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RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
September 25, 2018

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, September 25, 2018 at 2:00 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.


Board Members Absent: Trevor Henry, Mike Murphy, and Jeff Richardson.

Staff Present: Bill Mawyer, Katie McIlwee, Mark Brownlee, David Rhoades, Phil McKalips, Lonnie Wood, Andrea Terry, Scott Schiller, Tim Castillo, Bill Morris, and Michelle Simpson.

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

1. CALL TO ORDER

Mr. Gaffney called the meeting to order at 2:04 p.m.

2. MINUTES OF PREVIOUS BOARD MEETING

a. Minutes of the Regular Meeting of the Board of August 28, 2018

There were no changes to the minutes.

Dr. Palmer moved to approve the minutes of the RSWA September 28, 2018 meeting as presented. Mr. Henry seconded the motion, which passed 4-0-3. Mr. Henry, Mr. Murphy, and Mr. Richardson were absent from the meeting and the vote.

3. RECOGNITION

There were no recognitions presented.
4. EXECUTIVE DIRECTOR’S REPORT

Mr. Mawyer reported that this was Mark Brownlee’s last week at Rivanna, and the Board had celebrated his retirement the previous month.

Mr. Mawyer stated that Rivanna had recently started its information technology master plan, which is a spinoff from their strategic planning efforts. He stated they had hired a consultant to help provide a vision for technology and how various systems would be integrated, in an effort to leverage technology as much as possible.

He reported that the Household Hazardous Waste and Bulky Waste Amnesty Days would commence on September 27.

Mr. Mawyer stated that Rivanna had begun receiving refuse at the new Ivy Transfer Station earlier that day, and he presented several photos of the operation.

Dr. Palmer stated that she noticed a lot of water on the floor and realized it had been wet, but she wondered about the drainage situation.

Mr. McKalips responded that they found there was one roof drain that needed to be turned 90 degrees, as it currently spilled out onto concrete and redirected back into the building.

Mr. Mawyer noted that they have internal drains that collect any water on the floor.

Mr. McKalips pointed out that the water inside the building was properly managed.

Dr. Palmer stated that she understood that but was looking at the floor and the wet trash.

Mr. McKalips stated that the necessary repairs would only cost about $10.

5. ITEMS FROM THE PUBLIC

Mr. Gaffney invited items from the public.

There being none offered, the agenda item was closed.

6. RESPONSES TO PUBLIC COMMENTS

There were no responses to public comments for this month.

7. CONSENT AGENDA
   a. Staff Report on Finance
   b. Staff Report on Ivy Material Utilization
   c. Staff Report on Ivy Landfill Environmental
d. Staff Report on Ongoing Projects

Dr. Palmer moved to adopt the Consent Agenda as presented. Mr. Oberdorfer seconded the motion, which passed 4-0-3. Mr. Henry, Mr. Murphy, and Mr. Richardson were absent from the meeting and the vote.

8. OTHER BUSINESS

a. Solid Waste Fees Alternatives Presentation

Mr. McKalips reported that staff had undertaken an analysis of the current fee structure and rates charged at the Ivy MUC, with the opening of the new transfer station being the catalyst for the process. He added that one of the strategic plan goals was to improve solid waste services, which was planned to be achieved through increased participation, tonnages, and customer satisfaction.

Mr. McKalips stated that opening the station may in itself cause positive changes, and the facility would allow large commercial haulers, which could dump right on the tipping floor — allowing Rivanna to process that waste more conveniently. He noted that hopefully that would increase tonnage. He noted that because of the layout of the building, the side entrance, and the way it was set up for traffic to flow, it was hoped that it would ultimately decrease wait times.

Mr. McKalips stated that they would also consider simplifying the fee schedule, and currently at Ivy they charged a tipping fee based on weights. He stated that mostly through this discussion, they would be talking about the municipal solid waste rates because they address the largest amount of material hauled and had the greatest impact on finances, amount of tonnages, and the overall operations.

Mr. McKalips reported that Rivanna had a service fee charged for inbound customers, so every county resident paid a $1 transaction fee when coming onto the site. He stated that non-county residents, which were mostly city residents, paid a $10 service fee — generating approximately $82,000 per year — this difference created some negative impressions among the public. Mr. McKalips explained that customers questioned why it was different depending on where they were from, and even led people to try to get around paying different fees by misrepresenting the wastes' origin.

Ms. Galvin asked what the competitive rates were.

