Rivanna Solid Waste Authority

Board of Directors Special Meeting

December 11, 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: **December 11, 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 13, 2018*

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*

8. ***OTHER BUSINESS***

   a. *Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2018; Mr. Robert Huff, Robinson, Farmer, Cox Associates*

   b. *Presentation and Public Hearing: Reduction in Solid Waste Fees; Director of Solid Waste, Phil McKalips*

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)

Rev. September 22, 2009

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

RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
November 13, 2018

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, November 13, 2018 at 2:00 p.m. in the 2nd floor conference room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mike Gaffney, Trevor Henry, Jeff Richardson, Liz Palmer, Kathy Galvin and Mike Murphy.

Board Members Absent: Paul Oberdorfer.

Staff Present: Phil McKalips, David Rhoades, Bill Mawyer, Katie McIlwee, Liz Coleman, Tim Castillo, Lonnie Wood, Michelle Simpson, and Scott Schiller.

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

1. CALL TO ORDER

Mr. Gaffney called the meeting to order at 2:01 p.m.

2. MINUTES OF PREVIOUS BOARD MEETING

a. Minutes of the Regular Meeting of the Board of October 23, 2018

Dr. Palmer moved to approve the special minutes of the RSWA October 23, 2018 meeting as presented. Ms. Galvin seconded the motion, which passed 6-0. Mr. Oberdorfer was absent from the meeting and the vote.

3. RECOGNITION

There were no recognitions presented.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Mawyer reported that November 15 is National Recycling Day, and the RSWA would celebrate by handing out apples from Carter's Mountain Orchard to customers at the McIntire Recycling Center. He stated that for the past three days, they have sponsored a Pumpkin Recycling event at the facility, and he presented an NBC news clip of the event.

Dr. Palmer asked if a lot of pumpkins had been recycled.

Mr. McKalips responded that the bottom of the roll-off was covered.

Mr. Mawyer estimated 50-100 pumpkins were recycled.

Mr. McKalips stated that there were approximately 60+ customers, and people actually returned to their homes and brought pumpkins back.

Dr. Palmer commented that it was very good advertisement.

Mr. Gaffney suggested that they use the clip for future advertisements for recycling.

Mr. Mawyer agreed, stating that Rivanna planned to sponsor the event next year and make it a continuing feature. He also mentioned that the pumpkins were taken to Crimora for composting.

Mr. Mawyer reported that the UVA Theta Chapter of the Alpha Phi Omega service fraternity had assisted at McIntire, and he expressed his appreciation for having them come and pick up trash at Shenk's Branch Creek behind the facility.

Dr. Palmer asked how many times they had come to assist.

Mr. McKalips responded that it had been six or seven.

Dr. Palmer noted that they had been coming every few months.

Mr. Mawyer stated that Rivanna had written them a thank-you note in appreciation for their efforts.

5. ITEMS FROM THE PUBLIC

Mr. Gaffney invited items from the public.

There were no items presented.

6. RESPONSES TO PUBLIC COMMENTS

There were no responses to public comments.

7. CONSENT AGENDA

a. Staff Report on Ivy Material Utilization Center/Recycling Operations Update *b. Staff Report on Ivy Landfill Environmental Status*

c. Staff Report on Ongoing Projects

d. Approval of Additional Employee Holidays

e. Approval of Board Meeting Schedule for Calendar 2019

Dr. Palmer moved to adopt the Consent Agenda as presented. Mr. Richardson seconded the motion, which passed 6-0. Mr. Oberdorfer was absent from the meeting and the vote.

8. OTHER BUSINESS

a. Presentation: Reduction in Solid Waste Fees; Director of Solid Waste, Phil McKalips

Mr. McKalips reported that in September he had presented a proposal about reducing service fees and tipping fees now that RSWA had moved to the new transfer station. He stated that at the November 7 Board of Supervisors meeting, staff presented a proposal to take those fees from $66 per ton – which is the current fee – to $55 per ton. He stated that following some internal discussion, a recommendation was ultimately made and approved to lower the rate to $52 per ton in an effort to move the tipping fee to a market-based fee.

Mr. McKalips presented a chart showing tipping fees in some of the adjacent counties – with an average of $52 per ton for those other localities. Mr. McKalips stated that the idea is to stimulate traffic to the new transfer station and hopefully stimulate the growth of haulers that can provide expanded or more innovative service to the types of service to the customers in Albemarle County.

Mr. McKalips stated that there would be some financial impacts from this, and without any increase in tonnage to the transfer station, it will increase costs by $116,000 – which is equivalent to about 8,800 tons of additional waste needed to offset that amount. He noted that it was about 35 tons or 3 extra commercial trucks per day.

Ms. Galvin asked what advertising they were doing to let everyone know about the fee reduction.

Mr. McKalips responded that he had been talking to some of the larger haulers, and he wanted to continue that and expand the list of haulers for discussion – but he didn't want to sell something he couldn't deliver, so he wanted to wait until the rate change was approved. He stated that once the Board approved the plan, he would start to reach out and inform them. Mr. McKalips added that they also have other ideas about how to get people to come to the site, including safety training events to get haulers to come in, noting that solid waste was one of the more dangerous businesses to get into.

Mr. Mawyer stated they would also advertise the reduced rate in the newspaper twice, and the RSWA Board would have a public hearing on it in December to approve the rates.

Dr. Palmer stated that they could put it on the County website and put it out on A-mail, and asked that the City do something similar.

Dr. Palmer asked how they deal with the service fee for haulers because they were picking up mostly in Albemarle County.

Mr. McKalips responded that if they were picking up in the County, they got charged the County fee – and they had not had any major big haulers coming out of the City in quite some time.

Mr. Rhoades stated that most of the haulers that came in actually lived in the County in which they were picking up the trash, so they had not reached a point where they needed to make a decision about which way to go – because they live in Albemarle and get charged the Albemarle fee. He stated that historically it would be based on where the business was registered, but if they started to see a trend of companies coming from different counties, it would be something they would need to address.

Mr. McKalips commented that Time Disposal was based in Greene County.

Dr. Palmer stated that it seemed to be reasonable to denote them as Albemarle since they were picking up waste here.

Mr. Mawyer emphasized that they could be picking up things from everywhere, but generally it is assumed they are coming from Albemarle County and thus pay the $1 service fee.

Mr. Henry asked what the timing was on the plan.

Mr. McKalips explained that if the Board had a meeting on December 18 and voted on the rate, Rivanna would move forward and advertise it twice before that meeting, then they could change the rates on January 1, 2019.

Mr. Krueger asked if the County was keeping the service fee for now.

Dr. Palmer responded that they were, adding that they were hoping that the reduction in tipping fees would be a catalyst for usage.

Mr. McKalips pointed out that the rates encompassed domestic waste, which was municipal solid waste, and construction/demolition debris listed as separate items – which dated back to when they had the landfills operating and one landfill cell remaining that managed construction debris. He stated that in the course of this conversation, they had been using the term “MSW” because they treated both as MSW, and the rates for both would change.

Dr. Palmer asked if there was a different rate for CDD in Fluvanna County because they had a different building.

Mr. McKalips responded that he would have to check as to how that worked, and the rates were all different in each county – which some being tax-based and thus free to residents.

Dr. Palmer moved to adopt the preliminary rate resolution, which authorizes the advertising of the proposed rates to the public and calls for a public hearing on the proposed rates during a special Board meeting to be scheduled for December 18, 2018. Ms. Galvin seconded the motion, which passed 6-0. Mr. Oberdorfer was absent from the meeting and the vote.

Mr. Gaffney asked Mr. Krueger if the RSWA Board had to call a special meeting for December 18, 2018.

Mr. Krueger responded that they would have to call the special meeting.

Mr. Gaffney called the special Board meeting for December 18, 2018 at 2:00 p.m.

Mr. Murphy noted that City Council had proposed a full-day retreat for December 18, which would present a quorum issue for the RSWA Board.

Mr. Mawyer stated that a quorum would be four.

Mr. Murphy stated that they would like to have a City representative present, but if Mr. Oberdorfer can attend, the date would work.

Mr. Mawyer asked for an alternative date.

Mr. Murphy responded that they could do it on December 11 if that worked.

Mr. Mawyer asked about the advertising requirement.

Mr. Krueger replied that they need to run the second advertisement at least 14 days prior to the meeting itself.

Mr. Mawyer read from the requirements that they needed to have two publications at least 6 days apart, with the second notice being published at least 14 days before the date fixed in such notice for the hearing.

Mr. Gaffney stated that December 11 would work, as it is 28 days away.

Mr. Murphy mentioned that December 18 would not have worked anyway because Mr. Oberdorfer was away.

The RSWA Board members indicated that December 11, 2018 at 2:00 p.m. was acceptable.

Mr. Gaffney called a meeting for December 11, 2018 at 2:00 p,m., and stated that the RWSA Board would also need to call a special meeting on that date.

Mr. Krueger suggested that Dr. Palmer amend her motion to reflect the new date.

Dr. Palmer amended her motion approving the preliminary rate resolution to have the public hearing at a special meeting on December 11, 2018 at 2:00 p.m. at the Moores Creek Administration Building. Ms. Galvin seconded the motion, which passed 6-0. Mr. Oberdorfer was absent from the meeting and the vote.

Joint Meeting with RWSA
At 2:21 p.m., the RWSA Board joined the RSWA Board meeting, with the RWSA calling its meeting to order.

b. Presentation: Quarterly Strategic Plan Update; Katie McIlwee, Executive Coordinator and Communications Manager

Ms. McIlwee reported that there were 6 goals, 12 strategies, and 78 tactics for the first year of the strategic plan. She stated that overall, they were where they were expected to be, with overall plan completion at 52%.Most of the groups were in the “green,” with one group in the “yellow” and two groups in the “red.”

She stated that the Workforce Development goal team was in the green and had completed 64% of their first-year tactics. The master staffing plan was presented to the Board in August and they have been working with PVCC to develop manager training. She stated that some of the next steps were to continue reviewing the staffing master plan and develop a budget for new positions in the plan, and to continue to conduct training needs assessments for the workforce and develop a Development Plan Program for the workforce – to include things such as employee training, operators licenses, and the needs of each individual employee.

Ms. McIlwee reported that the Operational Optimization goal team was tracking slightly behind where they should be – they are in the yellow, but they can catch up quickly. She stated that they were completing the sealing of digester three and the corrosion inhibitor study, which will then be reviewed and an implementation plan will be developed.

Mr. Mawyer stated that it was anticipated that the corrosion inhibitor study and recommendations would be presented to the Board within the next 4-6 months.

Ms. McIlwee stated that the next steps for the Communication and Collaboration goal team was to analyze the website statistics, using Google Analytics, to track hits on the website and see where pages needed to be streamlined, enhanced, and/or deleted. Analyzing the statistic will allow us to examine what information the public was seeking from the Rivanna website. She stated they needed to complete the internal employee portal to enhance internal communications with all employees. Ms. McIlwee noted that this goal team also collaborates with some of the other goal teams to help them achieve their objectives.

Dr. Palmer asked whether people frequently went through another point to get to the website, such as the City or County website.

Ms. McIlwee responded that typically it is a Google search for terms such as "Ivy MUC," allowing the user to bypass the main page and go straight to the page returned in their search. She stated that some of the highest-hit pages with information relating to are Ivy MUC, HHW, and McIntire Recycling Center. She stated that pages, such as the Community Projects page, see very little traffic because they are buried or are not of general interest, whereas transfer station hours were more public facing.

Dr. Palmer stated that people were not really using websites anymore – they just Googled and used a link to go directly to the information – and she wondered if this was sufficient to disseminate all the information needed.

Ms. McIlwee explained that Rivanna would try to make the information users were searching for the most easier to find, and while there was a lot of good information on the website, it might crowd the more important information – so they would try to bring forward the more important items. She clarified that there were approximately 100 pages on the website, and the goal was to avoid having people click multiple times just to find something simple, like a fee schedule or a facility phone number.

Mr. Mawyer added that they also wanted to make sure there were pages that didn't have to be updated frequently if people were not looking at it – versus other time-sensitive information.

Mr. Henry asked about the schedule for the employee portal.

Ms. McIlwee responded that it was hoped to be done by the end of the calendar year, as it was mostly complete, and she needed to coordinate with HR to make sure that frequently requested items and forms were on the site.

Ms. McIlwee reported that the Environmental Stewardship goal team was in the red – they had nine total tactics, with one being 100% complete and only two not started at all. She stated that they had decided to include an environmental stewardship column in the bimonthly employee newsletter, and that was part of the collaboration with the Communication and Collaboration goal team. She noted that they were also continuing to attend external meetings with environmental partners, and some of their next steps were continued coordination with the Communications and Collaboration goal team, as well as identifying and planning activities to engage employees in some of their green projects – which would involve development of a budget.

Ms. McIlwee reported that the Solid Waste Services goal team was also red, but their main barrier was the Ivy Master Plan – and once that was complete, the team could complete their other items. She noted that the goal team had three tactics 100% complete and was continuing to coordinate with UVA to develop the composting partnership at the Ivy MUC.

Ms. McIlwee reported that Infrastructure and Master Planning goal team was in the green and was completing the Asset Master Plan Awareness Training and program development workshops. She stated they were creating an inventory and analysis of all existing master plans and critical assets, in addition to looking at and identifying other areas where there may be need for a master plan.

Mr. Gaffney commented that he was impressed with the follow-through with the strategic plan, as it wasn't one that just got shelved.

Ms. McIlwee responded that a lot of the goal teams meet regularly and keep their goals and tactics in mind.

Dr. Palmer asked what "increase internal environmental engagement" meant, under the Environmental Stewardship goal team.

