeror: A person who, at the time an agency awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction of the type to be procured under such contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.

Professional services: Shall mean work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, dentistry, law, medicine, optometry, pharmacy, or professional engineering.

Prequalification: A procedure to prequalify products or vendors and limit consideration of bids or proposals to only those products or vendors which have been prequalified.

Public body: Any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and empowered by law to undertake the activities described in this chapter.

Request for proposals: All documents, whether attached or incorporated by reference, utilized for soliciting proposals; the RFP procedure requires negotiation with offerors as distinguished from competitive bidding when using an Invitation for Bids.

Responsible bidder or offeror: A person or firm who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance, and who has been prequalified, if required.

Responsive bidder: A person or firm who has submitted a bid which conforms in all material respects to the Invitation for Bids.

Services: Any activities performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

Shall, Must: As used in specifications or requirements of a Request for Proposals (RFP), the terms "must" and "shall" identify requirements whose absence will have a major negative impact on the suitability of the proposed solution. Items labeled as "should" or "may" are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary.

Small Business: "Small business" means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

Sole Source: A product or service which is practicably available only from one source.

Specification: A description of the technical requirements for a material, product, or service that includes the criteria for determining whether these requirements are met. A specification may describe the performance parameters which a supplier has to meet, or it may provide a complete design disclosure of the work or job to be done. Specifications for service contracts normally take the form of a statement of work.

SWAM: The acronym SWAM, includes small businesses, women-owned businesses and minority-owned businesses.

Termination For Convenience: The termination by the owner, at its discretion, of the performance of work in whole or in part and makes settlement of the contractor's claims in accordance with appropriate policy and procedures.

Termination For Default: Action taken by a purchasing office to order a contractor to cease work under the contract, in whole or in part, because of the contractor's failure to perform in accordance with the contract's terms and conditions.

Virginia Public Procurement Act (VPPA): Chapter 43 of Title 2.2, *Code of Virginia*, which enunciates the public policies pertaining to governmental procurement from non-governmental sources.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.



RIVANNA SOLID WASTE AUTHORITY
695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHILLIP McKALIPS, ENVIRONMENT AND SAFETY MANAGER

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: RECOMMENDATION FOR ENGINEERING SERVICES,
RECYCLING MASTER PLAN FOR THE IMUC AND COUNTY
CONVENIENCE CENTERS – ARCADIS U.S., INC**

DATE: FEBRUARY 27, 2018

This project will include development of a master plan for a recycling convenience center at the Ivy Material Utilization Center (IMUC), as well as for five recycling convenience centers in strategic locations in the County. The project will begin with the collection of existing Authority and community data. This data and a community survey will be used to evaluate ways to best provide recycling drop-off centers. In addition to highlighting potential areas within the County for locating remote centers, the project will include development of a generic recycling center layout. The project will also include a focus on the IMUC site as well by looking at the types and quantities of recyclables that the Authority manages. Potential alternative recycling center layouts at the IMUC will be developed for evaluation.

In 2015, the Rivanna Solid Waste Authority established a general service and professional engineering contract with Arcadis U.S., Inc. to support the needs of the ongoing operations at the IMUC. Taking into consideration the new Transfer Station facilities that are expected to become operational later this year, as well as the recent and proposed services to be undertaken at the IMUC site, staff recommends completion of a master planning process. Staff has held discussions with Arcadis engineering personnel to define a scope of work and fee estimate for developing a recycling master plan as part of Work Authorization 1 under this existing contract. Arcadis is available to begin this project immediately upon authorization and will be able to complete the project during the fall of 2018. Because this project is County driven and focused, the costs for this study will be included in the Transfer Station operations cost center. If at the end of the fiscal year there is a deficit, those costs will be accounted for within the true-up payment the County makes to the Authority.

Board Action Requested:

RWSA staff respectfully recommends approval of a Work Authorization to Arcadis in the amount of \$72,790 to complete a master plan for recycling convenience center facilities at the IMUC and five locations in the County. Staff further requests the Board of Directors to authorize the Executive Director to approve additional costs only when necessary to the completion of this Work Authorization, provided the total amount of all additional costs does not exceed 10% of the original fees.



RIVANNA SOLID WASTE AUTHORITY
695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHILLIP McKALIPS, ENVIRONMENT AND SAFETY MANAGER

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: RECOMMENDATION TO MODIFY THE IMUC DAM

DATE: FEBRUARY 27, 2018

In 1998, a pond was built at the Ivy Material Utilization Center (IMUC) to receive treated groundwater from the western area pump-and-treat system installed to remediate impacted groundwater. The pump-and-treat system and use of the pond were no longer required after 2008.

In 2017, staff was notified of changes in the Virginia Department of Conservation and Recreation (VA DCR) regulations related to the registration of dams. While previously, the “Water Storage Pond” (Dam) located at the IMUC, Figure 1, was below the threshold that required registration, regulatory changes lowered that threshold to include the Dam at Ivy. Staff requested Schnabel Engineering (Dam engineer for the Authority) to conduct a preliminary assessment of alternatives to clarify the regulatory status of the Dam and identify alternatives for its future management. Schnabel Engineering found that the Dam is required to have an Operating Permit through VA DCR based on its current size. Schnabel Engineering also identified three alternatives for future management of the Dam:

- 1) maintain the Dam at its current size and meet all the Operating Permit requirements;
- 2) reduce the size of the Dam so that it no longer reaches the regulatory threshold that requires an Operating Permit; and
- 3) breach the Dam so that it no longer impounds water.

Option 1 – Maintain Dam at its Current Size

This option would require a Hazard Class Determination to be undertaken which would likely consist of dam breach modelling under a variety of conditions. A hydrologic and hydraulic assessment would have to be undertaken to evaluate flood routing and spillway capacity and design. The result of these activities would likely require additional ongoing Dam maintenance, additional inspections, and likely, some modification to the existing primary/auxiliary spillways. The estimated cost for this option would be in the range of \$130,000 to \$180,000.

Option 2 – Modify Dam so that it is not Regulated

This option would require a topographic survey of the dam and bathymetric survey of the impoundment so that calculations could be made to determine how much the existing Dam would need to be decreased. Once the target dam configuration is determined, the design or redesign of appropriate spillways will be conducted and a plan developed for the actual process of construction and long-term maintenance. The estimated cost for this option would be in the range of \$100,000 to \$150,000.

Option 3 – Breach the Dam

This option would require a plan to appropriately release the water in the existing impoundment and manage sediment during the deconstruction of the Dam. The estimated cost for this option would be it in the range of \$150,000 to \$300,000.


Based on a review of these three alternatives and their associated costs, staff recommends pursuing Option 2 whereby the Dam is modified so that it no longer falls within regulatory requirements. This option was selected as the facility does not need the volume of water that is impounded by the Dam now, or in the future. The additional long-term maintenance and inspections of the Dam imposed ongoing financial burdens for which there seems little benefit. By modifying the Dam to fall below the regulatory thresholds, there still will be some impounded water which should be more than adequate to meet any future irrigation or fire suppression needs at the IMUC.

Board Action Requested:

Staff respectfully recommends approval of Option 2 to modify the Dam so it is not regulated.

Location of IMUC Dam

Legend

 Water Storage Pond Dam

Scalehouse

New Transfer Station Location

Site Entrance

 Water Storage Pond Dam

637

Google Earth

© 2018 Google

500 ft





RIVANNA SOLID WASTE AUTHORITY

695 Moores Creek Lane • Charlottesville, Virginia 22902 • (434) 977-2970

MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: LONNIE WOOD, DIRECTOR OF FINANCE AND
ADMINISTRATION**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2017**

DATE: FEBRUARY 27, 2018

The Authority's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2017 is included with your Board packet. A large part of preparing the financial statements involves having the financial reports audited for the purposes of obtaining an opinion from an independent Certified Public Accountant to the accuracy of the information presented within the report.

The audit also reviews internal accounting controls and tests for compliance with relevant laws and regulations as a function in expressing their opinion on the financial information. I am pleased to inform you that the Authority did receive an unqualified opinion, which is the highest opinion, that the financial statements are materially accurate and fairly presented.

Mr. Robert Huff, a principal of the Charlottesville office of Robinson, Farmer, Cox Associates, will be at the meeting to give a brief review of their audit and discuss any audit findings they may have. I would also like to thank Kathy Ware, Accountant, who performed much of the detailed work in the preparation of this report, and the entire administrative staff for their assistance during the audit.

This report will be submitted to the Certification Program of the Government Finance Officers Association.

Attachment: Comprehensive Annual Financial Report



RIVANNA SOLID WASTE AUTHORITY

Comprehensive Annual Financial Report

for the Fiscal Years Ended June 30, 2017 and 2016

Serving the City of Charlottesville and Albemarle County, Virginia

RIVANNA SOLID WASTE AUTHORITY
CHARLOTTESVILLE, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2017 AND 2016

Prepared By:

Department of Finance and Administration

RIVANNA SOLID WASTE AUTHORITY
Comprehensive Annual Financial Report
Fiscal Years Ended June 30, 2017 and 2016

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BOARD MEMBERS

Michael A. Gaffney, Chairman

Doug Walker, Vice-Chairman

Maurice Jones, Secretary/Treasurer

Paul Oberdorfer

Trevor Henry

Kathleen Galvin

Dr. Liz Palmer

EXECUTIVE DIRECTOR

William I. Mawyer, Jr., P.E.

DIRECTOR OF FINANCE/ADMINISTRATION

Lonzy E. Wood, III, CPA

GENERAL COUNSEL

McGuire Woods, LLP
Charlottesville, Virginia

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October 20, 2017

To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia

The Comprehensive Annual Financial Report (CAFR) of the Rivanna Solid Waste Authority (Authority) for the fiscal year end June 30, 2017 is submitted herewith. This report has been prepared in conformity with the reporting and accounting standards promulgated by the Government Accounting Standards Board, the Financial Accounting Standards Board, and with the accounting and reporting standards for enterprise funds set out by the Government Finance Officers Association of the United States and Canada, with such modifications as apply to our status as an independently chartered corporation.

Based upon a comprehensive framework of internal control that it has established for this purpose, management assumes responsibility for the completeness and reliability of the information contained in this report. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements, because the cost of each internal control should not outweigh the potential benefit.

Management's discussion and analysis (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 letter of transmittal and should be read in conjunction with it.

ORGANIZATION AND SERVICES PROVIDED

The Rivanna Solid Waste Authority is a regional non-profit public corporation chartered in 1990 under the Virginia Water and Waste Authorities Act (1950, as amended), that currently provides solid waste disposal and recycling services to the region comprised of the City of Charlottesville (City) and Albemarle County (County). The Authority does not provide collection services, which are managed by the City's Public Service Division and various private haulers who serve customers in both the County and the City. The Authority operates under the terms of a Service Agreement signed October 6, 1990 by the officers of the City Council, the County Board of Supervisors, and the Authority. By this agreement, the Authority is to be the sole provider of any landfills, transfer stations, or other solid waste disposal facilities, including recycling and solid waste energy generation, for all solid waste generated within Charlottesville and Albemarle County. The Authority accepted donation of the assets and liabilities and assumed operational responsibility for the Ivy Sanitary Landfill as of February 1, 1991.

The Authority has determined that it is not part of the reporting entity of either the City of Charlottesville or the County of Albemarle (see Note 1 of the notes to the financial statements). The Board appoints an Executive Director, who manages Authority operations under their direction. The Authority's operations mainly consist of the Ivy Material Utilization Center (IMUC), Municipal Solid Waste (MSW) transfer station, recycling activities and supporting administrative functions.

LOCAL ECONOMIC CONDITIONS

The University of Virginia provides a significant buffer against large swings in the economy of our service area. In addition, the Charlottesville urban area is a major retail trade center for the surrounding region. Housing growth remains steady. Although the majority of such growth occurs in County developments, in-filling in Charlottesville continues. Both Charlottesville and Albemarle County enjoy low unemployment rates, steady economic growth and high bond ratings.

A ten-year compilation analysis report dated September 2017 by the Charlottesville Regional Chamber of Commerce examining employment in the Greater Charlottesville Region concluded that combined private and public-sector employment grew by 11%, or 12,005 jobs, from 2006 to 2016, compared to a 4% increase in Virginia outside of the region. In 2016, 75% of jobs within the Region were located in the City of Charlottesville and Albemarle County, and the other 25% are reported in the Counties of Fluvanna, Green, Louisa, Nelson, and Orange.

The Charlottesville-Albemarle area attracts many visitors to its historic sites and the wine industry has been popular and has served to help benefit the tourism sector of the regional economy. The travel and tourism industry make a vital contribution to the local economy.

LONG-TERM FINANCIAL PLANNING

The Authority is committed to the environmental remediation of the former Ivy Landfill. This challenge is immense in terms of management and economic resources. The next ten-year effort in this area for monitoring and remediation will cost an estimated \$5 to \$6 million.

A memorandum of understanding among the City, the County, the University of Virginia (UVA), and the Authority was signed on January 10, 2005 in which the City, County, and UVA agreed to share in funding the costs of environmental remediation at the former Ivy Landfill which includes implementing the Corrective Action Plan. Obviously, the remediation costs greatly outweigh the ability to generate revenues at Rivanna. This agreement clearly indicates that our associated local governments and UVA are committed to financially supporting this long-term effort to protect and correct adverse impacts on the environment.

MAJOR INITIATIVES

RSWA is to build a new transfer station at the Ivy Material Utilization Center in FY 2018 to replace the aging facility currently in operation. The current transfer station has reached the end of its useful life and does not meet current standards. A new transfer station is being designed to accommodate 50 tons per day of MSW and will allow some growth in recycling services offered. The County of Albemarle has agreed to fund the construction of the new transfer station for a total budget of \$2.7 million. This project will begin construction in late October of 2017 and should be operational by December of 2018.