Mr. McKalips responded that there really was not a competitive rate for service fees, adding that they were started in 2011.

Dr. Palmer pointed out that Van der Linde charged $8 if a customer went in and did just a minimum amount.

Mr. McKalips explained that county residents were charged $1 for all transactions, with $10 charged for all non-county inbound transactions. He stated that this caused consternation among
customers because Ivy dealt with a lot of very small loads – people with a few hundred pounds of trash or vegetative waste in the back of their pickup truck. He noted that the minimum charge was $6, so anything 200 pounds or less received a $6 weight ticket; when adding the service fee, that amount was $7 for county residents. Mr. McKalips stated that city residents paid an addition $10, which showed up on their ticket, and this caused some conflict with those paying more.

Mr. Gaffney asked if there was an explanation given as to why that fee was different.

Mr. McKalips responded that it mostly consisted of a statement as to the fact the RSWA Board had established the structure in 2011, but staff did not really go into that explanation. He emphasized that the differential was largely to the city pulling out of the transfer station activity.

Mr. Gaffney noted that this was because the county accepted all the additional expenses and the city did not pay any, and he felt that $9 was pretty reasonable in light of that.

Mr. McKalips stated that the other aspect staff wanted to consider was the municipal solid waste tipping fees, with an evaluation of what a change to market-based fees would cause. He explained that Rivanna was currently charging $66 a ton, and the average for surrounding counties was $55 a ton. Mr. McKalips stated that in inquiring among some private transfer stations, they were in the low $50 range but they made deals with different haulers, so that number was harder to establish.

Dr. Palmer stated she called Greene County to find out the smaller haulers that drove there to unload, and their cost was $50.

Mr. McKalips reported that Rivanna received 8,200 tons of MSW the previous year, and decreasing from $66 to $55 would result in a $90K decrease in revenue – so he evaluated how much tonnage they would have to stimulate to offset that deficit.

Ms. Galvin asked if there were bonds floated to build this facility and if the budget was illustrating there was no profit – so the $90K was cutting into the ability to pay the operations.

Dr. Palmer responded that the county was subsidizing the operation and never expected it to pay for itself, adding that this was for the community and was an expense.

Mr. McKalips stated that they were trying to be conscious of not increasing the deficit. He stated that the question was whether decreasing to a market-based rate would stimulate enough additional tonnage to offset the deficit. He stated they reached out to some of the large haulers in the area, who had originally shown interest in April but were reluctant in their responses when he contacted them again in August. Mr. McKalips stated that they would not commit to bring in significant additional tonnage.

Mr. Gaffney asked if Rivanna was aware whether their contracts called for them to haul all of their waste to the facility they were contracting with.
Mr. McKalips replied that most of them do not have contracts, just agreements on a specific rate. He stated the only one he knew of that had a contract was Waste Management, which was hauling its material to Republic in Zions Crossroads in a unique deal wherein they brought it to Republic, which loaded it into Waste Management trucks and those drivers taking it to a Waste Management landfill. He presented a table with average area costs, stating that $66 was the current tipping fee and he provided some other potential tipping fees and what it would take in tonnage to offset that. Mr. McKalips stated that the threshold was 5,500 tons and stated that four tons a day was about 1,000 tons per year. He stated that 2,100 tons would be another eight tons a day, which would be about one reasonably large commercial hauler – with the current average being about 40 tons per day.

Mr. Gaffney noted that this would require about a 20% increase.

Mr. McKalips responded that this was why they were targeting large haulers, and a few commercial haulers would drive those numbers up.

Ms. Galvin commented that the commercial haulers were the ones drawn to the municipalities with the lower tipping fees.

Mr. McKalips stated they were largely going to the larger ones at Zions Crossroads.

Ms. Palmer explained that they could have a special deal and a lot of the smaller and mid-sized haulers had been put out of business due to competition from the big ones.

Mr. McKalips added that because they were hauling bigger trucks, the distance from here to Zions was not as big a penalty.

Ms. Galvin mentioned that gasoline had not gone up yet.

Dr. Palmer stated that labor costs were also a factor, adding that Rivanna did not necessarily have to match the lowest tipping fees, as some of the smaller haulers would stimulate some people to go into the business. She stated they would just need to find that reasonable nexus of where they were saving more on labor, time, gas, and wear and tear on their trucks. Dr. Palmer added that she had spoken to a hauler in Greene County that did everything north of I-64 and west of Route 29, and he told her the main reason he did not go to Ivy was the fact it took too long – and the tipping fee was a secondary factor.