Ms. McIlwee replied that this was Andrea Terry's goal team, and her understanding was that it fed into the environmental stewardship tips in the employee newsletter and engaging the workforce in some of the green initiatives and other things her team did – communicating that with the rest of the workforce.

Mr. Mawyer stated that it also involved wastewater treatment and making sure it was environmentally friendly, as well as managing the chemicals used, ensuring that staff understood the importance of environmental stewardship.

Mr. Richardson commented that it was essentially leading by example to encourage practices that were good for the environment.

Ms. Galvin stated that it seemed to be cultivating a sense of mission within the organization, and at some point it would be internalized as such. She stated that in what she has read about leadership, it encourages staff to become innovators.

Mr. Mawyer agreed, stating that it was becoming increasingly woven into their organizational fabric, and staff was embracing it.

9. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA
There were none presented.

10. CLOSED MEETING
There was no closed meeting held.

11. ADJOURNMENT

Ms. Galvin moved to adjourn the RSWA Board meeting. Dr. Palmer seconded the motion, which passed 6-0. Mr. Oberdorfer was absent from the meeting and the vote.

The RSWA Board adjourned its meeting at 2:41 p.m.

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

MEMORANDUM

TO:	**RIVANNA SOLID WASTE AUTHORITY BOARD OF DIRECTORS**
FROM:	**BILL MAWYER, EXECUTIVE DIRECTOR**
SUBJECT:	**EXECUTIVE DIRECTOR'S REPORT**
DATE:	**DECEMBER 11, 2018**

Community Outreach
SP GOAL: Communication and Collaboration

Phil McKalips, Director of Solid Waste, had several outreach opportunities over the past month. Phil met with a 4th year UVA student to discuss waste management, and the path that trash takes from a home to a disposal facility, for an Urban Planning class project.

Phil also gave a presentation on recycling to about 30 residents during a community meeting at University Village. The community holds several meetings throughout the year for residents to discuss topics of interest.

Additionally, Phil is working with "Charlottesville New-Comers" to arrange tours of McIntire Recycling Center and/or Ivy MUC. The group focuses on providing new residents a place to meet and an opportunity to become acquainted with the area and services.

Use of the Ivy Materials Utilization Center in November 2018
SP GOAL: Environmental Stewardship; Solid Waste Services

Vehicles	Product
3242	Municipal solid waste/construction debris/vegetative waste /clean fill
117	Tires (Amnesty Day)

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

REVIEWED: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: OCTOBER 2018 FINANCIAL SUMMARY

DATE: DECEMBER 11, 2018

The results of operations and remediation activities for the first four months of this fiscal year are summarized below and in the attached statements.

	Operating Results	Remediation Results	Total
Total Revenues	$ 559,119	$ -	$ 559,119
Total Expenses	(772,525)	(270,484)	(1,043,009)
Net operating results	(213,406)	(270,484)	(483,890)
Support - MOU & Local	580,277	231,862	812,139
Surplus/(Deficit)*	$ 366,871	$ (38,622)	$ 328,249

* Cash reserves are used when deficits occur. (Use of up to $390,000 in reserves for an expected shortfall for remediation was included in FY 2019 budget.)

Total operating revenues through October were $125,000 over budget and total operating expenses were $30,000 under budget. The Authority has processed 8,267 tons of waste this fiscal year. A breakdown of net revenue or cost per ton, including overhead and administrative support costs, is shown below.

	Ivy MSW	Ivy - All Other	Recycling	Total
Tonnage	3,236	4,326	705	8,267
Net operating revenue (costs)	$ (127,554)	$ 10,677	$ (96,529)	$ (213,406)
Net revenue (cost) per ton	$ (39.42)	$ 2.47	$ (136.92)	$ (25.81)

Attachments

RIVANNA SOLID WASTE AUTHORITY
REVENUE AND EXPENSE SUMMARY REPORT
FISCAL YEAR 2019
FOR THE MONTH ENDED 10/31/18

Target Rate: 33.33%

Operations

	Budget	Actual Y-T-D	IVY OPERATIONS Budget	IVY OPERATIONS Actual Y-T-D	MSW-IVY TRANSFER Budget	MSW-IVY TRANSFER Actual Y-T-D	RECYCLE OPERATIONS Budget	RECYCLE OPERATIONS Actual Y-T-D	ADMIN. SERVICES Budget	ADMIN. SERVICES Actual Y-T-D
REVENUES										
Ivy Operations Tipping Fees	$ 158,960	96,044	$ 158,960	96,044						
Ivy MSW Transfer Tipping Fees	648,200	250,174			648,200	250,174				
Material & Other Sales-Ivy	121,500	55,053	121,500	55,053						
Recycling Revenues	251,900	85,162					251,900	85,162		
Other Revenues	77,200	50,309			77,200	50,309				
Interest & Fees	44,500	22,378							44,500	22,378
Total Revenues	$ 1,302,260	$ 559,119	$ 280,460	$ 151,097	$ 725,400	$ 300,483	$ 251,900	$ 85,162	$ 44,500	$ 22,378
*Budget vs. Actual**		*42.93%*		*53.87%*		*41.42%*		*33.81%*		*50.29%*
EXPENSES										
Ivy Operations	324,245	92,240	324,245	92,240						
Ivy MSW Transfer	1,186,282	379,858			1,186,282	379,858				
Recycling Operations	452,490	143,147					452,490	143,147		
Administration	694,924	215,094							694,924	215,094
Total Expenses	2,657,941	830,340	324,245	92,240	1,186,282	379,858	452,490	143,147	694,924	215,094
*Budget vs. Actual**		*31.24%*		*28.45%*		*32.02%*		*31.64%*		*30.95%*
Net Results Before Administative Allocation	**$ (1,355,681)**	**$ (271,220)**	**$ (43,785)**	**$ 58,857**	**$ (460,882)**	**$ (79,375)**	**$ (200,590)**	**$ (57,985)**	**$ (650,424)**	**$ (192,717)**
Administrative allocations:										
Administrative costs to Envir. MOU (below)	195,127	57,815							195,127	57,815
Administrative costs to Operations	-	-	(162,606)	(48,179)	(162,606)	(48,179)	(130,085)	(38,543)	455,297	134,902
Net Operating Income (Loss)	**$ (1,160,554)**	**$ (213,405)**	**$ (206,391)**	**$ 10,677**	**$ (623,488)**	**$ (127,554)**	**$ (330,675)**	**$ (96,529)**	**$ -**	**$ -**
Other Funding Sources										
Local Government Contributions	1,160,554	580,277								
County Contribution - Capital Grant	-	616,837								
Transfer to Capital Fund - Transfer Station	-	(616,837)								
Surplus (Deficit) - Operations	**$ (0)**	**$ 366,872**								

Environmental Programs

	Budget	Actual Y-T-D
REVENUES		
Remediation Support	383,741	231,862
Total Revenues	383,741	231,862
*Budget vs. Actual**		*60.42%*
EXPENSES		
Ivy Environmental	578,614	212,669
Administrative Allocation	195,127	57,815
	773,741	270,484
*Budget vs. Actual**		*34.96%*
Cash Reserves Used	390,000	67,187
Surplus (Deficit) - Environmental	**$ -**	**$ 28,565**
Total Surplus (Deficit)	**$ (0)**	**$ 395,436**

Rivanna Solid Waste Authority
Monthly Financial Status Report
FY 2019

	July	August	September	October	Year-to-Date
Revenues					
Ivy Operations Tipping Fees	$ 26,096	$ 28,325	$ 16,282	$ 25,341	$ 96,044
Ivy MSW Transfer Tipping Fees	58,095	75,260	52,461	64,358	250,174
Ivy Material Sales	15,367	15,616	10,745	13,325	55,053
Recycling	13,491	11,385	7,688	52,598	85,162
Other Revenues	10,346	22,279	8,777	8,907	50,309
Remediation Support	79,982	48,981	26,959	75,940	231,862
Interest & Late Fees	6,834	4,395	6,891	4,258	22,378
Total Revenues	$ 210,212	$ 206,241	$ 129,802	$ 244,726	$ 790,981
Expenses					
Ivy Operations	$ 24,197	$ 23,653	$ 23,051	$ 21,339	$ 92,240
Ivy Environmental	32,707	52,123	95,272	32,568	212,669
Ivy MSW Transfer	42,723	107,353	111,766	118,015	379,858
Recycling Operation	41,155	33,947	34,827	33,219	143,147
Administration	56,173	51,092	54,213	53,616	215,094
Total Expenses	$ 196,955	$ 268,167	$ 319,129	$ 258,758	$ 1,043,009
Net Operating Income (Loss)	$ 13,257	$ (61,926)	$ (189,327)	$ (14,032)	$ (252,028)
Other Funding Sources					
Local Government Contributions	$ -	$ 265,338	$ 24,801	$ 290,138	$ 580,277
County Contribution - Capital Grant	260,104	207,201	149,533	-	616,837
Transfer to Capital Fund - Transfer Station	(260,104)	(207,201)	(149,533)	-	(616,837)
Use of Cash Reserves	-	-	67,187	-	67,187
Surplus (Deficit)	$ 13,257	$ 203,412	$ (97,339)	$ 276,107	$ 395,436

Rivanna Solid Waste Authority
Monthly Cash Flow Report
FY 2019

	July	August	September	October
Net Operating Income	$ 13,257	$ (61,926)	$ (189,327)	$ (14,032)
Adjustments for cash flow purposes to show funds available for operations:				
Local Government Contributions	-	265,338	24,801	290,138
(Increase) decrease in accounts receivable	(97,902)	85,761	44,645	5,461
Increase (decrease) in accounts payable	(408,602)	(9,818)	28,396	4,862
Capital reserve fund interest not available in operating cash	(3,463)	(1,588)	(3,438)	(1,078)
Trust fund interest not available in operating cash	(294)	(271)	(222)	(219)
Trust fund release for Transfer Station permit	55,968			
Increase (Decrease) in Operating Cash	$ (441,037)	$ 277,495	$ (95,146)	$ 285,133
Operating Cash Balance - Beginning	2,650,834	2,209,797	2,487,292	2,392,146
Operating Cash Balance - Ending	$ 2,209,797	$ 2,487,292	$ 2,392,146	$ 2,677,279