The Authority also began investigating the possibility of leasing out a portion of the closed landfill for the purposes of utilizing that space for a solar energy project. A Request for Proposal was issued late in FY 2017 to hire a firm that specializes in developing a renewable energy project on one of the closed cells at the Ivy Landfill. The project would use roughly 10 to 12 acres of land for a long-term lease to a provider that would construct the solar energy facility. The project would be constructed and operated by a third-party provider over a 25-year term.

See the MD&A for more information.

ACCOUNTING AND BUDGETARY CONTROLS AND FINANCIAL POLICIES

The Authority's accounting records are maintained on the accrual basis of accounting. (See Note 1C of the notes to the financial statements). Internal controls are maintained by segregation of duties and physical and data security systems in all areas of record keeping, billing, cash receipts, disbursements and purchasing authority. These controls are reviewed regularly by staff and are evaluated as part of the annual financial audit (see the Compliance Section of this report).

The Authority is required by the Service Agreement to adopt an annual fiscal year budget for setting tipping fees as well as for fiscal guidance to staff. Budgets include direct costs and provision for equipment replacement as well as allocations of administrative, maintenance, site improvements funding, recycling, and other expenses. The Authority is in a position to offer only those services that can be supported either through fees charged or through local government contributions. Those contributions are governed by various annual agreements with the City and County. Projections of tonnages and expenses by waste category are used to calculate tipping fee requirements for each waste category (see Table 5). A proposed budget incorporating proposed tipping fees and local government contributions is prepared by the Director of Finance and the Executive Director and submitted to the Board of Directors. A public hearing is held on any proposed tipping fee changes with at least sixty days advance public notice. All budget items lapse at the end of the fiscal year, except encumbrances and contractual commitments.

Budgetary compliance is monitored and reported to the Board by the Director of Finance and Administration and the Executive Director. Projections of both revenues and expenses are understood to reflect anticipated service levels and to incorporate a variety of economic and demographic forecasts. Variances from budget line items are examined at least monthly to assure a direct relation between costs and actual service levels, emergencies or other contingent conditions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rivanna Solid Waste Authority for its Comprehensive Annual Financial Report for the year ended June 30, 2016. This was the twenty second consecutive year that this governmental unit has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


ANNUAL AUDIT

State law and the Service Agreement require an annual audit of the books and records of the Authority. The opinion of our independent certified public accountants is included in the Financial Section. The concurrent reports on compliance are included in the Compliance Section.

ACKNOWLEDGEMENTS

The help of staff and of our certified public accountants is gratefully acknowledged. Such help and the Board of Directors' support and commitment to financial reporting excellence are essential to the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lonzy E. Wood, III". The signature is fluid and cursive, with a large initial "L" and a stylized "W".

Lonzy E. Wood, III
Director of Finance and Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rivanna Solid Waste Authority
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

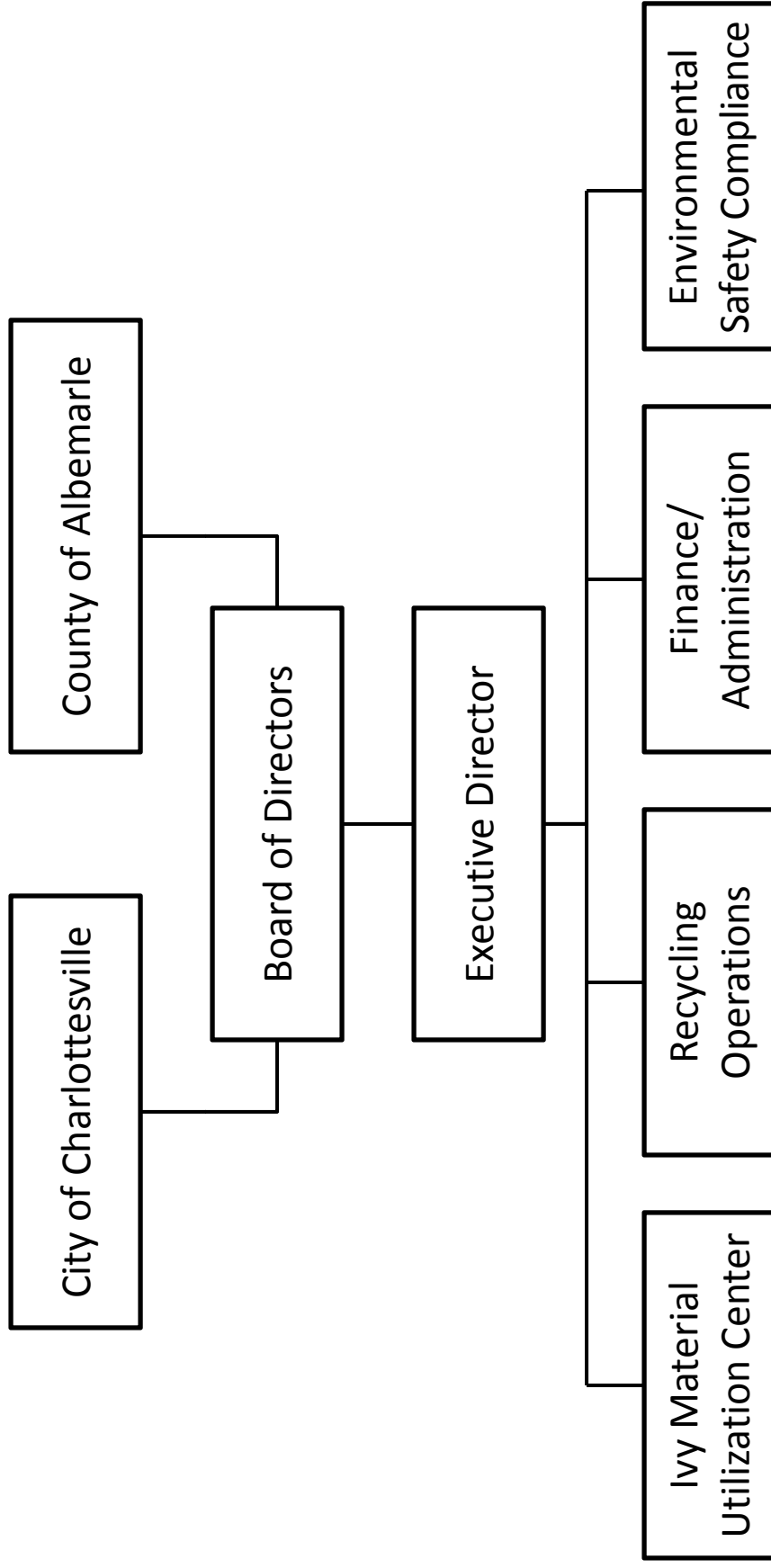
June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Enser". The signature is written in a cursive, flowing style.

Executive Director/CEO

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Rivanna Solid Waste Authority



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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

**To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia**

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Rivanna Solid Waste Authority, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Rivanna Solid Waste Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Rivanna Solid Waste Authority, as of June 30, 2017 and 2016, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 13-20 and 59-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Rivanna Solid Waste Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2017, on our consideration of Rivanna Solid Waste Authority'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 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 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 Rivanna Solid Waste Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Co. Associates

Charlottesville, Virginia

October 20, 2017

Management's Discussion and Analysis

**To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia**

As management of Rivanna Solid Waste Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference 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 Authority is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The basic enterprise fund financial statements can be found on pages 22 through 25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 27 through 55 of this report.

Required supplementary information. This report also includes required supplementary information concerning the Authority's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It is located immediately following the notes to financial statements.

Financial Highlights

- The Authority's total net position increased by approximately \$454,000 this year and by \$598,000 in the prior year, which indicates an improvement in its overall financial position.
- Total operating revenues increased by 25% or \$266,000 this year, due to increases in waste tonnages and recyclable materials received and higher prices received for recycled paper products.
- Ivy environmental expenses increased by \$278,000 due to an adjustment to accrued environmental remediation costs.

Financial Analysis

The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by \$4.9 million. Total net position increased by 10% this year and by 16% in FY 2016. Net position invested in capital assets increased by 9% this year due to increased capital expenditures this year after it remained relatively constant in the prior two years. The Authority uses these capital assets to provide services to its customers, so these assets are not available for future spending. Unrestricted net position has been negative for the past few years, because estimated landfill closure and post-closure costs for many years to come have been recorded as liabilities. However, these costs are funded on a pay-as-you-go basis through financial assurance provided by local government contributions which has not been recorded as a funding source. Changes in the balance in unrestricted net position are caused by changes in the accrued closure and post-closure. See Note 7 of the notes to the financial statements for details.

	Net Position		
	2017	2016	2015
Current and other assets	\$ 4,716,992	\$ 4,969,865	\$ 4,911,252
Capital assets	6,840,559	6,268,650	6,246,134
Total assets	<u>\$ 11,557,551</u>	<u>\$ 11,238,515</u>	<u>\$ 11,157,386</u>
Deferred outflows of resources	<u>\$ 90,844</u>	<u>\$ 40,825</u>	<u>\$ 38,370</u>
Noncurrent liabilities	\$ 5,834,808	\$ 5,996,616	\$ 6,575,001
Current liabilities	919,337	755,283	645,549
Total liabilities	<u>\$ 6,754,145</u>	<u>\$ 6,751,899</u>	<u>\$ 7,220,550</u>
Deferred inflows of resources	<u>\$ 9,278</u>	<u>\$ 96,120</u>	<u>\$ 141,434</u>
Net position:			
Invested in capital assets	\$ 6,840,559	\$ 6,268,650	\$ 6,246,134
Unrestricted	(1,955,587)	(1,837,329)	(2,412,362)
Total net position	<u>\$ 4,884,972</u>	<u>\$ 4,431,321</u>	<u>\$ 3,833,772</u>

Total operating revenues rebounded this year with a 25% increase after a 2% decline in the prior year. Tipping fee revenues increased 21% this year, because higher volumes of waste were received at the transfer station, compared to a 6% increase in the prior year. Clean fill and vegetative materials were the waste types that saw the largest increases, probably due to large road construction projects. Recycling revenues increased 65% in FY 2017 due to a 16% rise in tonnages received and improved prices. Recycling revenues experienced a 10% increase in FY 2016 due to receiving higher tonnages of materials despite continued soft market pricing.

Financial Analysis: (Continued)

Contributions received from the City of Charlottesville, the County of Albemarle, and the University of Virginia to fund remediation costs decreased by \$143,000 this year after a \$90,000 decrease in the previous year. The contributions were based on changes in estimated remediation costs budgeted for each fiscal year reduced by the planned use of \$597,000 of reserves over the two years. The County and City also contributed \$369,000 this year as budgeted to help fund operating expenses, which was \$174,000 less than the amount contributed in the prior year.

Total environmental expenses increased by \$278,000 this year after decreasing by \$332,000 in the prior year. Since the initial estimate of liability and related expense was recorded several years ago, the completion of certain landfill closure activities and changing estimates of future remediation costs associated with the permitted post-closure care can result in fluctuations in the liabilities and expenses. See the Review of Operations section for more information.

		Changes in Net Position		
		2017	2016	2015
Revenues:				
Operating revenues:				
Tipping fees	\$	876,382	\$ 723,803	\$ 685,784
Recycling revenues		227,614	138,239	126,178
Other revenues		214,771	191,172	257,404
Nonoperating revenues:				
Government contributions - remediation support		576,714	720,151	809,908
Government contributions - operations support		368,856	542,926	398,040
Grant income - operating		27,811	28,878	28,562
Interest earned		31,333	16,107	8,745
Other income		5,220	31,800	-
Capital Grants		210,083	-	-
Total revenues	\$	<u>2,538,784</u>	\$ <u>2,393,076</u>	\$ <u>2,314,621</u>
Expenses:				
Operating expenses:				
Administration	\$	388,524	\$ 398,610	\$ 338,200
Transfer station		808,104	798,313	754,792
Ivy Material Utilization Center		259,669	257,481	205,089
Ivy environmental		264,995	(13,152)	318,515
Recycling programs		312,052	296,725	239,660
Depreciation		51,789	54,885	66,639
Nonoperating expenses:				
Loss on disposal of assets		-	2,665	-
Total expenses	\$	<u>2,085,133</u>	\$ <u>1,795,527</u>	\$ <u>1,922,895</u>
Increase (decrease) in net position	\$	453,651	\$ 597,549	\$ 391,726
Net position, beginning of year		<u>4,431,321</u>	<u>3,833,772</u>	<u>3,442,046</u>
Net position, end of year	\$	<u><u>4,884,972</u></u>	\$ <u><u>4,431,321</u></u>	\$ <u><u>3,833,772</u></u>

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets net of accumulated depreciation increased \$572,000 this year, due to construction costs of \$293,000 incurred on capital projects and equipment purchases totaling \$330,000. Design and site preparation costs of \$234,000 have been incurred this year for the new transfer station in Ivy, and \$60,000 has been spent on other capital projects. Only \$80,000 was spent on equipment purchases in FY 2016. Depreciation of \$52,000 and \$55,000 was recorded in fiscal year 2017 and 2016 respectively. Below is a comparison of the items that make up net capital assets at the end of the past three fiscal years.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land, land improvements and landfill site	\$ 5,943,439	\$ 5,943,439	\$ 5,943,439
Construction in progress	298,215	4,817	-
Buildings and fixtures	110,675	125,676	140,676
Vehicles and equipment	<u>488,230</u>	<u>194,718</u>	<u>162,019</u>
Total capital assets, net	<u>\$ 6,840,559</u>	<u>\$ 6,268,650</u>	<u>\$ 6,246,134</u>

Additional information about the Authority's capital assets may be found in Notes 3 and 4 of the notes to the financial statements.