Ms. Galvin asked who would be in a city business or organization that would be the equivalent to a commercial hauler that could use Ivy and was currently using another vendor.

Mr. McKalips stated that he had spoken with Boyd McCauley at Time Disposal, and his complexity was how to get single-stream recycling done, which was currently not offered through the transfer station – but could be if they could find someplace to take it. He stated that Rivanna’s hauler was having difficulty finding anyone to take that recycling at a reasonable price, which was related to the recycling market.
Ms. Palmer asked if they were checking to see if there were places that would take it without the glass, if they took some of the things that normally got crushed.

Mr. McKalips responded that they had not gotten down to that level of discussion, but he felt it was something they could consider doing as it would add value to the stream so they would not have as much to sort through.

Ms. Galvin asked about facilities like Habitat for Humanity and where they went.

Mr. Oberdorfer responded that it was typically Van der Linde.

Dr. Palmer stated that her understanding was that the housing authority went to Ivy after they cleaned up.

Mr. Oberdorfer replied that he did not know.

Mr. Gaffney stated that if they were looking at lowering fees and taking risks, whether they would get enough trash to at least break even on those, who would be at risk.

Dr. Palmer explained that it was the county because it was their money, and the question for her was the service fee and the tipping fee – the latter of which was just a county issue. She stated that if in the future they got the city to direct its trash to Ivy, the tipping fee became important to them also. Dr. Palmer stated that her concern was also what length of time it would take if they were going to do a trial in which they lowered the tipping fee down to $55.

Mr. McKalips responded that it would require at least a few years, as it would require people to buy a truck and go into the trash business.

Mr. Oberdorfer explained that the city had advertised an RFP for transfer station services because of the issue with Van der Linde, and that RFP was open until October 11 – with five years and an additional 15 one-year term extensions. He stated they have a hauling contract and transfer station contract, with Van der Linde covering the latter and defaulting on that because of the change of ownership. He noted that County Waste picked up the hauling.

Dr. Palmer stated that County Waste and Waste Management were about the only two industries, adding that they also had recycling at the same time – and there were only so many who could compete.

Mr. Oberdorfer pointed out that typically they strike agreements behind closed doors with transfer station owners to get the rate where they needed to be for their cashflow model.

Dr. Palmer stated that there were likely only two haulers bidding on these contracts.

Mr. Oberdorfer clarified that County Waste would still be the hauler for the next year until they had a new hauling contract, but the transfer station services were out to bid.
Ms. Galvin asked why the RSWA with the Ivy MUC couldn’t just go into bid.

Mr. Gaffney responded that they would have to find out how much waste it was, because they had a limit as to how much they could take at Ivy.

Mr. McKalips stated that it was within their limits at 6,500.

Mr. Gaffney asked if the old rate could be shared.

Mr. Oberdorfer responded that they were paying $39 at Van der Linde with the recycling, and once that was taken off the table, the rate went to $49.

Mr. Krueger asked if that was just for transfer station services and not disposal, as their rate reflected both.

Mr. Oberdorfer stated that he would have to go back and see exactly what the parameters were, stating that they did not own the transfer station at the time the contract with Van der Linde was executed.

Dr. Palmer stated that they could underbid it at $49, but they would have to publicly come out with a tipping and rate schedule – and they would just have to go $1 below. She emphasized that this was problematic, although she liked the idea.

Ms. Galvin stated that local government received competitive bids on that.

Dr. Palmer clarified that they could also stipulate in their contract that the trash had to go somewhere.

Mr. Oberdorfer stated that was the case if it was both hauling and transfer services, and they were looking at that as a feature of a new hauling contract. He stated that he would prefer to not to manage two contracts, adding that the process would entail public input and a consultant to engage with residents as to what they wanted to see – calling it a “waste diversion contract” instead of a “refuse contract.” Mr. Oberdorfer stated the RFP would be out for transfer for five years, with a year or two into the hauling portion.

Dr. Palmer stated that if the city decided they wanted to participate in a community transfer station, they could put out another RFP in a year, combining the two and specifying a location.

Mr. Oberdorfer stated he was not completely clear on the procurement side of it, but he felt it could be navigated.

Ms. Galvin suggested that they could talk about it with Mike Murphy, and she wasn’t sure what City Council action would be required, if any.

Mr. Oberdorfer responded that if they could get a single hauling/transfer program for the County, City, and UVA, it would provide a strong public benefit.
Dr. Palmer stated that it was very helpful to get everyone on board for the public education aspects.