Rivanna Solid Waste Authority
Fiscal Year 2019
October 2018

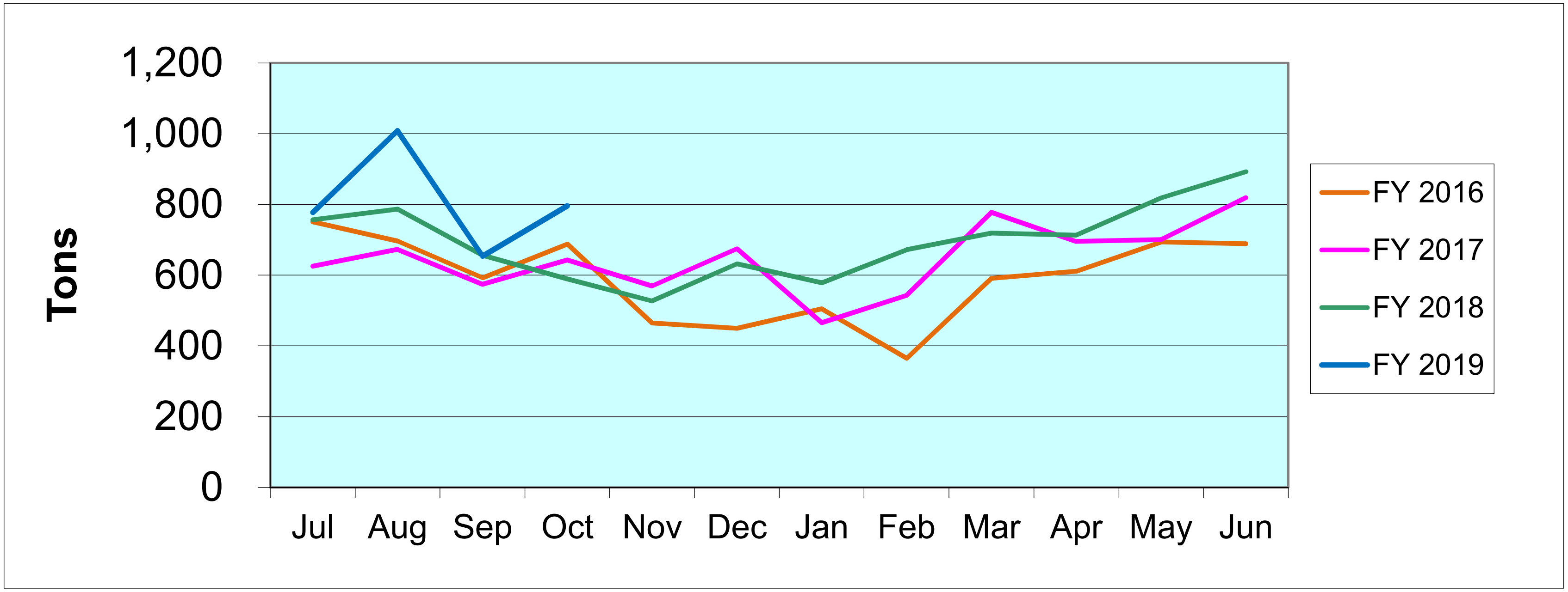
Revenue Detail Report

Revenue Line Item	Tonnage		Revenue				
	Budget FY 2019	Actual YTD	Budget FY 2019	Budget YTD	Actual YTD	Budget vs. Actual	Variance %
IVY TIPPING FEES							
Clean Fill Material	5,000	3,150	$ 50,000	$ 16,667	$ 31,489	$ 14,822	88.93%
Grindable Vegetative Material	1,500	970	72,000	24,000	47,608	23,608	98.37%
Pallets	70	24	3,360	1,120	1,159	39	3.48%
Tires, Whole	90	32	17,100	5,700	6,121	421	7.39%
Tires/White Good (per item)			16,500	5,500	9,667	4,167	75.76%
Subtotal	6,660	4,177	$ 158,960	$ 52,987	$ 96,044	$ 43,057	81.26%
IVY TRANSFER STATION							
Compost Services	500	144	$ 89,000	$ 29,667	$ 25,603	$ (4,064)	-13.70%
MSW Transfer Station	8,200	3,236	559,200	186,400	224,571	38,171	20.48%
Subtotal	8,200	3,236	$ 648,200	$ 216,067	$ 250,174	$ 34,107	15.79%
MATERIAL SALES - IVY							
Encore			$ 19,000	$ 6,333	$ 8,027	$ 1,694	26.74%
Metals			30,000	10,000	16,214	6,214	62.14%
Wood Mulch & Chips			22,000	7,333	8,954	1,621	22.10%
Hauling Fees			50,000	16,667	21,496	4,829	28.98%
Other Materials			500	167	362	195	117.20%
Subtotal			$ 121,500	$ 40,500	$ 55,053	$ 14,553	35.93%
RECYCLING							
Material Sales			$ 215,000	$ 71,667	$ 53,055	$ (18,612)	-25.97%
Other Materials & Services			6,300	2,100	818	(1,282)	-61.04%
Grants-Operating			27,000	9,000	29,597	20,597	228.86%
Hauling Fees			3,600	1,200	1,692	492	40.97%
Subtotal			$ 251,900	$ 83,967	$ 85,162	$ 1,195	1.42%
OTHER REVENUES							
Service Charge Fees			$ 70,000	$ 23,333	$ 34,427	$ 11,094	47.54%
Other Revenues			7,200	2,400	15,882	13,482	
			$ 77,200	$ 25,733	$ 50,309	$ 24,575	95.50%
REMEDIATION SUPPORT							
UVA Contribution			$ 79,982	$ 26,661	$ 79,982	$ 53,321	200.00%
County Contribution			195,925	65,308	97,963	32,654	50.00%
City Contribution			107,834	35,945	53,918	17,973	50.00%
Subtotal			$ 383,741	$ 127,914	$ 231,862	$ 103,948	81.26%
INTEREST, LATE FEES, OTHER							
Trust Fund Interest			$ 2,000	$ 667	$ 1,006	$ 339	50.92%
Finance Charges			500	167	451	285	170.76%
Capital Reserve Fund Interest			17,000	5,667	9,567	3,900	68.83%
Operating Investment Interest			25,000	8,333	11,354	3,020	36.24%
Subtotal			$ 44,500	$ 14,833	$ 22,378	$ 7,545	50.86%
Total	**14,860**	**7,413**	**$ 1,686,001**	**$ 562,000**	**$ 790,981**	**$ 228,981**	**40.74%**

Rivanna Solid Waste Authority
Historical Material Tonnage Report - Recycling
Fiscal Years 2015-2019

In U.S. Tons	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019 (Jul-Oct)
Fiber Products					
Newspaper, magazines, catalogs	524	512	419	424	144
Cardboard (corrugated)	278	459	812	763	291
Mixed paper and phone books	212	214	156	187	81
File stock (office paper)	125	125	122	111	35
Total Fiber Products	1,139	1,310	1,509	1,485	551
Other Products					
Glass	219	191	252	252	127
Metal Cans	30	32	31	41	13
Plastic	95	82	86	103	15
Total Other Products	344	305	369	396	155
Total	1,483	1,615	1,878	1,881	706

Rivanna Solid Waste Authority
Ivy MSW Transfer Tonnages
FY 2016 - 2019



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, SOLID WASTE MANAGER; PHILLIP MCKALIPS, DIRECTOR OF SOLID WASTE**
REVIEWED BY:	**BILL MAWYER, EXECUTIVE DIRECTOR**
SUBJECT:	**IVY MATERIAL UTILIZATION CENTER REPORT/ RECYCLING OPERATIONS UPDATE**
DATE:	**December 11, 2018**

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

November 2018

- **3,242 vehicles crossed the scales**

- The IMUC transfer station operated 22 days and received a total of 705.30 tons of municipal solid waste (MSW), an average of 32.06 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 666.84 tons of non-MSW materials were received
- 1,372.14 tons were received as a combined total tonnage (MSW + non-MSW)

Paint Collection:

On November 29, 2018, the Ivy MUC shipped out the seventeenth full 30-yard container of paint since the program began in August 2016. RSWA currently has loaded 5 cubic yards of paint which will be included in a future shipment. Each 30-yard container holds about 4,200 one-gallon paint cans. This program continues to make paint disposal more convenient for residents and to alleviate some of the congestion during our fall and spring Household Hazardous Waste Days.

Compostable Food Waste Collection:

This program continues to operate smoothly at the IMUC. This service is free to County residents. A similar bin has been placed at the Transfer Station for the receipt of compostable food wastes from commercial customers. Commercial customers are charged the established disposal fee of $178 per ton.

The McIntire Recycle Center received 4.62 tons of compostable materials residents in November.

Fall HHW and Bulky Waste Totals:

Saturday, October 20, 2018: ***Tires***

A total of 117 vehicles participated, including 107 from the County and 10 from the City. A total of 26.83 tons of tires were received, separated, and trucked to end user for recycling.

Ivy Material Utilization Center
Daily Scale Crossing Data

November 1-30, 2018

Days of Operation: **22**

		Vehicles	Count	Citizen-Can	Construction	Domestic	MSW Total	Non-MSW Total Tons
				MSW collected at Transfer Station (tons)				
11/01/18	Thursday	158	162	0.45	12.99	14.12	**27.56**	**66.48**
11/02/18	Friday	180	214	0.50	24.78	16.96	**42.24**	**39.86**
11/03/18	Saturday	208	252	0.70	16.05	17.20	**33.95**	**13.34**
11/04/18	Sunday	-	-	-	-	-	-	-
11/05/18	Monday	-	-	-	-	-	-	-
11/06/18	Tuesday	115	107	0.26	15.27	17.83	**33.36**	**16.91**
11/07/18	Wednesday	151	178	0.36	27.97	17.04	**45.37**	**72.87**
11/08/18	Thursday	115	128	0.30	8.68	12.80	**21.78**	**7.54**
11/09/18	Friday	133	172	0.77	22.86	17.52	**41.15**	**34.22**
11/10/18	Saturday	231	315	0.71	10.38	21.86	**32.95**	**9.24**
11/11/18	Sunday	-	-	-	-	-	-	-
11/12/18	Monday	-	-	-	-	-	-	-
11/13/18	Tuesday	175	204	0.58	20.81	20.67	**42.06**	**30.80**
11/14/18	Wednesday	128	148	0.36	9.37	15.32	**25.05**	**13.97**
11/15/18	Thursday	41	37	0.13	2.74	3.33	**6.20**	**8.38**
11/16/18	Friday	135	138	0.41	15.42	13.22	**29.05**	**16.49**
11/17/18	Saturday	240	265	0.93	15.79	18.59	**35.31**	**8.64**
11/18/18	Sunday	-	-	-	-	-	-	-
11/19/18	Monday	-	-	-	-	-	-	-
11/20/18	Tuesday	253	294	0.61	27.83	29.52	**57.96**	**37.13**
11/21/18	Wednesday	225	267	0.55	29.45	26.17	**56.17**	**36.16**
11/22/18	Thursday	-	-	-	-	-	-	-
11/23/18	Friday	-	-	-	-	-	-	-
11/24/18	Saturday	127	211	0.85	6.37	13.25	**20.47**	**0.76**
11/25/18	Sunday	-	-	-	-	-	-	-
11/26/18	Monday	-	-	-	-	-	-	-
11/27/18	Tuesday	193	238	0.71	23.47	26.12	**50.30**	**7.35**
11/28/18	Wednesday	131	165	0.46	17.08	18.32	**35.86**	**19.34**
11/29/18	Thursday	136	156	0.40	21.23	12.73	**34.36**	**140.01**
11/30/18	Friday	167	188	0.38	15.50	18.27	**34.15**	**87.35**
	Total	**3,242**	**3,839**	**10.42**	**344.04**	**350.84**	**705.30**	**666.84**
	Average	*147*	*175*	*0.47*	*15.64*	*15.95*	*32.06*	*30.31*
	Median	*155*	*183*	*0.48*	*15.92*	*17.36*	*34.26*	*18.13*
	Maximum	*253*	*315*	*0.93*	*29.45*	*29.52*	*57.96*	*140.01*
	Minimum	*41*	*37*	*0.13*	*2.74*	*3.33*	*6.20*	*0.76*

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*

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

MEMORANDUM

TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

FROM: PHIL MCKALIPS, DIRECTOR OF SOLID WASTE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: IVY LANDFILL ENVIRONMENTAL STATUS UPDATE

DATE: DECEMBER 11, 2018

Corrective Action Plan (CAP)

The Ivy MUC continues to maintain compliance with VA DEQ regulations and our approved Corrective Action Plan.

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.

This revised Corrective Action Plan was originally submitted in July 2013 and incorporates revised groundwater sampling and reporting requirements. While awaiting finalization, the Department has authorized the Authority to utilize the revised sampling and reporting requirements.

Paint Pit Interim Measure (Soil-Vapor Extraction System)

The Soil-Vapor Extraction (SVE) System has been having control panel electrical issues and is undergoing renovation and repairs. The SVE System is 10 years old and is located outside and exposed to relatively harsh environmental conditions. Electrical issues have begun to increase and in response, staff have determined that a major renovation of the control panel and electrical system is needed to return it to reliable duty.

Surface Water

The Fall 2018 Surface Water Assessment and Sampling Program was completed in November. Data from the visual survey and analysis of samples will be included in a tri-annual Corrective Action Site Evaluation (CASE) report to be submitted to VA DEQ by January 2019. No visual anomalies were observed during the sampling event. Laboratory analysis of samples will be completed by January 2019.

Non-CAP Groundwater Monitoring

The Fall 2018 Groundwater Sampling Program has been completed. Data from the analysis of samples collected during this event will be delivered by the laboratory in January 2019. 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 tri-annual Site-wide CASE report which will be delivered in January 2019.

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, 2018

DATE: DECEMBER 11, 2018

The Authority's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2018 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, 2018 and 2017

Serving the City of Charlottesville and Albemarle County, Virginia

<u>Front Cover Photograph</u>

New Ivy Transfer Station
Photo taken by Paul Oberdorfer,
City of Charlottesville Director of Public Works
& RSWA Board member

RIVANNA SOLID WASTE AUTHORITY

CHARLOTTESVILLE, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2018 AND 2017

Prepared By:

Department of Finance and Administration

This page intentionally left blank

RIVANNA SOLID WASTE AUTHORITY

Comprehensive Annual Financial Report
Fiscal Years Ended June 30, 2018 and 2017

Table of Contents

This page intentionally left blank

BOARD MEMBERS

Michael A. Gaffney, Chair

Jeff Richardson, Vice-Chair

Mike Murphy, 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

GENERAL COUNSEL

McGuire Woods, LLP
Charlottesville, Virginia

RIVANNA SOLID WASTE AUTHORITY
695 MOORES CREEK LANE • CHARLOTTESVILLE, VIRGINIA 22902-9016
TEL: (434) 977-2976 • WEBSITE: WWW.RIVANNA.ORG • FAX: (434) 293-8858

October 12, 2018

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, 2018 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 2018 by the Charlottesville Regional Chamber of Commerce examining employment in the Greater Charlottesville Region concluded that combined private and public-sector employment grew by 10%, or 11,551 jobs, from 2007 to 2017, compared to a 4.3% increase in Virginia outside of the region. In 2017, 76% of jobs within the Region were located in the City of Charlottesville and Albemarle County, and the other 24% are reported in the Counties of Fluvanna, Greene, 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.