Long-Term Debt - The Authority has a \$6 million obligation to close the transfer station and landfill site and to perform post-closure monitoring. This liability decreased slightly this year and decreased 7% in FY 2016 due to remediation work being done and adjustments being made to estimates of future costs. More detailed information on the Authority's long-term liabilities is presented in Notes 7 and 9 of the notes to the financial statements.

To meet the new reporting standards set forth by the Governmental Accounting Standards Board (GASB), the Authority recognized for the first time in FY 2015 the net pension obligation of \$242,000 as a long-term liability. This requirement is a result of GASB Statement No. 68 Accounting and Reporting for Pensions. That liability dropped 41% to \$143,000 in FY 2016 and increased to \$225,000 as of June 30, 2017. This liability represents the Authority's share of the Virginia Retirement System (VRS)'s actuarially determined total pension liability less plan assets or net position to pay for that liability. The actuary also determines the contribution rates needed in the future that the Authority pays directly to VRS to gradually fund this obligation. The contribution rate for FY 2017 was 7.92% of covered employee compensation, and the rate was 9.76% in the prior two years. The contributions were paid into VRS along with the 5% employee contributions to meet this future obligation. More detailed information regarding the Authority's pension plan and the net pension liability is presented in Note 6 of the notes to the financial statements.

Review of Operations

General: The Authority's contract with Waste Management to exclusively use the Ivy Transfer Station within the Rivanna service area expired several years ago. With this contractual change, the Authority saw a 60% decrease in the MSW tonnages received that year. Because of the special pricing per ton, this represented only a 20% decrease in total transfer station revenues generated. The contractual change allowed more flexibility in the hours of operation at the Ivy facility. Hours of operation were reduced in FY 2014 by closing on all Mondays and recognizing all employee holidays. The work week was reduced to 40 hours which allowed downsizing in staff resources. Despite these changes, the Authority has seen MSW tonnages rebound somewhat. FY 2017 has been the busiest year since the changes in FY 2014 with a 21.5% increase over the last 4 years.

Municipal Solid Waste Annual Tonnages	
FY 2014	6,863.57
FY 2015	7,096.68
FY 2016	7,761.04
FY 2017	8,340.56

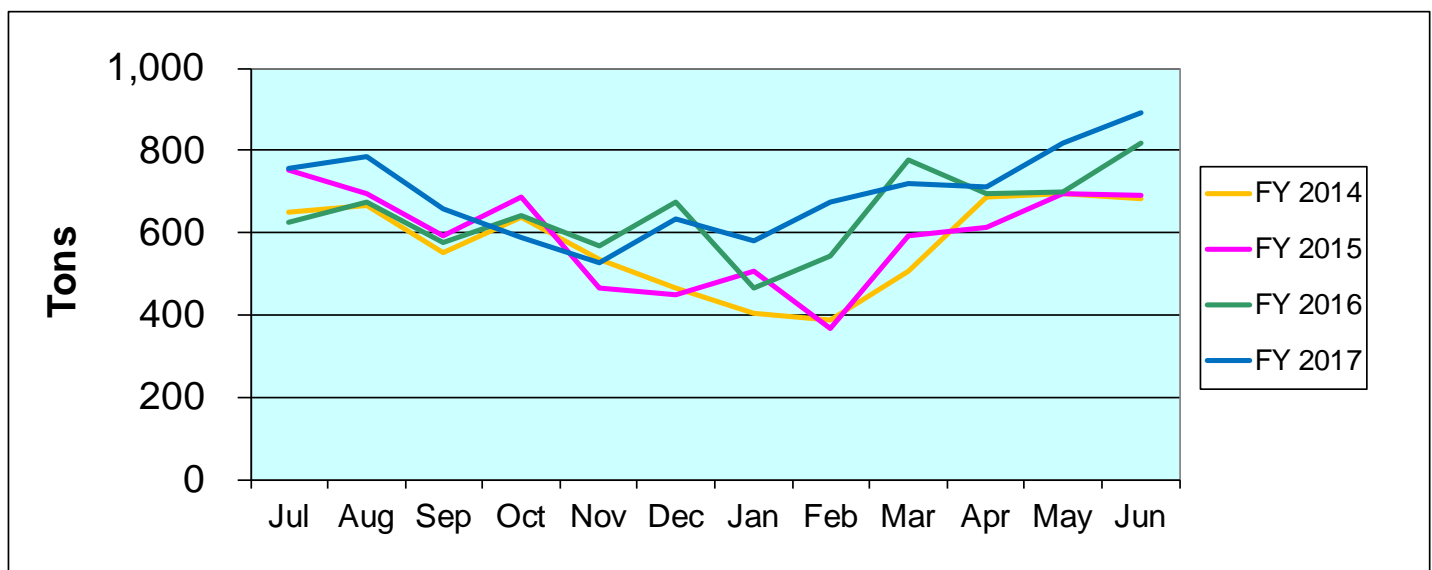
Review of Operations: (Continued)

The McIntire Recycling Center began accepting household organic material which a local vendor picks up weekly and transports to a licensed composter in FY 2016. This program was offered on a trial basis to citizens that use the McIntire Center to see how much interest there is in this service and to see if the volume of waste received is manageable considering the resources available to the Authority. The program was well received and the Board decided to continue the program into the future. The Authority also worked with UVa Facilities Management this year to provide resources (drop off area and transportation to the service provider) for UVa Facilities Management to continue their composting program. UVa's vendor had to stop providing services and approached the Authority for assistance. This program processed nearly 235 tons of compostable material at a cost of \$42,800.

Ivy Material Utilization Center (IMUC): Waste items are received at the IMUC, where most of the items are processed for sale or reuse, such as metals, tires, grindable vegetative material, and pallets. Clean fill, which is inert material, is accepted as well. Tipping fees from these items and the new compostable program with UVa previously mentioned generated \$274,000 in gross revenues for the Authority this year. This was a \$111,000 increase from the previous year mainly due to an increase in vegetative materials being received and the new compost services billed to UVa. The resale of items such as scrap metal and mulch resulted in revenues of \$61,000, and hauling fees decreased slightly to \$56,000 this year. The IMUC continues to have the semiannual household hazardous waste (HHW) events for collection of paint, batteries, and other HHW, which is a very popular program. The public drop-off recycling center and a "blue bag" drop-off center for Albemarle County haulers that collect waste paper remained at the center this year. IMUC operating costs were nearly flat for FY 2017 compared to FY 2016.

Municipal Solid Waste Transfer Station: The Authority owns and operates a MSW transfer station at the IMUC that accepts MSW and small loads of construction debris from residential and commercial haulers. The waste is loaded into trailers, and a contractor hauls and disposes of the waste at a contracted facility in Amelia County. Tipping fees generated by this operation were \$584,000 this year, which was a 7% increase from the prior year. The increase was directly related to the increase of tonnages received as mention above. See the chart below for a monthly graphic of tonnages received.

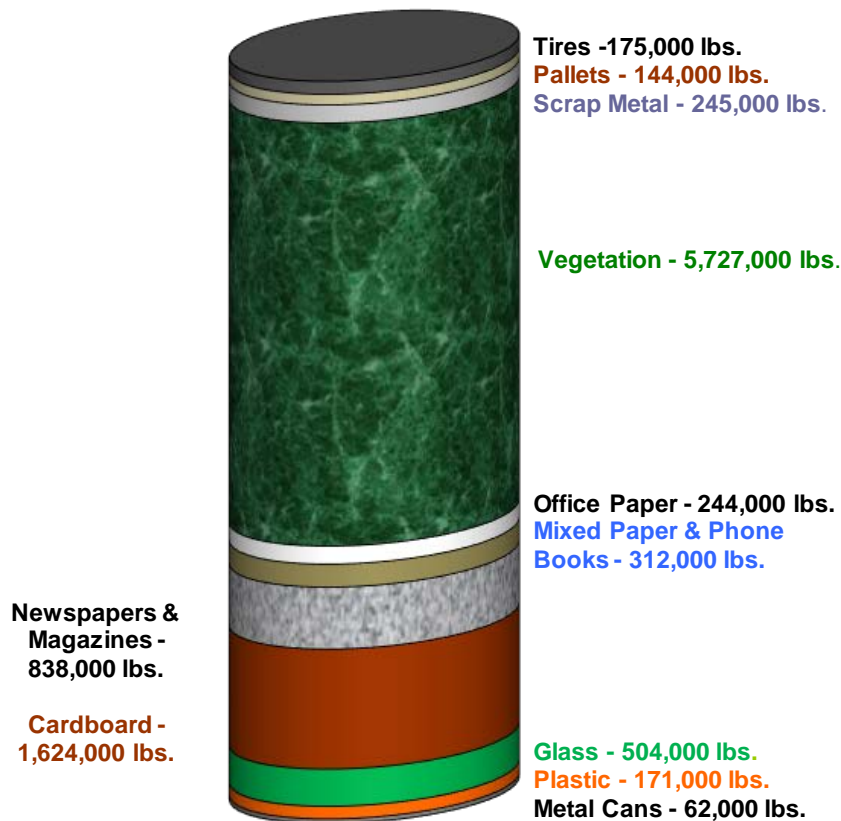
Ivy Transfer Station MSW Tonnages FY 2014-2017



The preceding graph shows the monthly tonnage activity at the Ivy MSW transfer station compared to past fiscal years. Transfer Station waste tonnages received this year increased by 580 tons from 2016. As the economy improves, increases in small loads of construction debris would affect the tonnages in the construction season.

RSWA FY 2017 Recycling & Reuse

**McIntire Recycling Center, Paper Sort Facility,
and Ivy Material Utilization Center**



10,046,000 Pounds of Waste Diverted for Reuse or Recycling

Recycling: The Authority assumed operational responsibility as of February 1992 for the McIntire Road Recycling Center (a drop-off facility located in the City). This center collects many of the traditional items (paper, glass, plastic, and cans) for recycling and other non-traditional items, like used books, phone books, and Christmas trees.

The Paper Sort Facility functions as a transfer station where the Authority receives newspaper, magazines, cardboard, and file stock (fiber products), and plastic from the McIntire recycling center, other smaller collection sites in the County, and private haulers. The baler is used to ready the cardboard, boxboard, and plastic for transportation. Contracts are in place to sell and transport these products to mills and processors, and many of our contractors consider our recycled material to be high quality with little contamination. The recycling operation generated revenues of \$227,000 in FY 2017, which was an increase of about \$89,000 from the previous year due to higher tonnages of cardboard received and an increase in the market prices for these materials. This graphic shows the amounts of all materials that were diverted from the waste stream by both the recycling operations and the operations at Ivy in FY 2017. For more information, see Table 4 in the Statistical Section.

Administration: By mutual agreement of the respective Boards of Directors, the Authority shares administrative staff and office space with the Rivanna Water and Sewer Authority and pays an allocated share of joint expenses. Administrative procedures were implemented to ensure proper segregation of funds, purchasing activity, personnel and similar matters. The Solid Waste Authority paid the Water Authority \$328,000 for this joint administrative service this year.

Environmental Remediation: The Authority has long-term obligations for the remediation of the Ivy Landfill. In the late 1990s, it was confirmed that groundwater contamination had occurred at Ivy, contained within the boundary of the landfill property but beyond the footprint of the landfill cells. A remediation program was developed that began with a “pump and treat” system on the west side and replaced in 2006 by a broader site-wide enhanced bioremediation program. Enhanced Bioremediation included the injection of carefully selected substrate material into the groundwater to enhance the natural chemical reduction of the contamination to clean groundwater.

Review of Operations: (Continued)

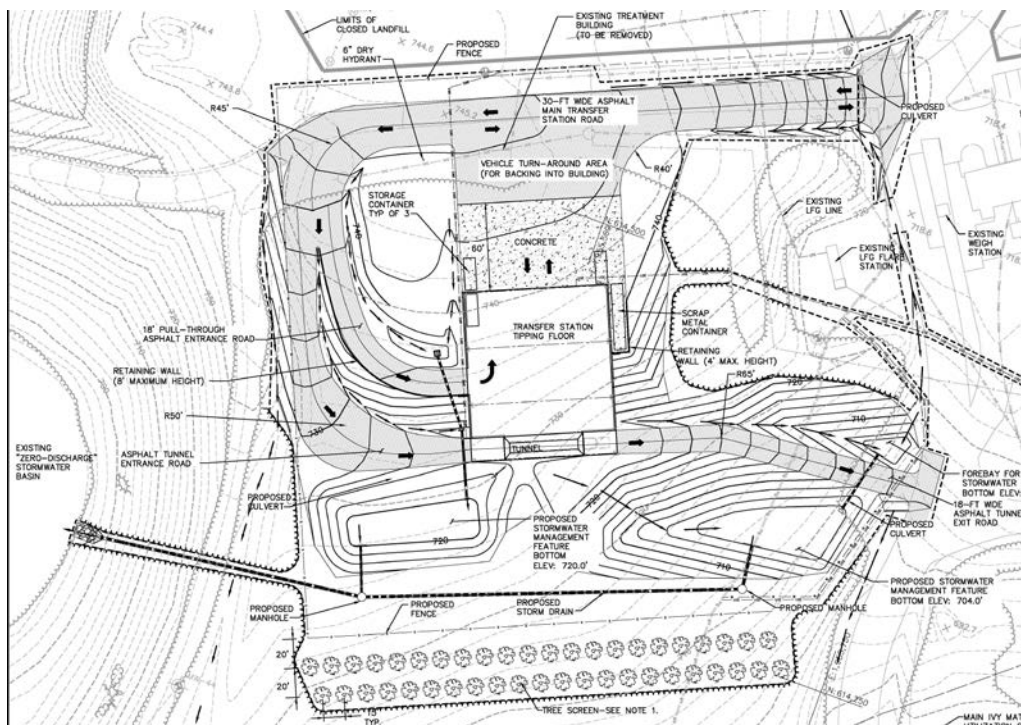
The Authority continues to implement its proactive strategy to meet the ongoing obligations and regulatory requirements at the Ivy Landfill. Through an extensive program of groundwater monitoring and remediation activities, historical contamination has been constrained onsite and continues to be closely monitored to observe the efficacy of the program and protection of human and ecological health. Air quality continues to be managed by operation of a site-wide, active gas collection system and continued system evaluation.