Ms. Galvin stated that she would like to reduce the service charge for city residents but wasn’t sure if that was premature in light of the contract issues.

Mr. Oberdorfer responded that he thought it was independent and they would need to specify logistics.

Mr. McKalips stated that there was a “wait and see” option wherein they could evaluate how the new transfer station facility did and where contracting went in the next year, as well as the public sense of how it was going.

Mr. Gaffney stated that if the City were to approve $48K per year and everyone paid $1, it would break even.

Ms. Galvin stated that instead of the user bearing the brunt of that fee, the City would absorb the cost and essentially subsidize the use. She stated it was appealing to her but she would need to have that discussion with the City Manager and City Council, noting the favorable outcome of reducing dumping.

Dr. Palmer stated that she was in favor of getting rid of the service fee, but she also had to get it through the Board of Supervisors. She added that she did not like the fact that it put them in the situation of doing surveys every year to see who was doing what and the level of use, and it would be nice to find some other way to contribute that did not lock them into that argument.

Ms. Galvin noted that this was the advantage of having all three entities working together in one system of solid waste management.

Mr. Oberdorfer asked when they were meeting on that.

Ms. Galvin confirmed that it was in early October, adding that it could be raised then.

Dr. Palmer stated that the agenda may be too full to add anything else, but they could certainly bring it up as a quick discussion.

Mr. McKalips stated that the program agreement stated that a rate change would have to come at the request of the Board of Supervisors, so the RSWA could ask for that.

Dr. Palmer stated that for the present time, she would ask the Board if they would consider a tipping fee reduction if Rivanna could figure out some short-term plan as they were working to get everyone together – and it was hard to bring that forward without some kind of contribution from the City.

Ms. Galvin noted that this would be a budget transfer to go directly to the RSWA.
Mr. Mawyer stated that was the same process for the County.

Ms. Galvin emphasized that she would prefer to talk about it in the context of a larger strategic discussion regarding how they manage solid waste.

Mr. Oberdorfer stated it may be possible to cover it in the short term.

Dr. Palmer stated that they may end up having less waste like mattresses.

Ms. Galvin stated it may shift the cost burden away from City Public Works.

Mr. Oberdorfer added that they could look at their bulk item pickup program for fees, to move some of the business over and create a better partnership, even though the numbers were small.

Dr. Palmer stated that there was information about things needing to be corrected with the new transfer station – one being the drain – and she wasn’t sure about other issues.

Mr. McKalips responding that the water collection system was leaching from inside the building, the plumbing needed to get rerouted, and they were working on getting that done. He stated that the original alignment for routing it turned out to not be working the way they wanted, so they were rerouting it along a different alignment.

Mr. Mawyer clarified that it was the pipe going from the building to the leachate pond that needed to be replaced. He also mentioned that DEQ had noted some cracks but Rivanna had sealed them.

Dr. Palmer commented that she would like to do the contest she had mentioned about naming the transfer station. She also stated they had discussed at the county’s Solid Waste Alternatives Advisory Committee what the cost would be to do the composting and Ivy, and she would like to get a price on that so they could get it into the budget.

Mr. McKalips responded that the master plan consultant, Arcadis, had to have all the design and cost to Rivanna by the next meeting.

Mr. Galvin asked if UVA was involved.

Dr. Palmer responded that UVA Sustainability Director Jesse Warren was active in SWAAC and was involved in all these conversations.

Mr. Mawyer noted that the compostable food waste program started with UVA, and it was taken in at Ivy currently – then went to Black Bear’s composting facility.

Dr. Palmer stated that from 2014 on, UVA had been present at all SWAAC discussions.
Mr. Mawyer stated that if they can get it done through the master plan, the consultant could estimate the compost cost.

Dr. Palmer stated she would also like to see a cost comparison between hiring Rivanna employees and contracting it out.

Mr. McKalips stated that they would just have to see what the need was.

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

There were none presented.

10. CLOSED MEETING

There was no closed meeting held.

11. ADJOURNMENT

At 2:45 p.m., Ms. Palmer moved to adjourn the RSWA Board meeting. Mr. Oberdorfer seconded the motion, which passed 4-0-3. Mr. Henry, Mr. Murphy, and Mr. Richardson were absent from the meeting and the vote.

The RSWA Board adjourned its meeting at 2:45 p.m.

Respectfully submitted,

[Signature]

Mr. Mike Murphy
Secretary - Treasurer