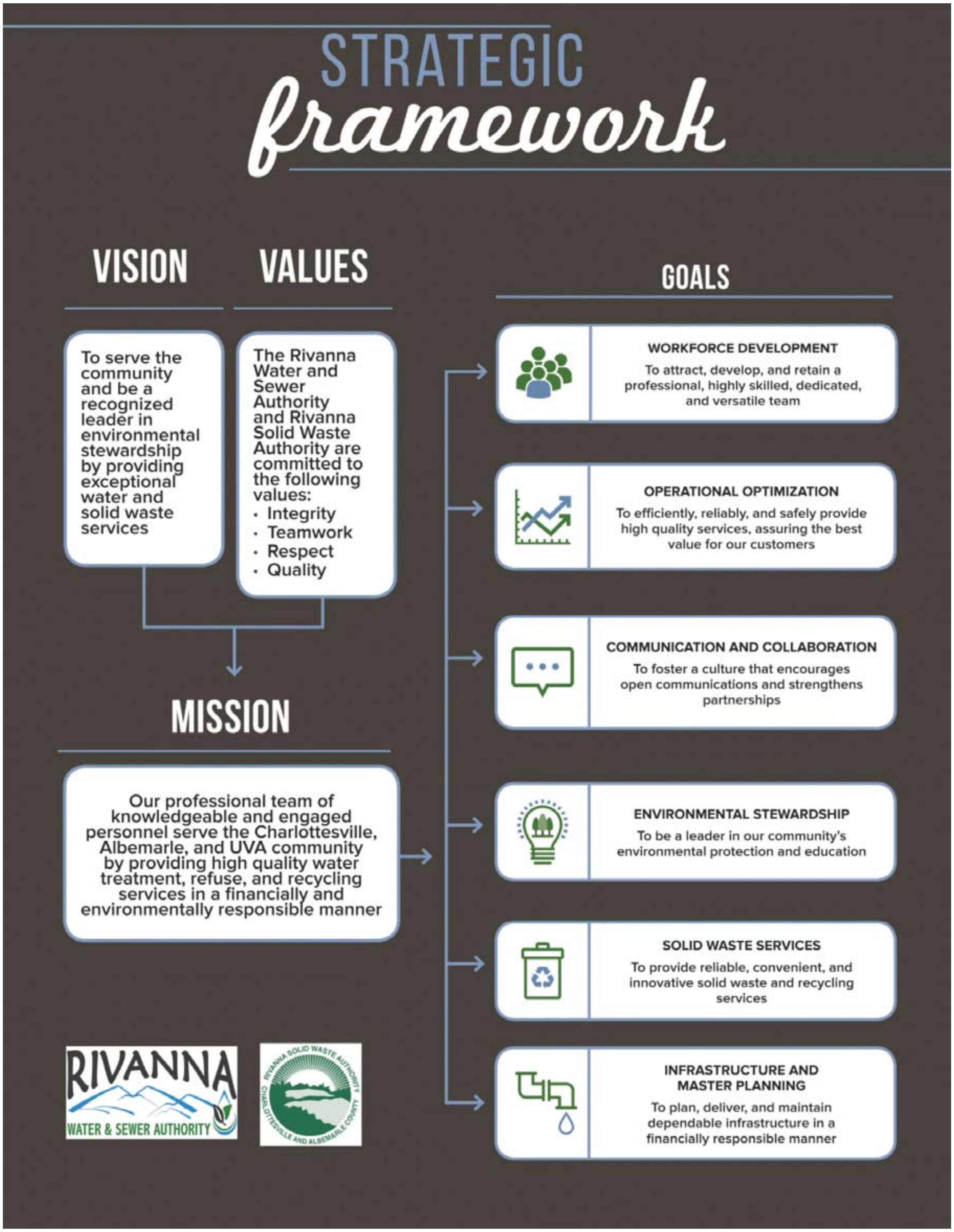
A memorandum of understanding among the City, the County, the University of Virginia (UVA), and the Authority was signed on January 10, 2005 in which the City, County, and UVA agreed to share in funding the costs of environmental remediation at the former Ivy Landfill which includes implementing the 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

The Authority's construction of a new transfer station at the Ivy Material Utilization Center was nearly complete at year end. This new transfer station will be open to the public approximately by the end of September 2018, which is well ahead of the DEQ deadline. The current transfer station has reached the end of its useful life and does not meet current standards. The new transfer station will be able to accommodate 50 tons per day of MSW and will allow some growth in recycling services offered. There is a master site plan being conducted to determine the best use of the entire site including the transfer station into the future as this new facility will free up space for a full-service recycling center if the County chooses to pursue that as an option for the Ivy facility. The County of Albemarle agreed to fund the construction of the new transfer station for a total budget of approximately $2.7 million.

One non-capital project related major initiative taken on during the year was a strategic planning process that was designed to assure a shared vision of Rivanna's ultimate goals, a collective understanding of the available resources, the principles upon which strategies are based, and 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.

MAJOR INITIATIVES: (CONTINUED)



The board approved the Strategic Plan in November 2017, and now leadership and staff are working to identify strategies with the eventual implementation of those strategies in the coming years. This is a continuous program of assessing our plan and mission with progress towards achieving our identified goals.

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, 2017. This was the twenty third 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,

Lonzy E. Wood, III
Director of Finance and Administration

This page intentionally left blank

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

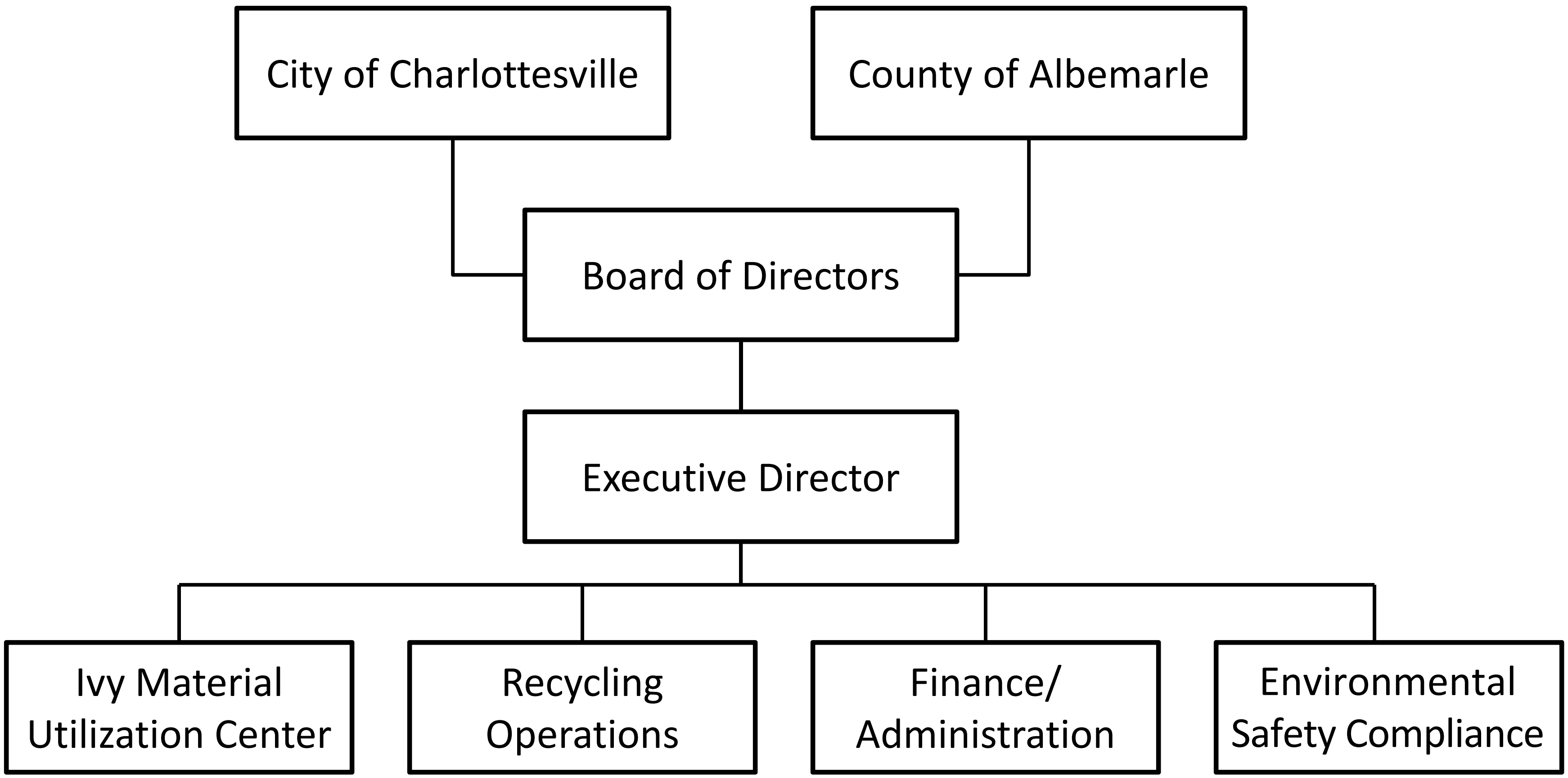
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

This page intentionally left blank

Rivanna Solid Waste Authority



This page intentionally left blank

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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the 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 respective financial position of the business-type activities of Rivanna Solid Waste Authority, as of June 30, 2018 and 2017, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note 16 to the financial statements, in 2018, the Authority adopted new accounting guidance, GASB Statement Nos. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* and 85, *Omnibus 2017.* Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 16 to the financial statements, in 2018, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 75. Our opinion is not modified with respect to this matter.

Comparative Information

As described in Note 16 to the financial statements, GASB Statement No. 75 was implemented prospectively resulting in a restatement of beginning net position. In the year of implementation, comparative information for the net OPEB liability and related information as computed under GASB 75 standards was unavailable. Therefore, the 2017 amounts related to other postemployment benefits have not been restated to reflect the requirements of GASB Statement No. 75. Our opinion is not modified with respect to this matter.

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 17-24, 82-84, and 85-88 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 opinions 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 12, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rivanna Solid Waste Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rivanna Solid Waste Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
October 12, 2018

This page intentionally left blank

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, 2018. 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 7 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 26 through 29 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 31 through 79 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.

Change in Accounting Principle. In FY 2018, the Authority adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and restated beginning balances pursuant to the requirements of GASB Statement No. 75. See Notes 11 and 16 for more information.

Financial Highlights

- The Authority's total net position increased by approximately $1.63 million this year and by $454,000 in the prior year, which indicates an improvement in its overall financial position.
- Total operating revenues decreased by 1% or $11,000 this year, due to decreases in several revenue categories mentioned later in the analysis.
- Ivy environmental expenses increased by $160,000 due to an adjustment to accrued environmental remediation costs.
- The Authority received $1.77 million in capital grant funds this year from the County of Albemarle to fund the construction of the new transfer station facility in Ivy.

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 $6.5 million. Total net position increased by $1.6 million or 33% this year and by 10% in FY 2017. Net position invested in capital assets increased by 34% 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.

	Net Position		
	2018	2017	2016
Current and other assets	$ 3,991,850	$ 4,716,992	$ 4,969,865
Capital assets	9,285,711	6,840,559	6,268,650
Total assets	$ 13,277,561	$ 11,557,551	$ 11,238,515
Deferred outflows of resources	$ 36,862	$ 90,844	$ 40,825
Noncurrent liabilities	$ 5,633,047	$ 5,834,808	$ 5,996,616
Current liabilities	1,119,761	919,337	755,283
Total liabilities	$ 6,752,808	$ 6,754,145	$ 6,751,899
Deferred inflows of resources	$ 46,005	$ 9,278	$ 96,120
Net position:			
Investment in capital assets	$ 9,192,978	$ 6,840,559	$ 6,268,650
Unrestricted	(2,677,368)	(1,955,587)	(1,837,329)
Total net position	$ 6,515,610	$ 4,884,972	$ 4,431,321

Total operating revenues were roughly unchanged with only a 1% decrease this year after seeing a 25% increase from FY 2016 to FY 2017. Tipping fee revenues were nearly the same as FY 2017. Clean fill and vegetative materials were the waste types that saw the largest decreases in revenues, but those declines were mostly offset by increased revenues received from compost services. In the prior year, there was a large increase in clean fill and vegetative materials received. Fluctuations of these materials were likely due to large road construction projects in the area. Recycling revenues also decreased $31,700 or 14% compared to the previous year after seeing a large increase between FY 2017 and FY 2016 of $90,000. Recycling tonnages were relatively stable with only a 2% drop; however, market prices have declined significantly.

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 $180,000 this year compared to the previous year, which followed a decline from the year before of $143,000. The contributions were based on changes in estimated remediation costs budgeted for each fiscal year reduced by the planned use of $635,000 of reserves over the two years. The County and City also contributed $747,000 this year as budgeted to help fund operating expenses, which was $378,000 more than the amount contributed in the prior year.

Total environmental expenses increased by $160,000 this year after increasing $278,000 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		
	2018	**2017**	**2016**
Revenues:			
Operating revenues:			
Tipping fees	$ 878,841	$ 876,382	$ 723,803
Recycling revenues	195,912	227,614	138,239
Other revenues	233,133	214,771	191,172
Nonoperating revenues:			
Local government contributions - remediation support	396,787	576,714	720,151
Local government contributions - operations support	747,161	368,856	542,926
Grants	27,118	27,811	28,878
Interest earned	50,437	31,333	16,107
Other income	8,034	5,220	31,800
Gain on disposal of assets	5,846	-	-
Capital grants	1,771,792	210,083	-
Total revenues	$ 4,315,061	$ 2,538,784	$ 2,393,076
Expenses:			
Operating expenses:			
Administration	$ 496,812	$ 388,524	$ 398,610
Transfer station	909,581	808,104	798,313
Ivy Material Utilization Center	298,782	259,669	257,481
Ivy environmental	425,466	264,995	(13,152)
Recycling programs	455,216	312,052	296,725
Depreciation	58,566	51,789	54,885
Nonoperating expenses:			
Loss on disposal of assets	-	-	2,665
Total expenses	$ 2,644,423	$ 2,085,133	$ 1,795,527
Change in net position	$ 1,670,638	$ 453,651	$ 597,549
Net position, beginning of year, as restated	4,844,972	4,431,321	3,833,772
Net position, end of year	$ 6,515,610	$ 4,884,972	$ 4,431,321

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets net of accumulated depreciation increased $2.45 million this year, due to construction costs of the same amount. $2.2 million was spent on construction of the new transfer station in Ivy, and $126,000 was spent on a new gas flare system. Only $80,000 was spent on equipment purchases in FY 2016. Depreciation of $58,600 and $52,000 was recorded in fiscal year 2018 and 2017 respectively. Below is a comparison of the items that make up net capital assets at the end of the past three fiscal years.

	2018	2017	2016
Land, land improvements and landfill site	$ 5,943,439	$ 5,943,439	$ 5,943,439
Construction in progress	2,743,868	298,215	4,817
Buildings and fixtures	95,674	110,675	125,676
Vehicles and equipment	502,730	488,230	194,718
Total capital assets, net	$ 9,285,711	$ 6,840,559	$ 6,268,650

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 $5.9 million obligation to close the transfer station and landfill site and to perform post-closure monitoring. This liability decreased slightly this year by 70,000 or 2%. 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 increased to $224,500 in FY 2017 and dropped to $96,800 as of June 30, 2018. 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 2018 was 7.92% of covered employee compensation. 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: 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 over the years. FY 2018 has been the busiest year since the changes in FY 2014. The Ivy transfer station received 8,423 tons in FY 2018 which is an 8.5% increase compared to tonnages received in FY 2016. The Authority also continued the organic compost collection and receiving program at Ivy that was a pilot project last year. This program is mostly a working partnership with UVa Facilities Management to receive compostable materials from UVa sources and contract with a private vendor to compost the materials for end users offsite. The Authority was also able to provide bins to the general public at no charge to collect compostable materials. This program generated $109,000 in revenues and processed approximately 445 tons of food waste.