Additional activities related to the long-term care and maintenance of the closed landfill include procurement and construction of a new landfill gas flare that is sized appropriately for the much-reduced landfill gas quantities being produced by the landfill as well as a protocol for evaluating future needs to recap sections of the landfill that have witnessed significant settlement caused by the decay of buried wastes. This recapping will be necessary to limit the infiltration of precipitation into the waste. Due to recent changes in Virginia's dam safety requirements, the dam at the landfill, historically used as a source for irrigation water, is now required to be inspected and registered with the Virginia Department of Conservation and Recreation. A consultant has been procured that will aid the Authority in evaluating whether it is in our best interest to have the dam removed, modified, or fully brought into permitted compliance.

Long-Term Trends

The Albemarle County Board of Supervisors approved a plan to construct a new transfer station facility at the closed Ivy Landfill to meet the needs of small haulers and residential waste disposal. This was prompted by a regulatory determination that the existing transfer station facility, which was built in the late 1990s, did not meet modern permitting requirements. The Virginia Department of Environmental Quality (DEQ) gave the Authority and the County a deadline of December 31, 2015 to formulate an action plan to reconfigure the current site, build a new site at Ivy or release the permit and become a convenience center that does not require a permit. After reviewing several options, the County concluded that a new facility on a vacant parcel of land on the closed landfill site was needed.

The Authority procured an engineering firm during the year to provide design, construction bidding and permitting services for the new facility. The new transfer station will be approximately 11,600 square feet, have a covered tipping floor area and will be able to top load trailers rather than using a compactor as is currently used.



Long-Term Trends: (Continued)

Construction of the new transfer facility would start by October of 2017 for a substantial completion in October of 2018. The new facility would begin operating by December 2018. The existing facility would be decommissioned and properly closed through a Certificate of Closure by May of 2019. The new facility is being designed to accommodate 50 tons of MSW waste per day and will meet the current permit requirements. Remediation management of the Ivy site is ongoing for the next decade in terms of closure and over two decades on post-closure care. The overall budget for the transfer station is \$3.061 million all of which the County has agreed to fund directly, which will be included as capital grant revenue within the statement of Revenues and Expenses.

The Authority initiated a project this year to develop a renewable energy project on the closed landfill. Staff solicited proposals from qualified firms to construct and operate a solar energy facility using 10 to 12 acres of land on one of the closed cells at the Ivy site. The facility would be owned and operated by a third party and the Authority is looking to commit to a long-term land lease generating \$10,000-\$12,000 annually. The project is being looked at as part of Dominion Power's Community Solar Pilot Program required by recent actions from the Virginia State Senate (Senate Bill 1393). The energy produced by such a facility is estimated to power up to 1,000 homes annually.



Requests for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 695 Moores Creek Lane, Charlottesville, Virginia 22902-9016.

Basic Financial Statements

RIVANNA SOLID WASTE AUTHORITY**Exhibit 1**Statement of Net Position
At June 30, 2017 and 2016

	At June 30,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 & 2)	\$ 4,429,331	\$ 4,712,950
Accounts receivable	109,244	82,500
Prepaid items	5,000	3,223
Total current assets	<u>\$ 4,543,575</u>	<u>\$ 4,798,673</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Notes 1 & 2)	\$ 173,417	\$ 171,192
Total restricted assets	<u>\$ 173,417</u>	<u>\$ 171,192</u>
Capital assets (Note 3):		
Land and improvements	\$ 5,943,439	\$ 5,943,439
Buildings and fixtures	633,119	633,248
Landfill site	5,665,500	5,665,500
Ivy landfill equipment	1,478,235	1,335,028
Vehicles	702,729	522,761
Office equipment	16,736	16,736
Paper facility equipment	323,987	316,862
Accumulated depreciation (Note 3)	<u>(8,221,401)</u>	<u>(8,169,741)</u>
Subtotal	<u>\$ 6,542,344</u>	<u>\$ 6,263,833</u>
Construction in progress (Note 4)	<u>298,215</u>	<u>4,817</u>
Total net capital assets	<u>\$ 6,840,559</u>	<u>\$ 6,268,650</u>
Total noncurrent assets	<u>\$ 7,013,976</u>	<u>\$ 6,439,842</u>
Total assets	<u>\$ 11,557,551</u>	<u>\$ 11,238,515</u>
DEFERRED OUTFLOWS OF RESOURCES		
Post measurement date employer pension contributions	\$ 32,319	\$ 40,825
Net difference of actual and expected pension plan earnings	<u>58,525</u>	<u>-</u>
Total deferred outflows of resources	<u>\$ 90,844</u>	<u>\$ 40,825</u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position (continued)
At June 30, 2017 and 2016

	At June 30,	
	2017	2016
LIABILITIES		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 376,529	\$ 214,956
Accrued landfill corrective action and post-closure costs	470,413	475,182
Other long-term obligation (Note 12)	44,395	37,145
Compensated absences - current portion (Note 9)	<u>28,000</u>	<u>28,000</u>
Total current liabilities	\$ <u>919,337</u>	\$ <u>755,283</u>
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued transfer station closure costs (Note 7)	\$ 173,417	\$ 171,192
Accrued corrective action costs (Note 7)	2,833,308	2,894,206
Accrued post-closure monitoring costs (Note 7)	2,489,613	2,611,268
Other long-term obligation (Note 12)	112,292	131,392
Net OPEB obligation (Note 10)	-	26,912
Net pension liability (Note 6)	224,516	142,617
Compensated absences (net of current portion) (Note 9)	<u>1,662</u>	<u>19,029</u>
Total noncurrent liabilities	\$ <u>5,834,808</u>	\$ <u>5,996,616</u>
Total liabilities	\$ <u>6,754,145</u>	\$ <u>6,751,899</u>
DEFERRED INFLOWS OF RESOURCES		
Differences between expected and actual experience	\$ 9,278	\$ 33,419
Net difference of actual and expected pension plan earnings	<u>-</u>	<u>62,701</u>
Total deferred inflows of resources	\$ <u>9,278</u>	\$ <u>96,120</u>
NET POSITION		
Net position:		
Investment in capital assets	\$ 6,840,559	\$ 6,268,650
Unrestricted	<u>(1,955,587)</u>	<u>(1,837,329)</u>
Total net position	\$ <u>4,884,972</u>	\$ <u>4,431,321</u>

The accompanying notes to financial statements are an integral part of this statement.

RIVANNA SOLID WASTE AUTHORITY
Exhibit 2
Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2017 and 2016

	Year Ended June 30,	
	2017	2016
Operating revenues:		
Tipping fees	\$ 876,382	\$ 723,803
Recycling revenues	227,614	138,239
Other revenues	<u>214,771</u>	<u>191,172</u>
Total operating revenues	\$ <u>1,318,767</u>	\$ <u>1,053,214</u>
Operating expenses:		
Administration	\$ 388,524	\$ 398,610
Transfer station	808,104	798,313
Ivy Material Utilization Center	259,669	257,481
Ivy environmental	264,995	(13,152)
Recycling programs	312,052	296,725
Depreciation	<u>51,789</u>	<u>54,885</u>
Total operating expenses	\$ <u>2,085,133</u>	\$ <u>1,792,862</u>
Operating income (loss)	\$ <u>(766,366)</u>	\$ <u>(739,648)</u>
Nonoperating revenues (expenses):		
Interest earned	\$ 31,333	\$ 16,107
Local government contributions - remediation support	576,714	720,151
Local government contributions - operations support	368,856	542,926
Other income	5,220	31,800
Grants	27,811	28,878
Gain (loss) on disposal of assets	<u>-</u>	<u>(2,665)</u>
Total nonoperating revenues (expenses)	\$ <u>1,009,934</u>	\$ <u>1,337,197</u>
Income before capital grants	\$ 243,568	\$ 597,549
Capital grants	\$ <u>210,083</u>	\$ <u>-</u>
Change in net position	\$ 453,651	\$ 597,549
Net position, beginning of year	<u>4,431,321</u>	<u>3,833,772</u>
Net position, end of year	\$ <u><u>4,884,972</u></u>	\$ <u><u>4,431,321</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Cash Flows
Years Ended June 30, 2017 and 2016

	Year Ended June 30,	
	2017	2016
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,297,243	\$ 1,065,735
Payments to suppliers	(1,404,099)	(1,467,010)
Payments to and on behalf of employees	(765,637)	(787,387)
Net cash provided by (used for) operating activities	\$ (872,493)	\$ (1,188,662)
Cash flows from noncapital financing activities:		
Contributions from local governments	\$ 945,570	\$ 1,263,077
Grant income	27,811	28,878
Net cash provided by (used for) noncapital financing activities	\$ 973,381	\$ 1,291,955
Cash flows from capital and related financing activities:		
Additions to capital assets	\$ (623,698)	\$ (85,066)
Proceeds from the disposal of capital assets	-	5,000
Capital grants	210,083	-
Net cash provided by (used for) capital and related financing activities	\$ (413,615)	\$ (80,066)
Cash flows from investing activities:		
Interest received	\$ 31,333	\$ 16,107
Net cash provided by (used for) investing activities	\$ 31,333	\$ 16,107
Increase (decrease) in cash and cash equivalents	\$ (281,394)	\$ 39,334
Cash and cash equivalents at beginning of year (including \$171,192 and \$169,666, respectively reported in restricted accounts)	4,884,142	4,844,808
Cash and cash equivalents at end of year (including \$173,417 and \$171,192 respectively reported in restricted accounts)	\$ 4,602,748	\$ 4,884,142
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (766,366)	\$ (739,648)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	51,789	54,885
Other nonoperating income	5,220	31,800
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable and prepaid items	(28,521)	(19,279)
Increase (decrease) in accounts payable and accrued expenses	161,573	(45,457)
Increase (decrease) in net OPEB obligation	(26,912)	(14,000)
Increase (decrease) in other long-term obligations	(11,850)	168,537
Increase (decrease) in compensated absences	(17,367)	3,427
Increase (decrease) in net pension liability	81,899	(99,546)
(Increase) decrease in deferred outflows of resources - pension	(50,019)	(2,455)
Increase (decrease) in deferred inflows of resources - pension	(86,842)	(45,314)
Increase (decrease) in accrued landfill and transfer station obligations	(185,097)	(481,612)
Net cash provided by (used for) operating activities	\$ (872,493)	\$ (1,188,662)

The accompanying notes to financial statements are an integral part of this statement.

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RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Rivanna Solid Waste Authority is a jointly governed organization formed by the City of Charlottesville and the County of Albemarle pursuant to the Virginia Water and Waste Authorities Act (Code of Virginia, 1950 as amended). The Authority was formed to develop regional garbage and refuse disposal, as such terms are defined in Section 15.2-5101 of the Act, including development of systems and facilities for recycling, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing, and/or operating and maintaining regional solid waste disposal areas, systems and facilities, all pursuant to the provisions of the Act. The Authority began operations on February 1, 1991.

A. Financial Reporting Entity

The Rivanna Solid Waste Authority provides the services mentioned above to the citizens of its participating governments, City of Charlottesville and County of Albemarle. However, these participating governments do not have a financial interest in or responsibility to the Authority.

The Authority's governing body is comprised of three members appointed by the City, three members appointed by the County, and one member who is jointly appointed by the City and County. Therefore, none of the participants appoints a voting majority of board members.

The Authority is perpetual. No participating government has access to its resources or surpluses, nor is any participant liable for the Authority's debts or deficits. The Authority also has the ability to finance its capital projects through user charges or the sale of revenue bonds.

Based on the above representations, the Rivanna Solid Waste Authority has been determined to be a jointly governed organization of the City of Charlottesville and County of Albemarle. The Authority is not a component unit of either of the participating governments.

For purposes of reporting entity disclosure, it should be noted that a separate entity, the Rivanna Water & Sewer Authority, provides wholesale water and sewer services to the City of Charlottesville and the Albemarle County Service Authority. Although certain administrative employees provide services to both Authorities, each Authority is operationally and legally independent.

B. Basic Financial Statements

As a requirement of GASB Statement 34, the financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

- Management's discussion and analysis

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Basic Financial Statements (Continued)

- Enterprise fund financial statements
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Required Supplementary Information
 - Schedule of Changes in Net Pension Liability and Related Ratios
 - Schedule of Employer Contributions
 - Notes to Required Supplementary Information
 - Schedule of OPEB Funding Progress

C. Basis of Accounting

The Rivanna Solid Waste Authority operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

The Authority's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

E. Restricted Assets

Certain cash accounts held by the Authority are set aside for landfill and transfer station closure and landfill post-closure monitoring costs. The accounts are properly classified as restricted assets on the balance sheet. Regulations require the Authority to maintain the restricted accounts for the landfill and transfer station closure and landfill post-closure monitoring costs.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City of Charlottesville and the County of Albemarle contributed certain landfill assets to the Authority. These assets are all reported at their market value on the date donated. Landfill vehicles and equipment are valued based upon estimates by Authority personnel. Landfill cells and the landfill site were valued by the Authority's consulting engineer. The engineer also estimated the accrued landfill closure and related expenses. The remaining land area at the landfill site is reported at its value as a landfill site. If the Authority determines that the Ivy site will no longer be used for future waste disposal, the value will be adjusted to its fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous fiscal year.

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity.

Property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Fixtures	15
Vehicles	5 to 10
Office equipment	5
Landfill equipment	5 to 15

Total depreciation for the periods ended June 30, 2017 and 2016 was \$51,789 and \$54,885, respectively.

G. Other Significant Accounting Policies

Accounts receivable are stated at book value utilizing the direct write-off method for immaterial uncollectible accounts.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs) and external investment pools) are measured at amortized cost. All other investments are reported at fair value.

I. Inventory

Consumption of materials and supplies is recorded as an expense when used. No inventory amounts are recorded as an asset, as available inventories are not significant.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt, and deferred outflows of resources and increased by deferred inflows of resources related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

L. Reclassification

Certain amounts in previously issued financial statements have been restated to conform to current year classifications.

M. Closure and Post-Closure Obligations

The Authority records all estimated closure costs for existing cells as a liability. Upon final closure of the landfill site, the Authority is then responsible, under current Federal regulations, for maintaining the closed site for the following thirty years.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

N. 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(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category. Both items are related to the measurement of the net pension liability. The first is comprised of contributions to the pension plan made during the current year and subsequent to the net pension liability measurement date, which will be recognized as a reduction of the net pension liability next fiscal year and the second item is the net difference between projected and actual earnings on pension plan investments. For more detailed information on these items, reference the pension note.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. This item is related to the measurement of the net pension liability. This item reports the net difference between expected and actual experience. For more detailed information on this item, reference the pension note.

O. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

P. Pensions

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 Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and 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 collateralized.

Investments

Statutes authorize the Authority 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, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

The Authority does not have a formal investment policy that addresses credit risk or interest rate risk.

Credit Risk of Debt Securities

The Authority’s rated debt investments as of June 30, 2017 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

<u>Authority's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ <u>3,553,131</u>
Total	\$ <u><u>3,553,131</u></u>

Interest Rate Risk

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ <u>3,553,131</u>	\$ <u>3,553,131</u>
Total	\$ <u><u>3,553,131</u></u>	\$ <u><u>3,553,131</u></u>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

External Investment Pools

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio under the provision of GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3—CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2017 follows:

	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Capital assets not being depreciated:				
Land and improvements	\$ 5,943,439	\$ -	\$ -	\$ 5,943,439
Construction in progress	<u>4,817</u>	<u>293,398</u>	<u>-</u>	<u>298,215</u>
Total capital assets not being depreciated	<u>\$ 5,948,256</u>	<u>\$ 293,398</u>	<u>\$ -</u>	<u>\$ 6,241,654</u>
Other Capital Assets:				
Buildings & fixtures	\$ 633,248	\$ -	\$ 129	\$ 633,119
Accumulated depreciation	<u>(507,572)</u>	<u>(15,001)</u>	<u>(129)</u>	<u>(522,444)</u>
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	<u>(5,665,500)</u>	<u>-</u>	<u>-</u>	<u>(5,665,500)</u>
Ivy Landfill equipment	1,335,028	143,207	-	1,478,235
Accumulated depreciation	<u>(1,260,552)</u>	<u>(15,842)</u>	<u>-</u>	<u>(1,276,394)</u>
Vehicles	522,761	179,968	-	702,729
Accumulated depreciation	<u>(461,753)</u>	<u>(13,176)</u>	<u>-</u>	<u>(474,929)</u>
Office equipment	16,736	-	-	16,736
Accumulated depreciation	<u>(16,736)</u>	<u>-</u>	<u>-</u>	<u>(16,736)</u>
Paper facility equipment	316,862	7,125	-	323,987
Accumulated depreciation	<u>(257,628)</u>	<u>(7,770)</u>	<u>-</u>	<u>(265,398)</u>
Other capital assets, net	<u>\$ 320,394</u>	<u>\$ 278,511</u>	<u>\$ -</u>	<u>\$ 598,905</u>
Capital assets, net	<u>\$ 6,268,650</u>	<u>\$ 571,909</u>	<u>\$ -</u>	<u>\$ 6,840,559</u>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 3—CAPITAL ASSETS: (CONTINUED)

A summary of changes in capital assets for the year ended June 30, 2016 follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land and improvements	\$ 5,943,439	\$ -	\$ -	\$ 5,943,439
Construction in progress	-	4,817	-	4,817
Total capital assets not being depreciated	\$ 5,943,439	\$ 4,817	\$ -	\$ 5,948,256
Other Capital Assets:				
Buildings & fixtures	\$ 633,248	\$ -	\$ -	\$ 633,248
Accumulated depreciation	(492,572)	(15,000)	-	(507,572)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,645,302	27,500	337,774	1,335,028
Accumulated depreciation	(1,567,601)	(24,724)	(331,773)	(1,260,552)
Vehicles	522,761	-	-	522,761
Accumulated depreciation	(454,574)	(7,179)	-	(461,753)
Office equipment	16,736	-	-	16,736
Accumulated depreciation	(16,736)	-	-	(16,736)
Paper facility equipment	270,771	52,750	6,659	316,862
Accumulated depreciation	(254,640)	(7,982)	(4,994)	(257,628)
Other capital assets, net	\$ 302,695	\$ 25,365	\$ 7,666	\$ 320,394
Capital assets, net	\$ 6,246,134	\$ 30,182	\$ 7,666	\$ 6,268,650

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 4—CONSTRUCTION IN PROGRESS:

As of June 30, 2017 and 2016 the Authority had \$298,215 and \$4,817 construction in progress, respectively.

Details of construction in progress for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2017
New Ivy Transfer Station	\$ 4,817	\$ 233,759	\$ -	\$ 238,576
Landfill Cap Settlement Repairs	-	47,492		47,492
Flare Installation	-	12,147	-	12,147
Total	<u>\$ 4,817</u>	<u>\$ 293,398</u>	<u>\$ -</u>	<u>\$ 298,215</u>

NOTE 5—COMPENSATED ABSENCES:

Authority regular employees earn vacation leave each month at a scheduled rate in accordance with the years of service and sick leave at the rate of eight hours per month. Accumulated unpaid vacation amounts are accrued when incurred. At June 30, 2017 and 2016, the liability for accrued vacation leave was \$29,662 and \$47,029, respectively.

NOTE 6—PENSION PLAN:

Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent Multiple-Employer Pension Plan
Administering Entity: Virginia Retirement System

All full-time, salaried permanent employees of the Authority are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) 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 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

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 table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for 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>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (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.</p> <p>Hybrid Opt-In Election 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.</p> <p>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>Hybrid Opt-In Election 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.</p> <p>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>*Non-Eligible Members 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>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (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 pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016. 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 Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016.</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>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may</p>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Creditable Service (Cont.)	Creditable Service (Cont.)	Creditable Service (Cont.) <u>Defined Benefit Component (Cont.)</u> count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.
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 creditable service. 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.	Vesting Same as Plan 1.	Vesting <u>Defined Benefit Component:</u> 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 creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	Vesting (Cont.) <u>Defined Contributions</u> <u>Component: (Cont.)</u> 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. Distribution is not required by law until age 70½.
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit (Cont.) An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	Calculating the Benefit (Cont.)	Calculating the Benefit (Cont.) <u>Defined Contribution Component:</u> 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.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
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%. Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. 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.	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 creditable service earned, purchased or granted on or after January 1, 2013. Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.	Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%. 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. Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. <u>Defined Contribution Component:</u> Not applicable.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age VRS: Age 65. Political subdivisions hazardous duty employees: Age 60.	Normal Retirement Age VRS: Normal Social Security retirement age. Political subdivisions hazardous duty employees: Same as Plan 1.	Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2. Political subdivisions hazardous duty employees: Not applicable. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90. Political subdivisions hazardous duty employees: Same as Plan 1.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. Political subdivisions hazardous duty employees: Not applicable. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.	Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.	Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, 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 creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> 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 under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (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 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</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>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. 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 <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. <p><u>Defined Contribution Component:</u> Not applicable.</p>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	13
Inactive members:	
Vested inactive members	1
Non-vested inactive members	7
Inactive members active elsewhere in VRS	<u>5</u>
Total inactive members	13
Active members	<u>9</u>
Total covered employees	<u><u>35</u></u>

Contributions

The contribution requirement for active employees is governed by §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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Authority's contractually required contribution rate for the year ended June 30, 2017 was 7.92% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, 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 to the pension plan from the Authority were \$32,319 and \$40,825 for the years ended June 30, 2017 and June 30, 2016, respectively.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2015, 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, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System 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 System 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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	<u>100.00%</u>		<u>5.83%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>8.33%</u>

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Rivanna Solid Waste Authority Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 2,460,020	\$ 2,317,403	\$ 142,617
Changes for the year:			
Service cost	\$ 47,552	\$ -	\$ 47,552
Interest	167,674	-	167,674
Differences between expected and actual experience	(34,352)	-	(34,352)
Contributions - employer	-	40,825	(40,825)
Contributions - employee	-	20,729	(20,729)
Net investment income	-	38,903	(38,903)
Benefit payments, including refunds of employee contributions	(129,362)	(129,362)	-
Administrative expenses	-	(1,465)	1,465
Other changes	-	(17)	17
Net changes	\$ 51,512	\$ (30,387)	\$ 81,899
Balances at June 30, 2016	\$ 2,511,532	\$ 2,287,016	\$ 224,516

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 7.00%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	(6.00%)	(7.00%)	(8.00%)
Rivanna Solid Waste Authority's Net Pension Liability	\$ 481,464	\$ 224,516	\$ 4,036

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

For the year ended June 30, 2017, the Authority recognized pension expense of (\$22,643). At June 30, 2017, the Authority 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
Differences between expected and actual experience	\$ -	\$ 9,278
Net difference between projected and actual earnings on pension plan investments	58,525	-
Employer contributions subsequent to the measurement date	32,319	-
Total	\$ 90,844	\$ 9,278

\$32,319 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2018	\$ (9,614)
2019	(338)
2020	35,021
2021	24,178
Thereafter	-

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 7—CLOSURE AND POST-CLOSURE CARE COSTS:

State and federal laws and regulations require the Authority to place a final cover on its Ivy landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although the landfill has stopped operating as a landfill, the Authority must recognize the estimated costs of closure corrective action and post-closure care as a liability on the financial statements. As work is completed, the liability recognized by the Virginia Department of Environmental Quality is reduced. The Authority is implementing a corrective action plan to correct detected environmental issues at the landfill. The amount recorded as accrued corrective action costs is \$3,148,120 at June 30, 2017. The \$2,645,214 reported as post-closure monitoring liability at June 30, 2017 represents the cumulative amount reported to date based on the use of 100% of the currently permitted cells at the landfill. In addition to the costs reported for the Ivy landfill site, the Authority has accrued closure costs for the Ivy transfer station in the amount of \$173,417. Total closure corrective action and post-closure care costs and post-closure monitoring costs accrued at June 30, 2017 are \$5,966,751. The Authority will recognize any remaining costs of closure corrective action and post-closure care and post-closure monitoring as the closure is completed. These amounts are based on what it would cost to perform all closure and post-closure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state and federal laws and regulations to meet certain financial assurance requirements. The Authority has opted to meet these requirements through agreements with the participating localities, County of Albemarle and City of Charlottesville. The agreement provides guarantees by the County of Albemarle in the amount of \$3,688,747 and the City of Charlottesville in the amount of \$2,030,241 for a total guarantee of \$5,718,988. The Authority expects that future inflation costs will be paid from interest earned on the annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or other sources. Additionally, the Authority has set aside a cash account restricted for payment of the transfer station closure costs in the amount of \$173,417.

On behalf of the Authority, the City of Charlottesville and the County of Albemarle demonstrate financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with section 9VAC-20-70 of the Virginia Administrative Code.

NOTE 8—RISK MANAGEMENT:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other local governments in the Commonwealth to form the Virginia Association of Counties Group Self-Insurance Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Authority pays an annual premium to the pool for its workers compensation, property and liability insurance. The Agreement for Formation of the association provides that the association will be self-sustaining through member premiums. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 9—SUMMARY OF LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligations transactions for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Landfill closure/corrective action/ postclosure costs	\$ 6,151,848	\$ 76,572	\$ 261,669	\$ 5,966,751	\$ 470,413
Net pension liability	142,617	216,708	134,809	224,516	-
Net OPEB obligation	26,912	-	26,912	-	-
VERIP liability	168,537	25,295	37,145	156,687	44,395
Compensated absences	47,029	36,299	53,666	29,662	28,000
Totals	\$ 6,536,943	\$ 354,874	\$ 514,201	\$ 6,377,616	\$ 542,808

The following is a summary of long-term obligations transactions for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Landfill closure/corrective action/ postclosure costs	\$ 6,633,460	\$ 54,873	\$ 536,485	\$ 6,151,848	\$ 475,182
Net pension liability	242,163	218,807	318,353	142,617	-
Net OPEB obligation	40,912	1,000	15,000	26,912	-
VERIP liability	-	168,537	-	168,537	37,145
Compensated absences	43,602	34,396	30,969	47,029	28,000
Totals	\$ 6,960,137	\$ 477,613	\$ 900,807	\$ 6,536,943	\$ 540,327

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS—HEALTH INSURANCE:

Background

In fiscal year 2010 the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other postemployment benefits (OPEB) offered to retirees. This standard addresses how governmental reporting entities should account for and report their costs related to postemployment healthcare and non-pension benefits, such as the Authority's retiree health benefit. Historically, the Authority's subsidy was funded on a pay-as-you-go basis, but GASB Statement No. 45 requires that the Authority accrue the cost of the retiree health subsidy and other postemployment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of postemployment benefits and the financial impact on the Authority. This funding methodology mirrors the funding approach used for pension benefits.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS—HEALTH INSURANCE: (CONTINUED)

Plan Description

In addition to the pension benefits described in Note 6, the Authority previously provided post-retirement healthcare benefits for employees who were eligible under a single-employer defined benefit plan. The plan and benefits have been terminated except for a closed group of retirees, who will continue to receive benefits under the previous plan policy. The Authority permitted retirees to participate and purchase medical benefits under the Authority's existing plan for current employees. Retirees were responsible for the entire cost of the benefits. Benefits were available for a period of five years or until age 65, whichever came first. As of June 30, 2017 the Plan was inactive and any remaining liability is immaterial for reporting in the financial statements.