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

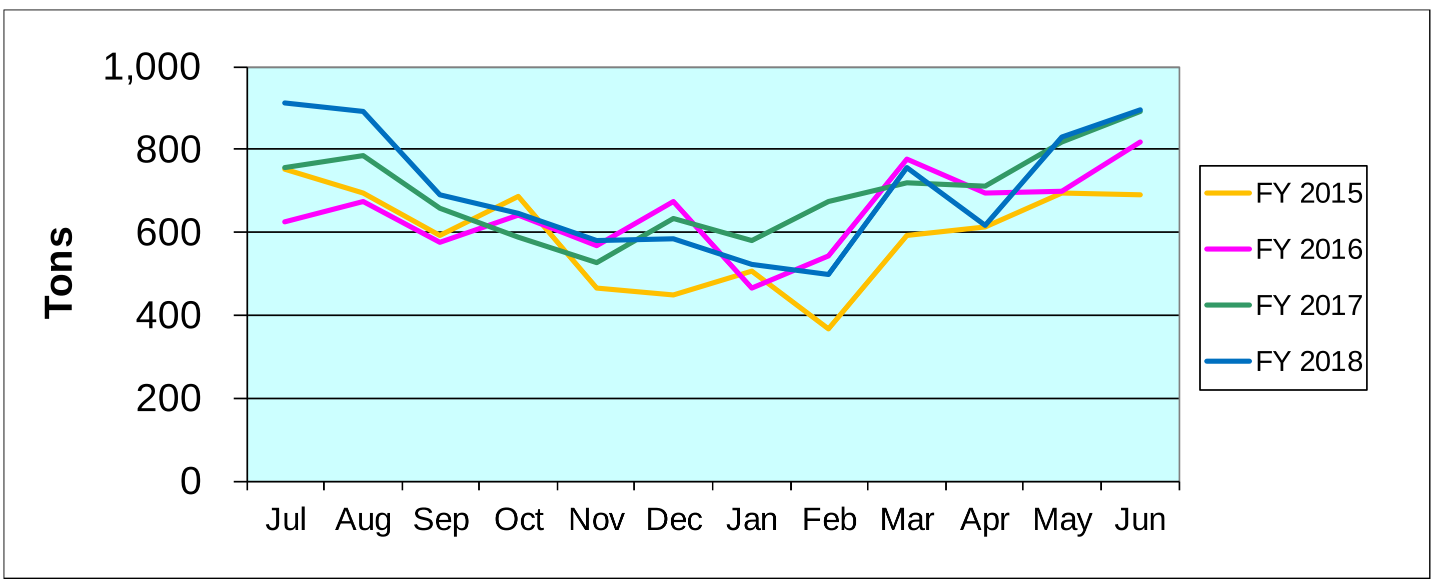
Review of Operations: (Continued)

In FY 2016, the McIntire Recycling Center began accepting household organic material which a local vendor picks up weekly and transports to a licensed composter. 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. There is no charge to the public for this program. The Board also approved a change in hours of operations for the McIntire facility to be open on Mondays when they were previously closed.

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 $298,000 in gross revenues for the Authority this year which was roughly the same as last year. There were no changes to the operation for the current year, however, the Authority did initiate a site master plan with a consultant in anticipation of the new transfer station opening in early FY 2019. The master plan will help shape operations in the near future. The resale of items such as scrap metal and mulch resulted in revenues of $93,000, and hauling fees decreased slightly to $52,000 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.

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 $580,000 this year, which was a 1% decrease from the prior year. See the chart below for a monthly graphic of tonnages received.

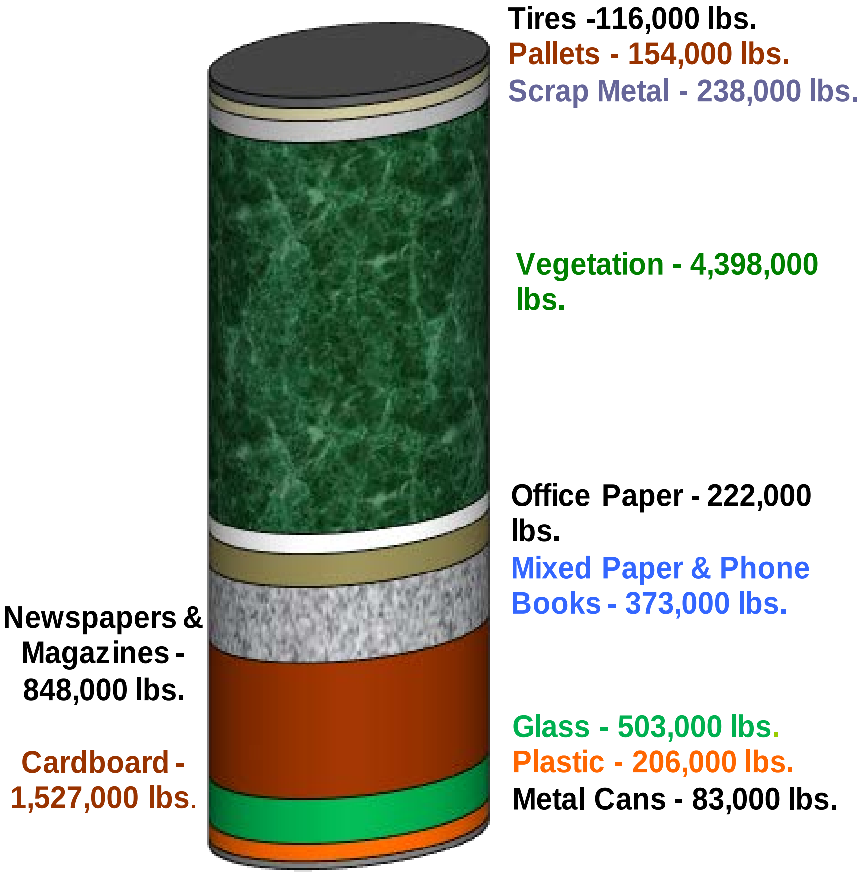
Ivy Transfer Station MSW Tonnages FY 2015-2018



The preceding graph shows the monthly tonnage activity at the Ivy MSW transfer station compared to past fiscal years. As the economy improves, increases in small loads of construction debris would affect the tonnages in the construction season.

RSWA FY 2018 Recycling & Reuse

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



8,668,000 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 $196,000 in FY 2018, which was a decrease of $31,700 from the previous year due to lower market prices. Cardboard, one of our largest revenue producers, had a market price drop of 45% from June 2017 to June 2018. Newspaper, another high-end revenue producer, had a 58% market price decline. 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 2018. 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 $409,000 for this joint administrative service this year and $328,000 in the previous year, as budgeted to fund projected administrative expenses.

Review of Operations: (Continued)

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. In July 2013, the injection of substrate was suspended to allow the long-term effects of the groundwater remediation efforts to be evaluated. Groundwater monitoring continues to show that groundwater contamination remains on-site, stable, and that off-site receptors are protected from impacts.

This is part of the Authority's continued 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. In August 2018, a new landfill gas flare was installed to replace the existing flare. The new flare is a smaller model flare that is appropriately sized to manage the much-reduced quantity of landfill gas that is being produced from the closed waste disposal cells.

New Flare

A protocol has been developed to evaluate the future need to recap sections of the landfill that have witnessed significant settlement caused by the decay of buried wastes. This recapping will be necessary to maintain the effectiveness of the landfill caps and limit the infiltration of precipitation into the waste. These recapping efforts will appear in future budget estimates and are expected to occur at a frequency of every 5 to 10 years.

Review of Operations: (Continued)

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.

New Ivy Transfer Station

Although not completed by the end of the fiscal year, the new transfer station will be open in the next few months of the following year. The old transfer station will be decommissioned, and a new site master plan is being worked on by staff and the consultant to determine the future use of the site. One option being discussed is to create a full-service recycling center much like the McIntire Center. This site plan along with the larger (approximately 11,600 square feet) covered transfer station could allow for collection of single stream recycling from haulers for delivery to a contractor for processing.

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

Statement of Net Position
At June 30, 2018 and 2017

	At June 30,	
	2018	**2017**
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 & 2)	$ 3,626,017	$ 4,429,331
Accounts receivable	189,294	109,244
Prepaid items	-	5,000
Total current assets	$ 3,815,311	$ 4,543,575
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Notes 1 & 2)	$ 176,539	$ 173,417
Total restricted assets	$ 176,539	$ 173,417
Capital assets (Note 3):		
Land and improvements	$ 5,943,439	$ 5,943,439
Buildings and fixtures	633,119	633,119
Landfill site	5,665,500	5,665,500
Ivy landfill equipment	1,436,865	1,478,235
Vehicles	731,319	702,729
Office equipment	16,736	16,736
Recycling facilities equipment	353,962	323,987
Accumulated depreciation (Note 3)	(8,239,097)	(8,221,401)
Subtotal	$ 6,541,843	$ 6,542,344
Construction in progress (Note 4)	2,743,868	298,215
Total net capital assets	$ 9,285,711	$ 6,840,559
Total noncurrent assets	$ 9,462,250	$ 7,013,976
Total assets	$ 13,277,561	$ 11,557,551
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension (Note 6)	$ 34,529	$ 90,844
Deferred outflows - OPEB - group life insurance (Note 11)	2,333	-
Total deferred outflows of resources	$ 36,862	$ 90,844

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

Statement of Net Position (continued)
At June 30, 2018 and 2017

	At June 30, 2018	At June 30, 2017
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 482,895	$ 376,529
Retainage payable	92,733	-
Accrued landfill corrective action and post-closure costs	476,650	470,413
Compensated absences - current portion (Note 9)	30,000	28,000
Other long-term obligation (Note 13)	37,483	44,395
Total current liabilities	$ 1,119,761	$ 919,337
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued transfer station closure costs (Note 7)	$ 176,539	$ 173,417
Accrued corrective action costs (Note 7)	2,858,581	2,833,308
Accrued post-closure monitoring costs (Note 7)	2,385,444	2,489,613
Compensated absences (net of current portion) (Note 9)	3,691	1,662
Other long-term obligation (Note 13)	75,971	112,292
Net pension liability (Note 6)	96,821	224,516
Net OPEB liability (Note 11)	36,000	-
Total noncurrent liabilities	$ 5,633,047	$ 5,834,808
Total liabilities	$ 6,752,808	$ 6,754,145
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension (Note 6)	$ 42,005	$ 9,278
Deferred inflows - OPEB - group life insurance (Note 11)	4,000	-
Total deferred inflows of resources	$ 46,005	$ 9,278
NET POSITION		
Net position:		
Investment in capital assets	$ 9,192,978	$ 6,840,559
Unrestricted	(2,677,368)	(1,955,587)
Total net position	$ 6,515,610	$ 4,884,972

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

Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2018 and 2017

	Year Ended June 30,	
	2018	2017
Operating revenues:		
Tipping fees	$ 878,841	$ 876,382
Recycling revenues	195,912	227,614
Other revenues	233,133	214,771
Total operating revenues	$ 1,307,886	$ 1,318,767
Operating expenses:		
Administration	$ 496,812	$ 388,524
Transfer station	909,581	808,104
Ivy Material Utilization Center	298,782	259,669
Ivy environmental	425,466	264,995
Recycling programs	455,216	312,052
Depreciation	58,566	51,789
Total operating expenses	$ 2,644,423	$ 2,085,133
Operating income (loss)	$ (1,336,537)	$ (766,366)
Nonoperating revenues (expenses):		
Interest earned	$ 50,437	$ 31,333
Local government contributions - remediation support	396,787	576,714
Local government contributions - operations support	747,161	368,856
Other income	8,034	5,220
Grants	27,118	27,811
Gain (loss) on disposal of assets	5,846	-
Total nonoperating revenues (expenses)	$ 1,235,383	$ 1,009,934
Income before capital grants	$ (101,154)	$ 243,568
Capital grants	$ 1,771,792	$ 210,083
Change in net position	$ 1,670,638	$ 453,651
Net position, beginning of year, as restated	4,844,972	4,431,321
Net position, end of year	$ 6,515,610	$ 4,884,972

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

Statement of Cash Flows
Years Ended June 30, 2018 and 2017

	Year Ended June 30, 2018	2017
Cash flows from operating activities:		
Receipts from customers and users	$ 1,235,870	$ 1,297,243
Payments to suppliers	(2,107,805)	(1,404,099)
Payments to and on behalf of employees	(802,354)	(765,637)
Net cash provided by (used for) operating activities	$ (1,674,289)	$ (872,493)
Cash flows from noncapital financing activities:		
Contributions from local governments	$ 1,143,948	$ 945,570
Grant income	27,118	27,811
Net cash provided by (used for) noncapital financing activities	$ 1,171,066	$ 973,381
Cash flows from capital and related financing activities:		
Additions to capital assets	$ (2,125,544)	$ (623,698)
Proceeds from the disposal of capital assets	6,346	-
Capital grants	1,771,792	210,083
Net cash provided by (used for) capital and related financing activities	$ (347,406)	$ (413,615)
Cash flows from investing activities:		
Interest received	$ 50,437	$ 31,333
Net cash provided by (used for) investing activities	$ 50,437	$ 31,333
Increase (decrease) in cash and cash equivalents	$ (800,192)	$ (281,394)
Cash and cash equivalents at beginning of year (including $173,417 and $171,192, respectively reported in restricted accounts)	4,602,748	4,884,142
Cash and cash equivalents at end of year (including $176,539 and $173,417 respectively reported in restricted accounts)	$ 3,802,556	$ 4,602,748
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ (1,336,537)	$ (766,366)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	58,566	51,789
Other nonoperating income	8,034	5,220
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable and prepaid items	(75,050)	(28,521)
Increase (decrease) in accounts payable and accrued expenses	(179,575)	161,573
Increase (decrease) in net OPEB liability	(5,000)	(26,912)
Increase (decrease) in other long-term obligations	(43,233)	(11,850)
Increase (decrease) in compensated absences	4,029	(17,367)
Increase (decrease) in net pension liability	(127,695)	81,899
(Increase) decrease in deferred outflows of resources - pension	56,315	(50,019)
Increase (decrease) in deferred inflows of resources - pension	32,727	(86,842)
(Increase) decrease in deferred outflows of resources - OPEB - GLI	(1,333)	-
Increase (decrease) in deferred inflows of resources - OPEB - GLI	4,000	-
Increase (decrease) in accrued landfill and transfer station obligations	(69,537)	(185,097)
Net cash provided by (used for) operating activities	$ (1,674,289)	$ (872,493)
Noncash investing, capital and financing activities:		
(Increase) decrease in retainage payable for capital assets	$ (92,733)	$ -

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

This page intentionally left blank

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

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-Pension Plan
  - Notes to Required Supplementary Information-Pension Plan
  - Schedule of Authority's Share of Net OPEB Liability-Group Life Insurance Program
  - Schedule of Employer Contributions-Group Life Insurance Program
  - Notes to Required Supplementary Information-Group Life Insurance Program

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.