NOTE 11—RELATED PARTIES:

Rivanna Solid Waste Authority (RSWA) and Rivanna Water and Sewer Authority (RWSA) share office space and administrative staff. Procedures are in place to ensure proper segregation of funds, purchasing activity, personnel and similar matters. RSWA pays RWSA monthly for its share of joint administrative expenses, which totaled \$328,000 in FY 2017 and \$299,000 in FY 2016 and for leachate acceptance and treatment of \$732 in FY 2017 and \$1,974 in FY 2016. Rivanna Solid Waste Authority billed Rivanna Water & Sewer Authority \$58,060 for hauling and tipping fees in FY 2017 and \$60,875 in the previous year. RSWA owed RWSA \$22,331 and \$19,187 at June 30, 2017 and 2016, respectively.

NOTE 12—VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM:

Rivanna Solid Waste Authority has a Voluntary Early Retirement Incentive Program (VERIP) which provides for monthly payments to eligible employees for a period of up to five years after early retirement or until age 65, whichever comes first. Participants in the VERIP must be regular full-time employees eligible for early or full retirement under the provisions of the Virginia Retirement System (VRS) who have been employed by the Authority for 10 of the last 13 years prior to retirement. Employees retiring under the disability provisions of VRS and/or Social Security are not eligible for the VERIP. VERIP participants receive a stipend equal to the difference between (1) the annual VRS retirement benefit amount as reduced for early VRS retirement if appropriate and (2) the recomputed annual VRS benefit with the addition of the lesser of five more years of service or the number of additional years needed to reach age 65. The stipend is paid on a monthly basis. The participant may also receive a monthly payment equal to the amount of the health insurance premium that was being paid for by the Authority on the employee's behalf upon termination, for as long as the employee is covered by VERIP benefits. Applications for the VERIP must be submitted to the Executive Director for approval. The Authority's estimated VERIP liability as of June 30, 2017 and 2016 was \$156,687 and \$168,537, respectively. The amount payable within the next year is \$44,395.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2017 and 2016 (Continued)

NOTE 13—UPCOMING FINANCIAL REPORTING PRONOUNCEMENTS:

The primary objective of statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

The primary objective of statement No. 81, *Irrevocable Split-Interest Agreements* is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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Required Supplementary Information

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RIVANNA SOLID WASTE AUTHORITY

Schedule of Changes in Net Pension Liability and Related Ratios For the Year Ended June 30, 2017

	2016	2015	2014
Total pension liability			
Service cost	\$ 47,552	\$ 44,891	\$ 57,148
Interest	167,674	172,433	165,972
Differences between expected and actual experience	(34,352)	(157,193)	-
Benefit payments, including refunds of employee contributions	(129,362)	(126,868)	(134,796)
Net change in total pension liability	\$ 51,512	\$ (66,737)	\$ 88,324
Total pension liability - beginning	2,460,020	2,526,757	2,438,433
Total pension liability - ending (a)	\$ 2,511,532	\$ 2,460,020	\$ 2,526,757
Plan fiduciary net position			
Contributions - employer	\$ 40,825	\$ 38,370	\$ 44,486
Contributions - employee	20,729	19,552	18,368
Net investment income	38,903	103,238	317,095
Benefit payments, including refunds of employee contributions	(129,362)	(126,868)	(134,796)
Administrative expense	(1,465)	(1,462)	(1,754)
Other	(17)	(21)	17
Net change in plan fiduciary net position	\$ (30,387)	\$ 32,809	\$ 243,416
Plan fiduciary net position - beginning	2,317,403	2,284,594	2,041,178
Plan fiduciary net position - ending (b)	\$ 2,287,016	\$ 2,317,403	\$ 2,284,594
Authority's net pension liability - ending (a) - (b)	\$ 224,516	\$ 142,617	\$ 242,163
Plan fiduciary net position as a percentage of the total pension liability	91.06%	94.20%	90.42%
Covered payroll	\$ 422,207	\$ 395,326	\$ 367,351
Authority's net pension liability as a percentage of covered payroll	53.18%	36.08%	65.92%

This schedule is intended to report information for 10 years. Fiscal year 2015 is the first year for this presentation, no other data is available. Additional years will be included when available.

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions

For the Years Ended June 30, 2008 through 2017

Fiscal Year	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2017	\$ 32,319	\$ 32,319	\$ -	\$ 429,354	7.53%
2016	40,825	40,825	-	422,207	9.67%
2015	38,370	38,370	-	395,326	9.71%
2014	44,486	44,486	-	367,351	12.11%
2013	66,260	66,260	-	547,151	12.11%
2012	57,640	57,640	-	506,945	11.37%
2011	56,790	56,790	-	499,468	11.37%
2010	58,158	58,158	-	592,844	9.81%
2009	60,170	60,170	-	613,355	9.81%
2008	80,235	80,235	-	589,097	13.62%

RIVANNA SOLID WASTE AUTHORITY

Notes to Required Supplementary Information
For the Year Ended June 30, 2017

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2016 is not material.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

RIVANNA SOLID WASTE AUTHORITY

Schedule of OPEB Funding Progress

		(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date		Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/10	\$	-	\$ 280,255	\$ 280,255	0.00%	\$ 619,441	45.24%
07/01/13		-	66,000	66,000	0.00%	n/a	n/a
07/01/14		-	53,000	53,000	0.00%	n/a	n/a
07/01/15		-	40,000	40,000	0.00%	n/a	n/a
07/01/16		-	-	-	0.00%	n/a	n/a

The amounts reported on the schedule for the valuation dates of 7/1/14 and 7/1/15 are prepared from a roll forward of the complete valuation prepared as of 7/1/13.

The plan was terminated and closed to new enrollees in a prior year. The plan is now inactive and therefore the Authority has no assets or liabilities to report.

Statistical Section

Contents

Tables

Financial Trends

This table contains trend information to help the reader understand how the the Authority's financial performance has changed over time.

1

Revenue, Expenses, Rates and Tonnage Information

These tables contain information to help the reader assess the factors affecting the Authority's change in revenues and it's ability to generate revenues as well as operating expenses the Authority generates.

2-6

Debt Capacity

This table presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue debt in the future.

7

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time.

8-9

Operating Information

These tables contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the activities it performs.

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Other Information

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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RIVANNA SOLID WASTE AUTHORITY

Table 1

Net Position by Component
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$ 6,840,559	\$ 6,268,650	\$ 6,246,134	\$ 6,232,154	\$ 6,333,722	\$ 6,488,690	\$ 6,566,617	\$ 6,720,624	\$ 7,092,475	\$ 6,944,530
Unrestricted	(1,955,587)	(1,837,329)	(2,412,362)	(2,437,339)	493,493	144,228	1,308,953	1,345,007	(234,255)	(720,509)
Total net position	\$ 4,884,972	\$ 4,431,321	\$ 3,833,772	\$ 3,794,815	\$ 6,827,215	\$ 6,632,918	\$ 7,875,570	\$ 8,065,631	\$ 6,858,220	\$ 6,224,021

RIVANNA SOLID WASTE AUTHORITY

Table 2

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating revenues:										
Tipping fees	\$ 876,382	\$ 723,803	\$ 685,784	\$ 693,865	\$ 915,834	\$ 862,422	\$ 1,040,183	\$ 1,900,713	\$ 2,813,022	\$ 3,570,946
Recycling revenues	227,614	138,239	126,178	153,443	174,674	236,130	272,016	283,130	285,201	470,098
Other revenue	214,771	191,172	257,404	239,958	231,447	214,836	165,626	140,112	88,707	95,840
Total operating revenues	\$ 1,318,767	\$ 1,053,214	\$ 1,069,366	\$ 1,087,266	\$ 1,321,955	\$ 1,313,388	\$ 1,477,825	\$ 2,323,955	\$ 3,186,930	\$ 4,136,884
Operating expenses:										
Administration	\$ 388,524	\$ 398,610	\$ 338,200	\$ 385,056	\$ 345,206	\$ 344,974	\$ 352,179	\$ 1,149,318	\$ 581,007	\$ 800,288
Transfer station	808,104	798,313	754,792	694,271	894,903	875,498	859,182	1,458,446	2,249,955	2,459,504
Ivy Material Utilization Center	259,669	257,481	205,089	217,787	299,122	258,343	273,268	305,547	340,882	376,063
Ivy environmental ***	264,995	(13,152)	318,515	3,472,632	528,473	1,680,530	826,564	(155,371)	1,504,531	2,166,892
Recycling programs	312,052	296,725	239,660	244,506	250,385	253,873	290,298	400,034	618,223	656,369
Depreciation	51,789	54,885	66,639	98,568	154,968	148,071	175,814	199,117	191,320	209,996
Total operating expenses	\$ 2,085,133	\$ 1,792,862	\$ 1,922,895	\$ 5,112,820	\$ 2,473,057	\$ 3,561,289	\$ 2,777,305	\$ 3,357,091	\$ 5,485,918	\$ 6,669,112
Operating income (loss)	\$ (766,366)	\$ (739,648)	\$ (853,529)	\$ (4,025,554)	\$ (1,151,102)	\$ (2,247,901)	\$ (1,299,480)	\$ (1,033,136)	\$ (2,298,988)	\$ (2,532,228)
Nonoperating revenues (expenses):										
Interest earned	\$ 31,333	\$ 16,107	\$ 8,745	\$ 7,766	\$ 10,963	\$ 11,590	\$ 12,438	\$ 18,028	\$ 107,753	\$ 239,879
Local government contributions - remediation support	576,714	720,151	809,908	817,348	770,722	755,253	875,480	409,624	1,729,082	3,031,949
Local government contributions - operations support	368,856	542,926	398,040	135,286	517,344	203,978	192,372	905,087	1,084,673	-
Settlement income	-	-	-	-	-	10,997	-	900,000	-	-
Grant income	27,811	28,878	28,562	28,554	32,370	23,431	26,714	23,408	29,087	31,012
Other income	5,220	31,800	-	7,200	14,000	-	7,130	-	-	-
Gain (loss) on disposal of assets	-	(2,665)	-	(3,000)	-	-	1,527	2,081	11,855	(176,080)
Interest expense	-	-	-	-	-	-	(6,242)	(17,681)	(29,263)	(40,665)
Total nonoperating revenues (expenses)	\$ 1,009,934	\$ 1,337,197	\$ 1,245,255	\$ 993,154	\$ 1,345,399	\$ 1,005,249	\$ 1,109,419	\$ 2,240,547	\$ 2,933,187	\$ 3,086,095
Income before capital grants	\$ 243,568	\$ 597,549	\$ 391,726	\$ (3,032,400)	\$ 194,297	\$ (1,242,652)	\$ (190,061)	\$ 1,207,411	\$ 634,199	\$ 553,867
Capital grants	210,083	-	-	-	-	-	-	-	-	-
Change in net position	\$ 453,651	\$ 597,549	\$ 391,726	\$ (3,032,400)	\$ 194,297	\$ (1,242,652)	\$ (190,061)	\$ 1,207,411	\$ 634,199	\$ 553,867

*** Ivy Environmental expenses include landfill closure and post-closure costs.

RIVANNA SOLID WASTE AUTHORITY

Table 3

Annual Tonnages of Selected Categories of Waste Received
Last Ten Fiscal Years

Years Ended June 30,	Municipal Solid Waste	White Goods	Tires	Clean Fill	Sludge	Grindable Vegetative Material
2008	69,252	260	129	11,329	1,264	3,949
2009	56,536	188	142	8,004	1,165	2,714
2010	42,163	153	154	5,760	1,091	2,756
2011	26,735	120	151	10,763	1,231	2,912
2012	21,448	87	158	6,648	878	1,877
2013	18,124	76	131	10,489	0	3,714
2014	6,864	73	92	9,087	0	2,016
2015	7,097	80	133	5,952	0	1,874
2016	7,761	107	169	5,889	0	1,560
2017	8,341	123	87	6,354	0	2,864

RIVANNA SOLID WASTE AUTHORITY

Table 4

Waste Tonnages Diverted for Reuse or Recycling
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Cardboard (corrugated)	812	459	278	279	358	359	482	482	769	865
Newspaper, magazines, catalogs	419	512	524	640	782	765	858	1,150	1,590	1,945
Mixed paper and phone books	156	214	212	265	214	258	228	412	702	732
File stock (office paper)	122	125	125	164	192	172	220	288	345	323
Glass ***	252	191	219	249	398	357	413	684	895	825
Metal cans	31	32	30	34	47	55	41	100	111	93
Plastic	86	82	95	98	69	82	81	160	135	170
White goods (scrap metal)	123	107	80	73	76	87	120	153	188	260
Vegetation	2,864	1,560	1,874	2,016	3,714	1,877	2,912	2,756	2,714	3,949
Pallets	72	55	79	71	81	88	89	114	153	194
Tires	87	169	133	92	131	158	151	154	142	129
	<u>5,024</u>	<u>3,506</u>	<u>3,649</u>	<u>3,981</u>	<u>6,062</u>	<u>4,258</u>	<u>5,595</u>	<u>6,453</u>	<u>7,744</u>	<u>9,485</u>

Note:

*** Glass includes glass crushed and reused on roads at Ivy MUC for FY 2012 and prior years.

RIVANNA SOLID WASTE AUTHORITY

Tipping Fees Per Ton By Waste Category
Last Ten Fiscal Years

Waste Category	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Municipal:										
Ivy Transfer Station	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00
BFI Transfer Station	N/A	N/A	N/A	N/A	N/A	N/A	N/A	62.00	62.00	62.00
Vegetative	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	46.00
Tires:										
Whole Tires	190.00	190.00	190.00	190.00	190.00	190.00	190.00	173.10	173.10	166.00
White Goods:										
Non-Freon	105.00	105.00	105.00	105.00	105.00	105.00	105.00	104.30	104.30	100.00
Clean-Fill	10.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.50
Sludge	N/A	N/A	N/A	N/A	N/A	8.00	8.00	7.30	7.30	7.00
Pallets	48.00	48.00	48.00	48.00	48.00	48.00	48.00	46.00	46.00	46.00

RIVANNA SOLID WASTE AUTHORITY

Table 6

Top Ten Customers Current Year and Nine Years Ago		
Fiscal Year 2017 (Current Year):		
	Operating Revenues	
	Amount	% of Total
Sonoco Recycling	\$ 204,660	16%
Rivanna Water & Sewer Auth.	58,090	4%
Lane-Corman Construction	48,262	4%
UVA Facilities Management	48,052	4%
Gerdau	33,829	3%
Albemarle County	33,060	3%
VDOT	19,587	1%
Martin Horn, Inc.	17,764	1%
Digs, Incorporated	12,118	1%
Real Property, Inc.	11,552	1%
Subtotal (top ten customers)	\$ 486,974	37%
Other customers	831,793	63%
Total	\$ 1,318,767	100%
Fiscal Year 2008 (Nine Years Ago):		
	Operating Revenues	
	Amount	% of Total
City of Charlottesville	\$ 553,849	13%
Waste Management of VA-Blue Ridge	523,565	13%
Weyerhaeuser	429,521	10%
Martin Horn, Inc.	137,029	3%
Dixon's Trash Disposal	115,824	3%
Barnett's Trash Service	80,065	2%
Albemarle Recycling & Container	72,415	2%
McCauley's Disposal Service, Inc.	69,713	2%
Efficient Roll-Off & Recycling	56,365	1%
Container Rentals	52,409	1%
Subtotal (top ten customers)	\$ 2,832,247	51%
Other customers	1,304,637	32%
Total	\$ 4,136,884	100%

RIVANNA SOLID WASTE AUTHORITY

Table 7

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bank notes payable	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	206,827 \$	413,655 \$	620,483 \$
Total outstanding debt	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	206,827 \$	413,655 \$	620,483 \$
Debt per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1.47	\$ 2.97	\$ 4.54

Note: Debt per capita was calculated based on population figures for the calendar year ending within the fiscal year obtained from U.S. Department of Commerce - Bureau of Economic Analysis for the City of Charlottesville and County of Albemarle.

RIVANNA SOLID WASTE AUTHORITY

Table 8

Demographic Data for the Service Area
City of Charlottesville & Albemarle County, Virginia
Last Ten Calendar Years

Calendar Year	Population (2)	Personal Income (thousands of \$) (2)	Per Capita Personal Income (\$) (2)	Unemployment Rate (1)
2007	136,547	6,944,900	50,861	2.5%
2008	139,211	7,235,166	51,973	3.4%
2009	141,125	6,869,941	48,680	5.8%
2010	142,751	7,172,019	50,241	6.5%
2011	144,364	7,549,474	52,295	5.9%
2012	146,445	8,301,835	56,689	5.5%
2013	147,878	8,124,880	54,943	5.0%
2014	149,973	8,681,505	57,887	4.5%
2015	152,300	9,182,721	60,294	3.6%
2016	not available	not available	not available	3.5%

(1) Virginia Employment Commission - Virginia Workforce Connection - for Charlottesville Metropolitan Service Area

(2) U.S. Department of Commerce - Bureau of Economic Analysis - for City of Charlottesville and Albemarle County

RIVANNA SOLID WASTE AUTHORITY

Table 9

Principal Employers in the Charlottesville Area
Current Year and Nine Years Ago

Employer	Fourth Quarter of 2016		Fourth Quarter of 2007	
	Number of Employees	Rank	Number of Employees	Rank
University of Virginia/ Blue Ridge Hospital	1,000 & over	1	1,000 & over	1
University of Virginia Medical Center	1,000 & over	2	1,000 & over	2
County of Albemarle	1,000 & over	3	1,000 & over	3
Sentara Health Care	1,000 & over	4		
Martha Jefferson Hospital			1,000 & over	4
UVA Health Services Foundation	1,000 & over	5	1,000 & over	7
City of Charlottesville	1,000 & over	6	1,000 & over	5
State Farm Mutual Automobile Insurance	1,000 & over	7	1,000 & over	6
Charlottesville City School Board	500-999	8	500-999	8
U.S. Department of Defense	500-999	9		
Fluvanna County Public School Board	500-999	10		
Northrop Grumman Corporation			500-999	9
Aramark Campus LLC			500-999	10

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages
- for Charlottesville Metropolitan Service Area (MSA)

Each employer's percentage of total employment is not available.

RIVANNA SOLID WASTE AUTHORITY

Table 10

Number of Positions by Activity
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Number of budgeted full-time equivalent positions:										
Ivy Operations and Environmental	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
MSW Transfer Operations Allocated										
Between Transfer and Ivy Operations	3.2	3.2	3.2	3.2	7.5	7.5	6.0	9.5	9.5	9.5
CDL Drivers	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Recycling	-	-	-	-	-	-	2.1	3.1	4.6	4.6
Dedicated Administrative Position	-	-	-	-	-	-	-	-	1.0	1.0
Joint Administrative Staff	3.4	3.5	2.6	2.6	2.6	2.8	2.8	4.9	4.9	4.9
Total	12.6	12.7	11.8	11.8	16.1	16.3	15.9	22.5	25.0	25.0

Rivanna Water & Sewer Authority shares its administration staff with Rivanna Solid Waste Authority.
The number noted above is the number of full time employee equivalents allocated to Rivanna Solid Waste Authority.

RIVANNA SOLID WASTE AUTHORITY

Table 11

Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Waste facilities:										
Rivanna-owned MSW/CDD transfer stations:										
Number of owned MSW/CDD transfer stations	1	1	1	1	1	1	1	1	1	1
Ivy Material Utilization Center (IMUC)										
Total MSW/CDD tonnage received	8,341	7,761	7,097	6,864	18,124	21,448	26,735	30,311	34,134	39,817
Average daily tonnage received	33	31	28	27	59	69	87	98	110	129
Design capacity in tons per day	150	150	150	150	150	150	150	150	150	150
All other waste tonnage received (Ivy MUC)	9,499	7,780	8,117	11,340	14,491	10,094	15,670	10,723	13,260	17,951
Number of vehicles visiting IMUC	37,207	34,596	33,793	34,335	42,121	41,957	47,827	48,896	50,066	56,311
Number of transactions	71,827	67,258	64,818	65,944	80,037	78,531	92,399	50,887	52,134	58,700
Contracted MSW/CDD transfer stations:										
Number of contracted MSW/CDD transfer stations	0	0	0	0	0	0	0	1	1	1
Total MSW/CDD tonnage received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,852	22,402	29,436
Number of transactions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,220	5,880	8,946
Average daily tonnage received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38	72	95
Design capacity (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recycling facilities:										
Number of recycling centers	2	2	2	2	2	2	2	2	2	2
Number of newspaper-only drop off sites	2	3	3	3	3	3	2	2	2	2
Tons of recyclable materials received	1,878	1,615	1,483	1,729	2,060	2,048	2,323	3,073	4,547	4,953

Note 1:
Design capacity of the contracted MSW/CDD transfer station is not applicable, because it accepted waste from sources other than Rivanna.

RIVANNA SOLID WASTE AUTHORITY

Table 12

Schedule of Insurance in Force
June 30, 2017

<u>Type Of Coverage/Company Name</u>	<u>Coverage Limits</u>	<u>Annual Premium</u>
<u>Commercial Property</u> Virginia Association of Counties 07/01/16-07/01/17	\$ 5,325,574 Property Value and Business Income/ Extra Expense	\$ 5,808
<u>Worker's Compensation</u> Virginia Municipal Group Self Insurance Association 07/01/16-07/01/17	\$ 1,000,000 Each Occurrence	\$ 28,867
<u>Comprehensive Automobile</u> Virginia Association of Counties 07/01/16-07/01/17	\$ 10,000,000 Comprehensive & Collision	\$ 3,825
<u>Crime Policy</u> Virginia Association of Counties 07/01/16-07/01/17	\$ 500,000	\$ 950
<u>General Liability</u> Virginia Association of Counties 07/01/16-07/01/17	\$ 10,000,000	\$ 2,712
<u>Public Officials Liability</u> Virginia Association of Counties 07/01/16-07/01/17	\$ 10,000,000	\$ 1,064

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' 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*

**To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Rivanna Solid Waste Authority as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Rivanna Solid Waste Authority's basic financial statements and have issued our report thereon dated October 20, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rivanna Solid Waste Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rivanna Solid Waste Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Rivanna Solid Waste Authority'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rivanna Solid Waste Authority'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, & Associates
Charlottesville, Virginia
October 20, 2017



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: LONNIE WOOD, DIRECTOR OF FINANCE & ADMINISTRATION

Reviewed by: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: COMPENSATION SURVEY – PAY GRADE ADJUSTMENTS

DATE: FEBRUARY 27, 2018

Staff, with the assistance of Evergreen Solutions, LLC (Evergreen) of Tallahassee, FL, conducted a comprehensive review of both Authorities' compensation and classification system to determine if our compensation plans, pay scale and job titles continue to be competitive compared with market and internal expectations. The study, which is a key element identified in the recent strategic plan, concluded with several recommendations to increase our competitiveness in the market, to combat potential salary compression and to consistently evaluate new and updated position titles.

The external market compensation survey and analysis identified certain job classifications that are compensated below market average. The survey also found that the overall pay grade scale was below market conditions. However, the study did conclude that the actual salaries currently paid were within or above the market survey averages. The internal equity analysis identified classifications compensated disproportionately to other classifications based on complexity of the job performed. Several corrective options were presented within the consultant report which we will address administratively.

In summary, the study supports a 4% overall pay scale adjustment, which does not have a budget impact. All staff in their current positions would remain the same as no one would hit the minimum floor of the new adjusted pay scale range.

Board Action Requested

Staff recommends that the adoption of the attached Proposed Pay Grade Scale for FY 2018 – 2019 (Table 1). This table shows the current pay grade scale compared to the proposed scale (adopted in 2014) which represents a 4% increase in the over scale.

It is also recommended that the Board approve the proposed job title placements as shown with the attached (Table 2) as recommended by Evergreen Solutions, LLC. The placement of job classifications corrects those positions that were identified as significantly below market as mentioned above.

TABLE 1

Current Pay Grade Scale FY 2014-2015			
Grade	Min	Mid	Max
1	\$21,172	\$28,159	\$35,146
2	\$22,231	\$29,567	\$36,903
3	\$23,343	\$31,046	\$38,749
4	\$24,510	\$32,598	\$40,686
5	\$25,735	\$34,227	\$42,719
6	\$26,958	\$35,854	\$44,750
7	\$28,373	\$37,737	\$47,100
8	\$29,791	\$39,622	\$49,453
9	\$31,281	\$41,604	\$51,927
10	\$32,845	\$43,684	\$54,523
11	\$34,487	\$45,868	\$57,249
12	\$36,212	\$48,162	\$60,112
13	\$38,023	\$50,570	\$63,117
14	\$39,924	\$53,099	\$66,274
15	\$41,920	\$55,754	\$69,587
16	\$44,016	\$58,541	\$73,067
17	\$46,216	\$61,468	\$76,719
18	\$48,528	\$64,542	\$80,556
19	\$50,954	\$67,769	\$84,584
20	\$53,501	\$71,156	\$88,812
21	\$56,177	\$74,715	\$93,253
22	\$58,986	\$78,451	\$97,916
23	\$61,934	\$82,373	\$102,811
24	\$65,031	\$86,491	\$107,952
25	\$68,283	\$90,816	\$113,350
26	\$71,697	\$95,357	\$119,017
27	\$75,282	\$100,125	\$124,968
28	\$79,046	\$105,131	\$131,217

Proposed Pay Grade Scale FY 2018 - 2019			
Grade	Min	Mid	Max
10	\$25,490	\$33,902	\$42,314
20	\$26,765	\$35,597	\$44,429
30	\$28,103	\$37,377	\$46,651
40	\$29,508	\$39,246	\$48,983
50	\$30,983	\$41,208	\$51,433
60	\$32,533	\$43,268	\$54,004
70	\$34,159	\$45,432	\$56,704
80	\$35,867	\$47,703	\$59,540
90	\$37,661	\$50,089	\$62,517
100	\$39,544	\$52,593	\$65,642
110	\$41,521	\$55,223	\$68,925
120	\$43,597	\$57,984	\$72,371
130	\$45,777	\$60,883	\$75,989
140	\$48,066	\$63,927	\$79,789
150	\$50,469	\$67,123	\$83,778
160	\$52,992	\$70,480	\$87,967
170	\$55,642	\$74,004	\$92,365
180	\$58,424	\$77,704	\$96,984
190	\$61,345	\$81,589	\$101,833
200	\$64,412	\$85,668	\$106,925
210	\$67,633	\$89,952	\$112,271
220	\$71,015	\$94,449	\$117,884
230	\$74,565	\$99,172	\$123,779
240	\$78,294	\$104,131	\$129,967
250	\$82,208	\$109,337	\$136,466