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:

Assets	Years
Buildings & Fixtures	15
Vehicles	5 to 10
Office equipment	5
Landfill equipment	5 to 15

Total depreciation for the years ended June 30, 2018 and 2017 was $58,566 and $51,789, respectively.

G. Other Significant Accounting Policies

Accounts receivable are stated at book value utilizing the direct write-off method for immaterial uncollectible accounts.

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.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

N. Deferred Outflows and 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 types of items that qualify for reporting in this category. One type is comprised of certain items related to the measurement of the net pension liability. It 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, differences between expected and actual experience, and net difference between projected and actual pension plan earnings. Another type of deferred outflow is related to the Group Life Insurance Program (GLI OPEB Plan). It consists of employer contributions to the OPEB plan in the current year and subsequent to the OPEB liability measurement date, which will be recognized as a reduction of the net GLI OPEB liability next fiscal year, and changes in proportionate share between measurement dates.

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 two types of items that qualify for reporting in this category. Items related to the measurement of the net pension liability that are reported as deferred inflows of resources include differences between expected and actual experience, changes in assumptions, and the net difference between projected and actual earnings on pension plan investments. Deferred inflows of resources related to the measurement of the net GLI OPEB liability include differences between expected and actual experience, the net difference between projected and actual earnings on GLI OPEB plan investments, and changes in assumptions.

For more detailed information regarding deferred outflows and inflows of resources related to the pension plan, refer to Note 6. For more information on those related to the GLI OPEB Plan, refer to Note 11.

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.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Q. Other Postemployment Benefits (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program is a multiple employer cost sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The Authority's rated debt investments as of June 30, 2018 and 2017 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

Authority's Rated Debt Investments' Values - 2018

Rated Debt Investments	Fair Quality Ratings AAA
Local Government Investment Pool	$ 2,597,353
Total	$ 2,597,353

Authority's Rated Debt Investments' Values - 2017

Rated Debt Investments	Fair Quality Ratings AAA
Local Government Investment Pool	$ 3,553,131
Total	$ 3,553,131

Interest Rate Risk

Investment Maturities (in years) - 2018

Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	$ 2,597,353	$ 2,597,353
Total	$ 2,597,353	$ 2,597,353

Investment Maturities (in years) - 2017

Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	$ 3,553,131	$ 3,553,131
Total	$ 3,553,131	$ 3,553,131

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

External Investment Pool

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, 2018 follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land and improvements	$ 5,943,439	$ -	$ -	$ 5,943,439
Construction in progress	298,215	2,445,653	-	2,743,868
Total capital assets not being depreciated	$ 6,241,654	$ 2,445,653	$ -	$ 8,687,307
Other Capital Assets:				
Buildings & fixtures	$ 633,119	$ -	$ -	$ 633,119
Accumulated depreciation	(522,444)	(15,001)		(537,445)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,478,235	-	41,370	1,436,865
Accumulated depreciation	(1,276,394)	(15,335)	(40,870)	(1,250,859)
Vehicles	702,729	28,590	-	731,319
Accumulated depreciation	(474,929)	(20,605)	-	(495,534)
Office equipment	16,736	-	-	16,736
Accumulated depreciation	(16,736)	-	-	(16,736)
Recycling facilities equipment	323,987	29,975	-	353,962
Accumulated depreciation	(265,398)	(7,625)	-	(273,023)
Other capital assets, net	$ 598,905	$ (1)	$ 500	$ 598,404
Capital assets, net	$ 6,840,559	$ 2,445,652	$ 500	$ 9,285,711

NOTE 3–CAPITAL ASSETS: (CONTINUED)

A summary of changes in capital assets for the year ended June 30, 2017 follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land and improvements	$ 5,943,439	$ -	$ -	$ 5,943,439
Construction in progress	4,817	293,398	-	298,215
Total capital assets not being depreciated	$ 5,948,256	$ 293,398	$ -	$ 6,241,654
Other Capital Assets:				
Buildings & fixtures	$ 633,248	$ -	$ 129	$ 633,119
Accumulated depreciation	(507,572)	(15,001)	(129)	(522,444)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,335,028	143,207	-	1,478,235
Accumulated depreciation	(1,260,552)	(15,842)	-	(1,276,394)
Vehicles	522,761	179,968	-	702,729
Accumulated depreciation	(461,753)	(13,176)	-	(474,929)
Office equipment	16,736	-	-	16,736
Accumulated depreciation	(16,736)	-	-	(16,736)
Paper facility equipment	316,862	7,125	-	323,987
Accumulated depreciation	(257,628)	(7,770)	-	(265,398)
Other capital assets, net	$ 320,394	$ 278,511	$ -	$ 598,905
Capital assets, net	$ 6,268,650	$ 571,909	$ -	$ 6,840,559

NOTE 4–CONSTRUCTION IN PROGRESS:

At June 30, 2018 and 2017 the Authority had $2,743,868 and $298,215 construction in progress, respectively.

Details of construction in progress for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2018
New Ivy Transfer Station	$ 238,576	$ 2,210,903	$ -	$ 2,449,479
Landfill Cap Settlement Repairs	47,492	16,178	-	63,670
Flare Installation	12,147	125,839	-	137,986
Retainage on Construction in Progress	-	92,733	-	92,733
Total	$ 298,215	$ 2,445,653	$ -	$ 2,743,868

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	$ 4,817	$ 293,398	$ -	$ 298,215

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, 2018 and 2017, the liability for accrued vacation leave was $33,691 and $29,662, 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 (VRS)

All full-time, salaried permanent employees of the Authority are automatically covered by a 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.

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**
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.	**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.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • 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.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

<table>
<tr><th colspan="3">RETIREMENT PLAN PROVISIONS (CONTINUED)</th></tr>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID RETIREMENT PLAN</th></tr>
<tr><td>About Plan 1 (Cont.)</td><td>About Plan 2 (Cont.)</td><td>About the Hybrid Retirement Plan (Cont.)
• 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.</td></tr>
<tr><td>Eligible Members
Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

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.

The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</td><td>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.

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.

The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</td><td>Eligible Members
Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
• 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.

*Non-Eligible Members
Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:
• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</td></tr>
</table>

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Hybrid Opt-In Election (Cont.) 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.	**Hybrid Opt-In Election (Cont.)** 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.	***Non-Eligible Members (Cont.)** 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.
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.	**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.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
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.	**Creditable Service** Same as Plan 1.	**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 count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **<u>Defined Contribution Component:</u>** Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT 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. **<u>Defined Contribution Component:</u>** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make.

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.)** **Defined Contributions Component: (Cont.)** 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. • 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** **Defined Benefit Component:** See definition under Plan 1. **Defined Contribution Component:** 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.

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.)**
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** **Defined Benefit Component:** **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. **Defined Contribution Component:** Not applicable.

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:** Age 60 with at least five years (60 months) of creditable service.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Earliest Reduced Retirement Eligibility (Cont.) **Political subdivisions hazardous duty employees:** 50 with at least five years of creditable service.	**Earliest Reduced Retirement Eligibility (Cont.)** **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility (Cont.)** **Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
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%. **<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. 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.	**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%. **<u>Eligibility:</u>** Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement** **<u>Defined Benefit Component:</u>** Same as Plan 2. **<u>Defined Contribution Component:</u>** Not applicable. **<u>Eligibility:</u>** Same as Plan 1 and Plan 2.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Cost-of-Living Adjustment (COLA) in Retirement (Cont.) **Exceptions to COLA Effective Dates:** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • 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.	**Cost-of-Living Adjustment (COLA) in Retirement (Cont.)** **Exceptions to COLA Effective Dates:** Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement (Cont.)** **Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

NOTE 6–PENSION PLAN: (CONTINUED)

Plan Description (Continued)

<table>
<tr><th colspan="3">RETIREMENT PLAN PROVISIONS (CONTINUED)</th></tr>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID RETIREMENT PLAN</th></tr>
<tr><td>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.</td><td>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.</td><td>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.

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.</td></tr>
<tr><td>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. Members also may be eligible to purchase periods of leave without pay.</td><td>Purchase of Prior Service
Same as Plan 1.</td><td>Purchase of Prior Service
<u>Defined Benefit Component:</u>
Same as Plan 1, with the following exceptions:
• Hybrid Retirement Plan members are ineligible for ported service.

<u>Defined Contribution Component:</u>
Not applicable.</td></tr>
</table>

NOTE 6–PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2017-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, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	2018	2017
Inactive members or their beneficiaries currently receiving benefits	13	13
Inactive members:		
Vested inactive members	1	1
Non-vested inactive members	7	7
Inactive members active elsewhere in VRS	5	5
Total inactive members	13	13
Active members	9	9
Total covered employees	35	35

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 employer contribution rate for the years ended June 30, 2018 and 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 $32,983 and $32,319 for the years ended June 30, 2018 and June 30, 2017, respectively.

NOTE 6–PENSION PLAN: (CONTINUED)

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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, 2016, 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, 2017.

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:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

NOTE 6–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

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, 2019, 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, 2019 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, 2016	$ 2,511,532	$ 2,287,016	$ 224,516
Changes for the year:			
Service cost	$ 48,984	$ -	$ 48,984
Interest	170,210	-	170,210
Changes in assumptions	(29,532)		(29,532)
Difference between expected and actual experience	6,093	-	6,093
Contributions - employer	-	32,319	(32,319)
Contributions - employee	-	20,045	(20,045)
Net investment income	-	272,976	(272,976)
Benefit payments, including refunds of employee contributions	(159,924)	(159,924)	-
Administrative expenses	-	(1,651)	1,651
Other changes	-	(239)	239
Net changes	$ 35,831	$ 163,526	$ (127,695)
Balances at June 30, 2017	$ 2,547,363	$ 2,450,542	$ 96,821

NOTE 6–PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability: (Continued)

	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

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		
Rivanna Solid Waste Authority's Net Pension Liability	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
2018	$ 357,043	$ 96,821	$ (127,047)

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
2017	$ 481,464	$ 224,516	$ 4,036

NOTE 6–PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Authority recognized pension expense of ($5,670). At June 30, 2018, 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	$ 1,546	$ -
Change in assumptions	-	7,493
Net difference between projected and actual earnings on pension plan investments	-	34,512
Employer contributions subsequent to the measurement date	32,983	-
Total	$ 34,529	$ 42,005

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

NOTE 6–PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

$32,983 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, 2019. 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		
2019	$	(29,628)
2020		11,678
2021		835
2022		(23,344)
Thereafter		-

$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		-

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 $3,176,201 at June 30, 2018. The $2,544,474 reported as post-closure monitoring liability at June 30, 2018 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 $176,539. Total closure corrective action and post-closure care costs and post-closure monitoring costs accrued at June 30, 2018 are $5,897,214. 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 2018. 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 $3,624,592 and the City of Charlottesville in the amount of $1,994,931 for a total guarantee of $5,619,523. 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 $176,539.

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.

NOTE 9–SUMMARY OF LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Landfill closure/corrective action/ postclosure costs	$ 5,966,751	$ 400,876	$ 470,413	$ 5,897,214	$ 476,650
Compensated absences	29,662	35,055	31,026	33,691	30,000
VERIP liability	156,687	1,162	44,395	113,454	37,483
Net pension liability	224,516	227,177	354,872	96,821	-
Net OPEB liability	-	36,000	-	36,000	-
Totals	$ 6,377,616	$ 700,270	$ 900,706	$ 6,177,180	$ 544,133

The following is a summary of long-term obligation 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
Compensated absences	47,029	36,299	53,666	29,662	28,000
VERIP liability	168,537	25,295	37,145	156,687	44,395
Net pension liability	142,617	216,708	134,809	224,516	-
Net OPEB liability	26,912	-	26,912	-	-
Totals	$ 6,536,943	$ 354,874	$ 514,201	$ 6,377,616	$ 542,808

NOTE 10–OTHER POSTEMPLOYMENT BENEFITS–HEALTH INSURANCE:

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. Therefore, the Authority has no assets or liabilities to report as of June 30, 2017 or subsequent years.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN):

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Plan Description: (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (CONTINUED)

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- **Natural Death Benefit** - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
    - Accidental dismemberment benefit
    - Safety belt benefit
    - Repatriation benefit
    - Felonious assault benefit
    - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently $8,111.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Contributions: (Continued)

30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were $2,333 and $2,233 for the years ended June 30, 2018 and June 30, 2017, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2018, the entity reported a liability of $36,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employer's proportion was .00233% as compared to .00235% at June 30, 2016.

For the year ended June 30, 2018, the participating employer recognized GLI OPEB expense of $0. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,000
Change in assumptions	-	2,000
Employer contributions subsequent to the measurement date	2,333	-
Total	$ 2,333	$ 4,000

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

$2,333 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30		
2019	$	(1,038)
2020		(1,038)
2021		(1,038)
2022		(612)
2023		(275)
Thereafter		

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% – 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, 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 OPEB liabilities.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – General State Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Pre-Retirement:
RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:
RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – SPORS Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – JRS Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 2,942,426
Plan Fiduciary Net Position	1,437,586
Employers' Net GLI OPEB Liability (Asset)	$ 1,504,840
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	48.86%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

NOTE 11–GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN): (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The follow presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	**Current Discount (7.00%)**	**1% Increase (8.00%)**
Authority's proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 50,000	$ 36,000	$ 30,000

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 12–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 $409,000 in FY 2018 and $328,000 in FY 2017 and for leachate acceptance and treatment of $1,563 in FY 2018 and $732 in FY 2017. Rivanna Solid Waste Authority billed Rivanna Water & Sewer Authority $51,889 for hauling and tipping fees in FY 2018 and $58,060 in the previous year. RSWA owed RWSA $36,867 and $22,331 at June 30, 2018 and 2017, respectively.

NOTE 13–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 Board's contribution toward an employee's health insurance 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, 2018 and 2017 was $113,454 and $156,687, respectively. The amount payable within the next year is $37,483.

NOTE 14–UPCOMING FINANCIAL REPORTING PRONOUNCEMENTS:

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. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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.

NOTE 14–UPCOMING FINANCIAL REPORTING PRONOUNCEMENTS: (CONTINUED)

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, it requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. 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.

NOTE 15–CONSTRUCTION COMMITMENTS:

Rivanna Solid Waste Authority had the following significant construction contract commitments for capital projects as of June 30, 2018:

Project	Incurred To Date	Remaining Commitment
New Ivy Transfer Station	$ 1,854,658	$ 392,939
Flare Installation	110,865	259,046

These contracts give the Authority the right to terminate the contract for any reason.

NOTE 16–RESTATEMENT OF BEGINNING NET POSITION:

The Authority implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* during the fiscal year ended June 30, 2018. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to postemployment benefits other than pensions (other postemployment benefits or OPEB). Note disclosure and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve accounting and financial reporting by state and local governments for OPEB. In addition, the Authority implemented Governmental Accounting Standards Board Statement No. 85, *Omnibus 2017,* during the fiscal year ended June 30, 2018. This Statement addresses practice issues identified during implementation and application of certain GASB statements for a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The implementation of these Statements resulted in the following restatement of net position:

		Amount
Net Position as of July 1, 2017, previously reported	$	4,884,972
OPEB liability restated as of July 1, 2017 - group life insurance		(40,000)
Net Position as of July 1, 2017, as restated	$	4,844,972

This page intentionally left blank

Required Supplementary Information

RIVANNA SOLID WASTE AUTHORITY

Schedule of Changes in Net Pension Liability and Related Ratios
For the Years Ended June 30, 2015 through June 30, 2018

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 48,984	$ 47,552	$ 44,891	$ 57,148
Interest	170,210	167,674	172,433	165,972
Difference between expected and actual experience	6,093	(34,352)	(157,193)	-
Changes in assumptions	(29,532)	-	-	-
Benefit payments, including refunds of employee contributions	(159,924)	(129,362)	(126,868)	(134,796)
Net change in total pension liability	$ 35,831	$ 51,512	$ (66,737)	$ 88,324
Total pension liability - beginning	2,511,532	2,460,020	2,526,757	2,438,433
Total pension liability - ending (a)	$ 2,547,363	$ 2,511,532	$ 2,460,020	$ 2,526,757
Plan fiduciary net position				
Contributions - employer	$ 32,319	$ 40,825	$ 38,370	$ 44,486
Contributions - employee	20,045	20,729	19,552	18,368
Net investment income	272,976	38,903	103,238	317,095
Benefit payments, including refunds of employee contributions	(159,924)	(129,362)	(126,868)	(134,796)
Administrative expense	(1,651)	(1,465)	(1,462)	(1,754)
Other	(239)	(17)	(21)	17
Net change in plan fiduciary net position	$ 163,526	$ (30,387)	$ 32,809	$ 243,416
Plan fiduciary net position - beginning	2,287,016	2,317,403	2,284,594	2,041,178
Plan fiduciary net position - ending (b)	$ 2,450,542	$ 2,287,016	$ 2,317,403	$ 2,284,594
Authority's net pension liability - ending (a) - (b)	$ 96,821	$ 224,516	$ 142,617	$ 242,163
Plan fiduciary net position as a percentage of the total pension liability	96.20%	91.06%	94.20%	90.42%
Covered payroll	$ 429,354	$ 422,207	$ 395,326	$ 367,351
Authority's net pension liability as a percentage of covered payroll	22.55%	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-Pension Plan
For the Years Ended June 30, 2009 through June 30, 2018

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)
2018	$ 32,983	$ 32,983	$ -	$ 441,868	7.46%
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%

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, 2017 are not material.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

RIVANNA SOLID WASTE AUTHORITY

Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance Program
For the Year Ended June 30, 2018

Date (1)	Employer's Portion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2017	0.00233%	$ 36,000	$ 429,354	8.38%	48.86%

Schedule is intended to show information for 10 years. Information prior to 2017 is unavailable. However, additional years will be included as they become available.

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions
Group Life Insurance Program
For the Years Ended June 30, 2017 through June 30, 2018

Date	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)
2018	$ 2,333	$ 2,333	$ -	$ 441,868	0.53%
2017	2,233	2,233	-	429,354	0.52%

Schedule is intended to show information for 10 years. Information prior to 2017 is unavailable. However, additional years will be included as they become available.

Notes to Required Supplementary Information
Group Life Insurance Program
For the Year Ended June 30, 2018

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

General State Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Lowered rates at older ages and changed final retirement
Withdrawal Rates	Adjusted rates to better fit experience at each year age and
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

Teachers

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Lowered rates at older ages and changed final retirement
Withdrawal Rates	Adjusted rates to better fit experience at each year age and
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

SPORS Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

VaLORS Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

Notes to Required Supplementary Information
Group Life Insurance Program
For the Year Ended June 30, 2018 (Continued)

JRS Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Lowered retirement rates at older ages and extended final
Withdrawal Rates	Adjusted termination rates to better fit experience at each age
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Lowered retirement rates at older ages and extended final
Withdrawal Rates	Adjusted termination rates to better fit experience at each age
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement	Updated to a more current mortality table - RP-2014 projected
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

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.	10-11
Other Information	12

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

RIVANNA SOLID WASTE AUTHORITY **Table 1**

Net Position by Component
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Net investment in capital assets	$ 9,192,978	$ 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
Unrestricted	(2,677,368)	(1,955,587)	(1,837,329)	(2,412,362)	(2,437,339)	493,493	144,228	1,308,953	1,345,007	(234,255)
Total net position	$ 6,515,610	$ 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

RIVANNA SOLID WASTE AUTHORITY **Table 2**

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Operating revenues:										
Tipping fees	$ 878,841	$ 876,382	$ 723,803	$ 685,784	$ 693,865	$ 915,834	$ 862,422	$ 1,040,183	$ 1,900,713	$ 2,813,022
Recycling revenues	195,912	227,614	138,239	126,178	153,443	174,674	236,130	272,016	283,130	285,201
Other revenue	233,133	214,771	191,172	257,404	239,958	231,447	214,836	165,626	140,112	88,707
Total operating revenues	$ 1,307,886	$ 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
Operating expenses:										
Administration	$ 496,812	$ 388,524	$ 398,610	$ 338,200	$ 385,056	$ 345,206	$ 344,974	$ 352,179	$ 1,149,318	$ 581,007
Transfer station	909,581	808,104	798,313	754,792	694,271	894,903	875,498	859,182	1,458,446	2,249,955
Ivy Material Utilization Center	298,782	259,669	257,481	205,089	217,787	299,122	258,343	273,268	305,547	340,882
Ivy environmental ***	425,466	264,995	(13,152)	318,515	3,472,632	528,473	1,680,530	826,564	(155,371)	1,504,531
Recycling programs	455,216	312,052	296,725	239,660	244,506	250,385	253,873	290,298	400,034	618,223
Depreciation	58,566	51,789	54,885	66,639	98,568	154,968	148,071	175,814	199,117	191,320
Total operating expenses	$ 2,644,423	$ 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
Operating income (loss)	$ (1,336,537)	$ (766,366)	$ (739,648)	$ (853,529)	$ (4,025,554)	$ (1,151,102)	$ (2,247,901)	$ (1,299,480)	$ (1,033,136)	$ (2,298,988)
Nonoperating revenues (expenses):										
Interest earned	$ 50,437	$ 31,333	$ 16,107	$ 8,745	$ 7,766	$ 10,963	$ 11,590	$ 12,438	$ 18,028	$ 107,753
Local government contributions - remediation support	396,787	576,714	720,151	809,908	817,348	770,722	755,253	875,480	409,624	1,729,082
Local government contributions - operations support	747,161	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	27,118	27,811	28,878	28,562	28,554	32,370	23,431	26,714	23,408	29,087
Other income	8,034	5,220	31,800	-	7,200	14,000	-	7,130	-	-
Gain (loss) on disposal of assets	5,846	-	(2,665)	-	(3,000)	-	-	1,527	2,081	11,855
Interest expense	-	-	-	-	-	-	-	(6,242)	(17,681)	(29,263)
Total nonoperating revenues (expenses)	$ 1,235,383	$ 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
Income before capital grants	$ (101,154)	$ 243,568	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297	$ (1,242,652)	$ (190,061)	$ 1,207,411	$ 634,199
Capital grants	1,771,792	210,083	-	-	-	-	-	-	-	-
Change in net position	$ 1,670,638	$ 453,651	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297	$ (1,242,652)	$ (190,061)	$ 1,207,411	$ 634,199

*** 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
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
2018	8,423	119	58	4,819	0	2,199

RIVANNA SOLID WASTE AUTHORITY **Table 4**

Waste Tonnages Diverted for Reuse or Recycling
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Cardboard (corrugated)	763	812	459	278	279	358	359	482	482	769
Newspaper, magazines, catalogs	424	419	512	524	640	782	765	858	1,150	1,590
Mixed paper and phone books	186	156	214	212	265	214	258	228	412	702
File stock (office paper)	111	122	125	125	164	192	172	220	288	345
Glass ***	252	252	191	219	249	398	357	413	684	895
Metal cans	41	31	32	30	34	47	55	41	100	111
Plastic	103	86	82	95	98	69	82	81	160	135
White goods (scrap metal)	119	123	107	80	73	76	87	120	153	188
Vegetation	2,199	2,864	1,560	1,874	2,016	3,714	1,877	2,912	2,756	2,714
Pallets	77	72	55	79	71	81	88	89	114	153
Tires	58	87	169	133	92	131	158	151	154	142
	4,333	5,024	3,506	3,649	3,981	6,062	4,258	5,595	6,453	7,744

Note:
*** Glass includes glass crushed and reused on roads at Ivy MUC for FY 2012 and prior years.

RIVANNA SOLID WASTE AUTHORITY **Table 5**

Tipping Fees Per Ton By Waste Category
Last Ten Fiscal Years

Waste Category	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	Fiscal Years Ended June 30,									
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	N/A	62.00	62.00
Vegetative	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Tires:										
Whole Tires	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	173.10	173.10
White Goods:										
Non-Freon	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	104.30	104.30
Clean-Fill	10.00	10.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Sludge	N/A	N/A	N/A	N/A	N/A	N/A	8.00	8.00	7.30	7.30
Pallets	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	46.00	46.00

RIVANNA SOLID WASTE AUTHORITY **Table 6**

Top Ten Customers
Current Year and Nine Years Ago

Fiscal Year 2018 (Current Year):

		Operating Revenues	
		Amount	**% of Total**
Sonoco Recycling		170,008	13%
UVA Facilities Management		97,176	7%
Rivanna Water & Sewer Authority		51,859	4%
Gerdau Metals Recycling		44,838	3%
Albemarle County		32,825	3%
Pleasant View Developers Inc.		14,390	1%
Black Bear Composting		14,107	1%
VDOT		11,352	1%
Real Property, Inc.		10,427	1%
Martin Horn, Inc.		9,325	1%
Subtotal (top ten customers)	$	456,307	35%
Other customers		851,579	65%
Total	$	1,307,886	100%

Fiscal Year 2009 (Nine Years Ago):

		Operating Revenues	
		Amount	**% of Total**
City of Charlottesville	$	470,643	15%
Waste Mgmt. of VA-Blue Ridge		427,109	13%
International Paper (formerly Weyerhaeuser)		222,365	7%
Dixon's Trash Disposal		115,327	4%
Barnett's Trash Service		76,332	2%
Efficient Roll-Off & Recycling		74,972	2%
Albemarle County		72,659	2%
Cycle Systems, Inc.		64,037	2%
McCauley's Disposal Svc., Inc.		56,555	2%
Faulconer Construction Co Inc.		50,248	2%
Subtotal (top ten customers)	$	1,630,247	51%
Other customers		1,585,770	49%
Total	$	3,216,017	100%

RIVANNA SOLID WASTE AUTHORITY **Table 7**

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Bank notes payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 206,827	$ 413,655
Total outstanding debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 206,827	$ 413,655
Debt per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1.47	$ 2.97