TABLE 2

Current Grade	Current Min	Current Mid	Current Max	Current FLSA	Proposed Title	Proposed Grade	Proposed Min	Proposed Mid	Proposed Max	Proposed FLSA
4	\$24,510	\$32,598	\$40,686	Non Exempt	Maintenance Worker	10	\$25,490	\$33,902	\$42,314	Non Exempt
6	\$26,958	\$35,854	\$44,750	Non Exempt	Operator Attendant -Ivy / Recycling	20	\$26,765	\$35,597	\$44,429	Non Exempt
5	\$25,735	\$34,227	\$42,719	Non Exempt	Scale Clerk	30	\$28,103	\$37,377	\$46,651	Non Exempt
5	\$25,735	\$34,227	\$42,719	Non Exempt	Administrative Assistant	30	\$28,103	\$37,377	\$46,651	Non Exempt
6	\$26,958	\$35,854	\$44,750	Non Exempt	Mechanic Helper	40	\$29,508	\$39,246	\$48,983	Non Exempt
7	\$28,373	\$37,737	\$47,100	Non Exempt	Plant Operator 4	50	\$30,983	\$41,208	\$51,433	Non Exempt
7	\$28,373	\$37,737	\$47,100	Non Exempt	Plant Operator Trainee	50	\$30,983	\$41,208	\$51,433	Non Exempt
8	\$29,791	\$39,622	\$49,453	Non Exempt	Mechanic 4	60	\$32,533	\$43,268	\$54,004	Non Exempt
9	\$31,281	\$41,604	\$51,927	Non Exempt	Mechanic 3	70	\$34,159	\$45,432	\$56,704	Non Exempt
9	\$31,281	\$41,604	\$51,927	Non Exempt	Plant Operator 3	70	\$34,159	\$45,432	\$56,704	Non Exempt
9	\$31,381	\$41,604	\$51,927	Non Exempt	Heavy Equipment Operator/Attendant	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Acct Tech / AP	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Acct Tech / AR	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Administrative Office Technician	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Payroll & Benefits Coordinator	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Vehicle Equipment Mechanic	80	\$35,867	\$47,703	\$59,540	Non Exempt
11	\$34,487	\$45,868	\$57,249	Non Exempt	Driver/Equipment Operator	80	\$35,867	\$47,703	\$59,540	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Lab Tech	90	\$37,661	\$50,089	\$62,517	Non Exempt
10	\$32,845	\$43,684	\$54,523	Non Exempt	Water Quality Specialist	90	\$37,661	\$50,089	\$62,517	Non Exempt
11	\$34,487	\$45,868	\$57,249	Non Exempt	Mechanic 2	90	\$37,661	\$50,089	\$62,517	Non Exempt
11	\$34,487	\$45,868	\$57,249	Non Exempt	Plant Operator 2	90	\$37,661	\$50,089	\$62,517	Non Exempt
12	\$36,212	\$48,162	\$60,112	Non-Exempt	Executive Assistant	100	\$39,544	\$52,593	\$65,642	Non Exempt
13	\$38,023	\$50,570	\$63,117	Non Exempt	Plant Operator 1	110	\$41,521	\$55,223	\$68,925	Non Exempt
14	\$39,924	\$53,099	\$66,274	Exempt	Communication Manager/Executive Coord.	110	\$41,521	\$55,223	\$68,925	Exempt
14	\$39,924	\$53,099	\$66,274	Non Exempt	SCADA Technician	110	\$41,521	\$55,223	\$68,925	Non Exempt
14	\$39,924	\$53,099	\$66,274	Non Exempt	Engineering Technician/Inspector	120	\$43,597	\$57,984	\$72,371	Non Exempt
14	\$39,924	\$53,099	\$66,274	Non Exempt	Mechanic 1	120	\$43,597	\$57,984	\$72,371	Non Exempt
15	\$41,920	\$55,754	\$69,587	Non Exempt	Chemist	120	\$43,597	\$57,984	\$72,371	Non Exempt
16	\$44,016	\$58,541	\$73,067	Non Exempt	Wastewater Treatment Plant Supervisor	130	\$45,777	\$60,883	\$75,989	Non Exempt
16	\$44,016	\$58,541	\$73,067	Non Exempt	Water Treatment Plant Supervisor	130	\$45,777	\$60,883	\$75,989	Non Exempt
16	\$44,016	\$58,541	\$73,067	Exempt	Information Systems Assistant Administrator	140	\$48,066	\$63,927	\$79,789	Exempt
16	\$44,016	\$58,541	\$73,067	Non Exempt	GIS Coordinator	140	\$48,066	\$63,927	\$79,789	Non Exempt
16	\$44,016	\$58,541	\$73,067	Exempt	SCADA Systems Administrator	140	\$48,066	\$63,927	\$79,789	Exempt
17	\$46,216	\$61,468	\$76,719	Exempt	Senior Accountant	150	\$50,469	\$67,123	\$83,778	Exempt
16	\$44,016	\$58,541	\$73,067	Non Exempt	Maintenance Assistant Manager	160	\$52,992	\$70,480	\$87,967	Exempt
17	\$46,216	\$61,468	\$76,719	Non Exempt	Ivy MUC Assistant Manager	160	\$52,992	\$70,480	\$87,967	Exempt
18	\$48,528	\$64,542	\$80,556	Exempt	Wastewater Department Assistant Manager	160	\$52,992	\$70,480	\$87,967	Exempt
18	\$48,528	\$64,542	\$80,556	Exempt	Water Department Assistant Manager	160	\$52,992	\$70,480	\$87,967	Exempt
20	\$53,501	\$71,156	\$88,812	Exempt	Civil Engineer	170	\$55,642	\$74,004	\$92,365	Exempt
20	\$53,501	\$71,156	\$88,812	Exempt	Lab Manager	170	\$55,642	\$74,004	\$92,365	Exempt
20	\$53,501	\$71,156	\$88,812	Exempt	Water Resources Manager	170	\$55,642	\$74,004	\$92,365	Exempt
21	\$56,177	\$74,715	\$93,253	Exempt	Environment & Safety Manager	180	\$58,424	\$77,704	\$96,984	Exempt
21	\$56,177	\$74,715	\$93,253	Exempt	Human Resources Manager	180	\$58,424	\$77,704	\$96,984	Exempt
21	\$56,177	\$74,715	\$93,253	Exempt	Ivy MUC Manager	190	\$61,345	\$81,589	\$101,833	Exempt
22	\$58,986	\$78,451	\$97,916	Exempt	Information Systems Administrator	190	\$61,345	\$81,589	\$101,833	Exempt
22	\$58,986	\$78,451	\$97,916	Exempt	Maintenance Manager	190	\$61,345	\$81,589	\$101,833	Exempt
22	\$58,986	\$78,451	\$97,916	Exempt	Senior Civil Engineer	190	\$61,345	\$81,589	\$101,833	Exempt
22	\$58,986	\$78,451	\$97,916	Exempt	Wastewater Department Manager	190	\$61,345	\$81,589	\$101,833	Exempt
22	\$58,986	\$78,451	\$97,916	Exempt	Water Department Manager	190	\$61,345	\$81,589	\$101,833	Exempt
26	\$71,697	\$95,357	\$119,017	Exempt	Engineering Manager	210	\$67,633	\$89,952	\$112,271	Exempt
28	\$79,046	\$105,131	\$131,217	Exempt	Director of Engineering & Maintenance	250	\$82,208	\$109,337	\$136,466	Exempt
28	\$79,046	\$105,131	\$131,217	Exempt	Director of Finance & Administration	250	\$82,208	\$109,337	\$136,466	Exempt
28	\$79,046	\$105,131	\$131,217	Exempt	Director of Operations	250	\$82,208	\$109,337	\$136,466	Exempt

Classification and Compensation Study for the Rivanna Authorities



Submitted by:



Evergreen Solutions, LLC

FEBRUARY 27, 2018

Study Process

- Study Goals
- Study Initiation and Data Collection
- Outreach and Orientation Sessions
- Analysis of Current Conditions
- Market Salary Survey
- Recommendations



Study Goals

- Review current classification and compensation system to ensure internal equity
- Survey peer organizations to ensure external equity
- Produce recommendations to provide the organization with a classification and compensation system that is equitable both—internally and externally



Study Initiation and Outreach

- Study Initiation – June 2017
- Orientation Sessions and Focus Groups – July 2017
- 11 Focus Groups conducted with 55 Employees
- Job Assessment Tool (JAT) – July 21 to August 15
- JAT Participation Rate – 83.5 percent



Outreach Summary

- Many employees appreciated the job stability that was afforded to them by the Authorities. Also, Employees praised the caring atmosphere in the agency and comradery with fellow employees.
- Compression is a real issue for operators, directors, managers and senior engineers, among others. This is especially true at the senior management level. Also, there is not much difference in pay between a one-year and 20-year employee in the same position.
- Employees said the current job descriptions do not, in many cases, reflect what the employees actually do. In many instances, the "Other Duties as Assigned," have grown due to turnover, program changes at the state and federal levels, changes in technology, and the like.



Assessment of Conditions

- Overall, the Authorities share a Single Salary Schedule with 56 Unique Classifications and 99 budgeted positions across the two organizations.
- Range spread - generally set between 50.0 to 70.0 percent for best practice - is consistent across the salary schedule with a range of 66.0 percent.
- The Authorities generally maintain a healthy positive linear relationship between experience and grade penetration throughout each pay grade.



Market Survey

- 63 Benchmark Classifications
- 26 Market Peers (including counties, cities, school systems, and other Utility Authorities.)
- 607 Market Matches Made - adjusted for the cost of living
- Evergreen found that overall salary ranges are:
 - 5.0 percent below the market average minimum across all surveyed job titles;
 - 6.3 percent below the market midpoint average; and
 - 7.4 percent below market average at maximum of the range.



Market Survey Peers and COLA

Market Peers	Cost of Living Index	Market Peers	Cost of Living Index
Rivanna, VA	106.4	Appomattox County Water*	97.9
Albemarle County	106.4	Augusta County Service Authority	99.9
Albemarle County Schools	106.4	Bedford County Public Service Authority	101.3
Chesterfield County	104.7	Fauquier County Water & Sanitation Authority	106.5
Fluvanna County	100.6	Harrisonburg-Rockingham Regional Sewer Authority	97.9
Hanover County	104.8	Hopewell Water Renewal	100.3
Henrico County	107.3	James City Service Authority	107.2
Spotsylvania County	103.1	Loudoun Water	109.5
City of Charlottesville	106.4	Roanoke Valley Resource Authority	107.0
City of Lynchburg	99.0	South Central Wastewater Authority*	104.7
City of Richmond	111.2	Upper Occoquan Service Authority	120.7
City of Staunton	99.9	Western Virginia Water Authority	107.0
City of Williamsburg	107.2	University of Virginia	106.4
Albemarle County Service Authority	106.4		



Recommendations

RECOMMENDATION 1: Adopt the revised unified grade structure and class list for both Authorities employees.



Recommendations

Grade	Min	Mid	Max	RS	MP
10	\$25,490	\$33,902	\$42,314	66%	-
20	\$26,765	\$35,597	\$44,429	66%	5%
30	\$28,103	\$37,377	\$46,651	66%	5%
40	\$29,508	\$39,246	\$48,983	66%	5%
50	\$30,983	\$41,208	\$51,433	66%	5%
60	\$32,533	\$43,268	\$54,004	66%	5%
70	\$34,159	\$45,432	\$56,704	66%	5%
80	\$35,867	\$47,703	\$59,540	66%	5%
90	\$37,661	\$50,089	\$62,517	66%	5%
100	\$39,544	\$52,593	\$65,642	66%	5%
110	\$41,521	\$55,223	\$68,925	66%	5%
120	\$43,597	\$57,984	\$72,371	66%	5%
130	\$45,777	\$60,883	\$75,989	66%	5%
140	\$48,066	\$63,927	\$79,789	66%	5%
150	\$50,469	\$67,123	\$83,778	66%	5%
160	\$52,992	\$70,480	\$87,967	66%	5%
170	\$55,642	\$74,004	\$92,365	66%	5%
180	\$58,424	\$77,704	\$96,984	66%	5%
190	\$61,345	\$81,589	\$101,833	66%	5%
200	\$64,412	\$85,668	\$106,925	66%	5%
210	\$67,633	\$89,952	\$112,271	66%	5%
220	\$71,015	\$94,449	\$117,884	66%	5%
230	\$74,565	\$99,172	\$123,779	66%	5%
240	\$78,294	\$104,131	\$129,967	66%	5%
250	\$82,208	\$109,337	\$136,466	66%	5%



Recommendations

RECOMMENDATION 2: Utilize Evergreen's JAT tool and Point-factor system to revise and establish paygrades.



Recommendations

RECOMMENDATION 3: Conduct a compensation study every 3 – 5 years to ensure and further improve on the Authorities market position.



Thank you!

David Bollenback, Consultant
Evergreen Solutions, LLC

2878 Remington Green Circle

Tallahassee, Florida 32308

850.383.0111 phone

850.383.1511 fax

www.ConsultEvergreen.com



Evergreen Solutions, LLC