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)
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	144,344	7,549,474	52,302	5.9%
2012	146,344	8,301,835	56,728	5.5%
2013	147,662	8,124,880	55,023	5.0%
2014	149,540	8,686,777	58,090	4.6%
2015	151,788	9,210,232	60,678	3.9%
2016	153,790	9,375,633	60,964	3.6%
2017	not available	not available	not available	3.3%

(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 2017 Number of Employees	Fourth Quarter of 2017 Rank	Fourth Quarter of 2008 Number of Employees	Fourth Quarter of 2008 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
Charlottesville City School Board	500-999	7	500-999	8
State Farm Mutual Automobile Insurance	500-999	8	1,000 & over	6
U.S. Department of Defense	500-999	9		
Servicelink Management Com Inc	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,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
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
Positions Allocated Between Transfer, Ivy Operations, and Recycling										
-Attendants	2.7	3.2	3.2	3.2	3.2	7.5	7.5	6.0	9.5	9.5
-CDL Drivers	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Recycling	1.8	0.0	0.0	0.0	0.0	0.0	0.0	2.1	3.1	4.6
Dedicated Administrative Position	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Joint Administrative Staff	3.5	3.4	3.5	2.6	2.6	2.6	2.8	2.8	4.9	4.9
Total	14.0	12.6	12.7	11.8	11.8	16.1	16.3	15.9	22.5	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,									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
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	8,423	8,341	7,761	7,097	6,864	18,124	21,448	26,735	30,311	34,134
Average daily tonnage received	33	33	31	28	27	59	69	87	98	110
Design capacity in tons per day	150	150	150	150	150	150	150	150	150	150
All other waste tonnage received (Ivy MUC)	7,272	9,499	7,780	8,117	11,340	14,491	10,094	15,670	10,723	13,260
Number of vehicles visiting IMUC	39,342	37,207	34,596	33,793	34,335	42,121	41,957	47,827	48,896	50,066
Number of transactions	74,828	71,827	67,258	64,818	65,944	80,037	78,531	92,399	50,887	52,134
Contracted MSW/CDD transfer stations:										
Number of contracted MSW/CDD transfer stations	0	0	0	0	0	0	0	0	1	1
Total MSW/CDD tonnage received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,852	22,402
Number of transactions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,220	5,880
Average daily tonnage received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38	72
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	2	3	3	3	3	3	2	2	2
Tons of recyclable materials received	1,881	1,878	1,615	1,483	1,729	2,060	2,048	2,323	3,073	4,547

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, 2018

Type Of Coverage/Company Name	Coverage Limits		Annual Premium
<u>Commercial Property</u>			
Virginia Association of Counties	$ 5,325,574	Property Value and Business Income/ Extra Expense	$ 5,891
07/01/17-07/01/18			
<u>Worker's Compensation</u>			
Virginia Municipal Group Self Insurance Association	$ 1,000,000	Each Occurrence	$ 34,979
07/01/17-07/01/18			
<u>Comprehensive Automobile</u>			
Virginia Association of Counties	$ 10,000,000	Comprehensive & Collision	$ 4,209
07/01/17-07/01/18			
<u>Crime Policy</u>			
Virginia Association of Counties	$ 500,000		$ 975
07/01/17-07/01/18			
<u>General Liability</u>			
Virginia Association of Counties	$ 10,000,000		$ 3,339
07/01/17-07/01/18			
<u>Public Officials Liability</u>			
Virginia Association of Counties	$ 10,000,000		$ 1,102
07/01/17-07/01/18			

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, 2018, 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 12, 2018.

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, Cox Associates

Charlottesville, Virginia
October 12, 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: PHIL MCKALIPS, DIRECTOR OF SOLID WASTE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: REDUCTION IN SOLID WASTE FEES

DATE: DECEMBER 11, 2018

Background

During the September 25, 2018 Board meeting, staff presented a proposal to reduce the service fees and Municipal Solid Waste (MSW) / Construction Demolition Debris (CDD) tipping fees at the new Ivy Transfer Station. The Board discussed the alternatives, as well as our Ivy Material Utilization Center Programs Agreement of August 23, 2011 (amended in May 2016) with Albemarle County, which requires the Authority to consult with the County prior to proposing any change to the tipping fees or other charges for the MUC.

On November 7, 2018, Albemarle County staff presented a recommendation to their Board of Supervisors to reduce the MSW/CDD tipping fees from \$66 to \$55 per ton. After discussion, a resolution was passed by the Board of Supervisors recommending the RSWA Board reduce the MSW/CDD tipping fees to \$52 per ton. The \$52 per ton MSW/CDD tipping fees are consistent with the average tipping fees for transfer stations in neighboring counties. A \$52 tipping fee represents a 23% reduction in the cost for customers to dispose of MSW/CDD.

At the November 13, 2018 Board meeting, the Board voted to approve advertising new MSW and CDD tipping fees of \$52 per ton (the Preliminary Rate Resolution is attached). This rate change resolution was advertised in the Daily Progress on November 16 and November 23, 2018 and a Public Hearing has been scheduled for this meeting.

If the Board adopts the rate resolution, staff will contact our larger waste haulers to notify them of the pending rate change. We will also begin advertising this change at the scale house at the Ivy MUC facility and on our website.

We currently have a list of approximately 20 waste haulers that we will attempt to contact personally via telephone. We will also work to expand this list and our personal contacts with haulers through December and the beginning of next year. The purpose of these efforts will be to increase the tonnage of waste being processed through the new transfer station.

Board Action Recommended:

It is respectfully recommended that following a public hearing and consideration of public comment, the Board of Directors adopt the attached Rate Resolution setting forth the advertised rates and fees. If adopted, the new rates will be effective on January 1, 2019.

MSW/CDD Tipping Fees Change

Presented by Phil McKalips, Director of Solid Waste

December 11, 2018

MSW Rates Regionally

Ivy (current) - $66

Augusta - $45

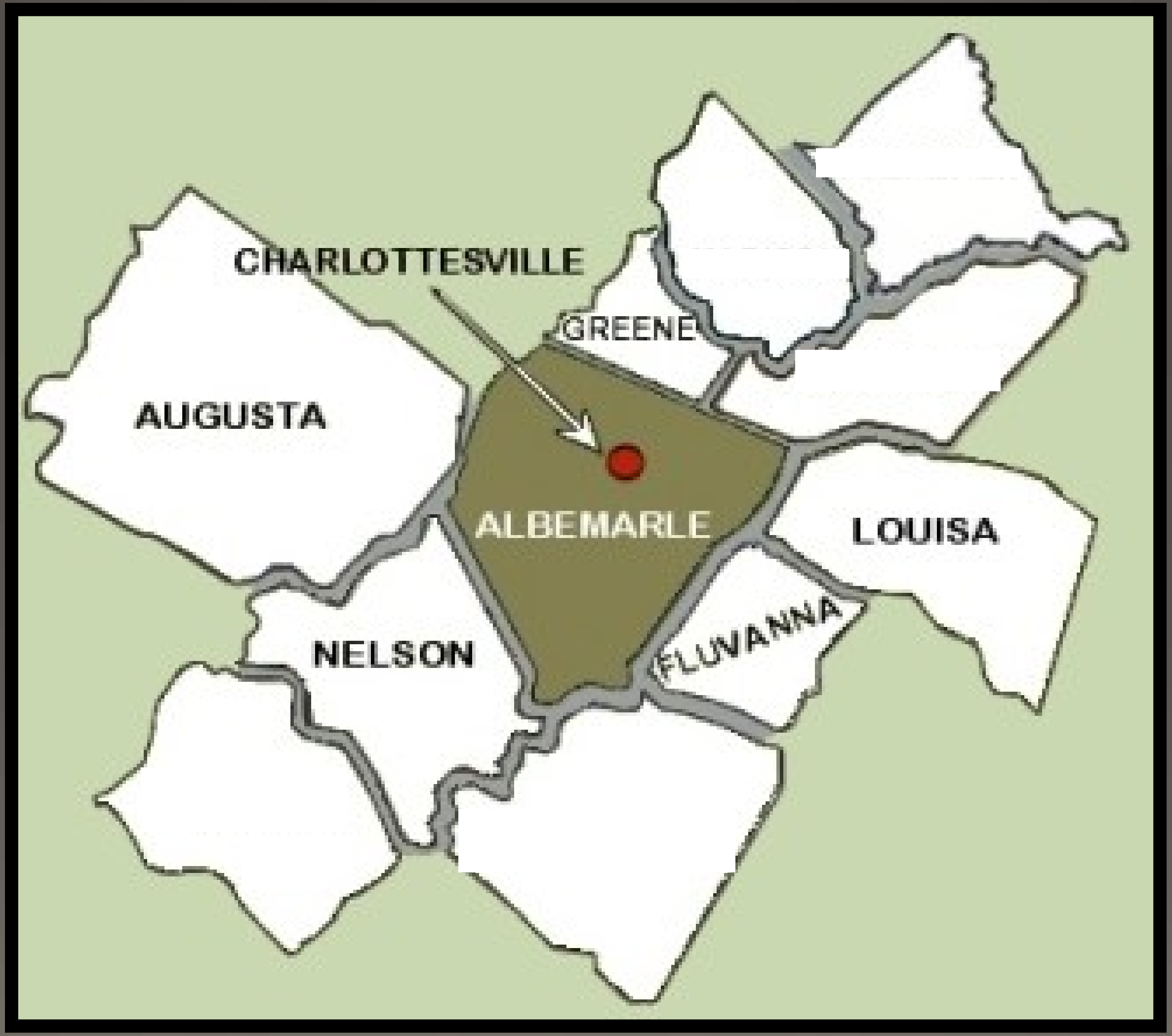
Fluvanna - $57

Louisa - $52

Nelson - $55

Greene - $50

Average (excluding Ivy MUC) - $52



To Approve the New MSW / CDD Rates

- Conduct a Public Hearing
- Adopt the Rate Resolution

Next Steps

- Staff will reach out via telephone to list of approximately 20 larger haulers to inform them of the tipping fee change.
- Work to expand list for direct contact through beginning of next year.
- Look for additional opportunities to increase exposure of the new facility to area haulers and organizations.

Questions?

RIVANNA SOLID WASTE AUTHORITY
PUBLIC HEARING CONCERNING THE PROPOSED TIPPING FEES FOR FY 2019

Public Hearing:
Rivanna Solid Waste Authority will hold a public hearing on Tuesday, December 11, 2018 at 2:00 p.m. at the special Rivanna Solid Waste Authority Board of Directors meeting in the Administrative Office main conference room**, 695 Moores Creek Lane, Charlottesville, VA.** The purpose of the public hearing is to consider the following fees and charges effective January 1, 2019:

TIPPING FEES PER TON:	
Clean Fill Material	$ 10.00
Pallets	$ 48.00
Vegetation/ Yard Waste	$ 48.00
Non-Freon Appliances	$ 105.00
Domestic Waste (MSW)	**$ 52.00**
Construction Debris (CDD)	**$ 52.00**
Compostable Services*	$ 178.00
Tires	$ 190.00
Minimum Charge (per load)	$ 6.00
Mulch or Lumber Log (per ton)	$ 30.00
Trash Stickers (for set of 12)	$ 24.00
Ticket Request (per copy)	$ 1.00
Credit Application Fee (each)	$ 35.00

TIPPING FEES PER ITEM:	
Freon Appliances	$ 17.00
Non-Freon Appliances	$ 9.00
Passenger Veh. Tire Off Rim	$ 6.00
Passenger Veh. Tire With Rim	$ 13.00
Large Truck Tire Off Rim	$ 17.00
Large Truck Tire With Rim	$ 33.00
Service Fee Per Ticket:	
Albemarle County customers	$ 1.00
Other customers	$ 10.00
Hauling Fee Per Load Based on Location:	
Minimum	$ 100.00
Maximum	$ 142.00

* This fee applies to businesses and institutions only.

Additional information can be obtained on the Rivanna website at **www.rivanna.org**. Please call 977-2976, ext. 0 or send e-mail to info@rivanna.org with any questions you may have.

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

RESOLUTION

ADOPTION OF THE RIVANNA SOLID WASTE AUTHORITY RATE SCHEDULE AND RELATED BUDGET FOR THE REMAINDER OF FISCAL YEAR 2019

WHEREAS, the Authority has advertised and held a public hearing on December 11, 2018, on the proposed rates and fees for the period from January 1, 2019 to June 30, 2019 in accordance with Section 15.2-5136(G) of the Code of Virginia, as amended;

THEREFORE, BE IT RESOLVED that the Rivanna Solid Waste Authority Board of Directors hereby adopt the accompanying rate schedule effective January 1, 2019 summarized below:

TIPPING FEES PER TON:			TIPPING FEE PER ITEM:	
Clean Fill Material	$10.00		Freon Appliances	$17.00
Pallets	$48.00		Non-Freon Appliances	$9.00
Vegetation/Yard Waste	$48.00		Passenger Veh. Tire (off Rim)	$6.00
Non-Freon Appliances	$105.00		Passenger Veh. Tire (on Rim)	$13.00
Domestic Waste (MSW)	$52.00		Large Truck Tire (off Rim)	$17.00
Construction Debris (CDD)	$52.00		Large Truck Tire (on Rim)	$33.00
Compostable Waste	$178.00			
(Businesses Only)				
Tires	$190.00			
OTHER CHARGES:				
Minimum Charge (per load)	$6.00		Service Fee Per ticket:	
Mulch or Lumber Log (per ton)	$30.00		Albemarle County Customers	$1.00
Trash Stickers (for set of 12)	$24.00		Other Customers	$10.00
Ticket Request (per copy)	$1.00		Hauling Fee Per Load (based on Location):	
Credit Application Fee (each)	$35.00		Minimum	$100.00
			Maximum	$142.00