



RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
March 22, 2022

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, March 22, 2022, at 2:00 p.m. via Zoom.

Board Members Present: Mike Gaffney, Jeff Richardson, Jim Andrews, Brian Pinkston, Stacey Smalls, Lance Stewart, Michael Rogers.

Board Members Absent: None

Rivanna Staff Present: Bill Mawyer, Lonnie Wood, Deborah Anama, John Hull, Jeff Southworth, Phil McKalips, Jennifer Whitaker.

Attorney(s) Present: Carrie Stanton.

1. CALL TO ORDER

Mr. Gaffney convened the March 22, 2022 regular meeting of the Board of Directors of the Rivanna Solid Waste Authority at 2:00 p.m.

2. STATEMENT FROM THE CHAIR

Mr. Gaffney read the following statement aloud:

“This is Mike Gaffney, Chair of the Rivanna Solid Waste Authority. I would like to call the March 22, 2022 meeting of the Board of Directors to order.

“Notwithstanding any provision in our Bylaws to the contrary, as permitted under the City of Charlottesville’s Continuity of Government Ordinance adopted on March 25, 2020, Albemarle County’s Continuity of Government Ordinance adopted on April 15th, 2020, and revised effective October 1, 2020 and Chapter 1283 of the 2020 Acts of the Virginia Assembly effective April 24, 2020, we are holding this meeting by real time electronic means with no Board member physically present at a single, central location.

“All Board members are participating electronically. This meeting is being held pursuant to the second resolution of the City’s Continuity of Government Ordinance and Section 6 of the County’s revised Continuity of Government Ordinance. All Board members will identify themselves and state their physical location by electronic means during the roll call which we will hold next. I note for the record that the public has real time audio-visual access to this meeting over Zoom as provided in the lawfully posted meeting notice and real time audio access over telephone, which is also contained in the notice. The public is always invited to send questions, comments, and suggestions to the Board through Bill Mawyer, the Authority’s Executive Director, at any time.”

Mr. Gaffney called the roll.

Mr. James H. Andrews stated he was located at his home in the Samuel Miller District of Charlottesville.

Mr. Brian Pinkston stated he was located at his office at the University of Virginia in Charlottesville, VA.

Mr. Jeff Richardson stated he was located at the McIntire County Office Building in Charlottesville, VA.

Mr. Rogers stated he was located at City Hall in Charlottesville, VA.

Mr. Stewart stated he was located at 401 McIntire Road, Charlottesville, VA (County Office Building).

Mr. Mike Gaffney stated he was located at 3180 Dundee Road in Earlysville, VA.

Mr. Stacey Smalls, City Public Works Administration offices, Charlottesville, VA, was present.

Mr. Gaffney stated the following Authority staff members were joining the meeting electronically: Bill Mawyer, Phil McKalips, Lonnie Wood, Jennifer Whitaker, John Hull, Jeff Southworth, and Deborah Anama.

Mr. Gaffney stated they were also joined electronically by Carrie Stanton, Counsel to the Authority.

3. MINUTES OF PREVIOUS BOARD MEETING

- a. Minutes of the Regular Meeting of the Board on November 16, 2021*
- b. Minutes of the Regular Meeting of the Board on January 25, 2022*

Ms. Stanton provided guidance to the Board that members may vote on the meeting minutes if the member was not present at the meeting.

Mr. Gaffney asked if there were comments or changes to the November 16, 2021 minutes. There were none.

Mr. Gaffney asked if there were comments or changes to the January 25, 2022 minutes. There were none.

Mr. Rogers moved to approve the minutes for the November 16, 2021 and the January 25, 2022. Mr. Stewart seconded the motion, which passed unanimously (7-0).

4. ELECTION OF CHAIR, VICE CHAIR, & SECRETARY-TREASURER

Mr. Gaffney is currently the Chair, Mr. Richardson is the Vice Chair, and the Secretary-Treasurer position has been vacant since the departure of Mr. Boyles in October 2021.

Mr. Gaffney asked Ms. Stanton if this was the regular election schedule from the four-party agreement as to who the Chair and Vice Chair would be.

Ms. Stanton stated this was a regular election under the bylaws, so Article 3 of the bylaws sets up the officers of the Authority that were required, that would be Chair, Vice Chair, and Secretary-

Treasurer, and the elections were to be held at the March meeting in even-numbered years, which was this meeting, and the officers would take office on May 1 and serve for a two-year term.

Mr. Gaffney stated the Secretary-Treasurer position was vacant and was usually held by the City Manager. He stated to Mr. Rogers that it would normally be a position that he would hold.

Ms. Stanton stated that if he wanted to have a discussion briefly first and then open nominations to formally do motions, that would be preferred.

Mr. Gaffney asked if there was discussion for the office.

Mr. Rogers stated as to the interim City Manager of Charlottesville, he could only give the time he had been given, so he was expected to be there for six months and he did not know if that would be extended, but the City was not looking to fill out a three-year term, so how they wanted to handle that for the Secretary-Treasurer should be discussed.

Mr. Gaffney stated he understood that. He stated for the Board information, because they had a lot of new Board members, in the 20 years he had been Chair of the Rivanna Water and Sewer Authority, the City Manager had always been appointed to the Secretary-Treasurer, and the County Executive had always been appointed Vice Chair, and the Citizen Representative had always been appointed to Chair. He stated he supposed those were not set in stone since they needed an election.

Ms. Stanton stated that was correct.

Mr. Gaffney stated on the Rivanna Water and Sewer Authority, the Vice Chair and Secretary-Treasurer were usually switched.

Ms. Stanton stated she believed that was simply historic practice. She stated the bylaws stated the Chair and Vice Chair must be members of the Board, and the Secretary-Treasurer did not even have to be a member, but it would definitely be best practice, so it was not required that it be Mr. Rogers in this instance.

Mr. Rogers stated before he was appointed, one of the deputies represented the City Manager's Office. He stated if he were reappointed and his term ended, that delegation would go back into effect, and the Board position should be taken by one of the deputies in office, probably Samuel Sanders, who was the previous representative for the Office of the City Manager.

Mr. Pinkston stated that sounded like a good workaround for the time being, and it made sense if Mr. Rogers was the Secretary-Treasurer, Mr. Sanders could fill in if need be.

Mr. Mawyer asked Ms. Stanton if that was an issue that Council needed to appoint Mr. Rogers' replacement if there was one as an official interim or acting City Manager.

Ms. Stanton stated there were some steps they would need to go through for that appointment and document it accordingly.

Mr. Pinkston asked if that documentation was for the City to officially appoint Mr. Sanders to take Mr. Rogers' place.

Ms. Stanton stated that was correct. She stated they would need to have that appointment documented.

Mr. Mawyer asked if that was from Council.

Ms. Stanton stated yes, it was from City Council.

Mr. Pinkston asked if they had to do that now.

Mr. Rogers stated no.

Ms. Stanton stated no.

Mr. Gaffney asked if there was further discussion.

Mr. Pinkston stated the other option would be if Mr. Smalls would be interested in doing it.

Mr. Smalls stated he was there to serve.

Mr. Pinkston stated that if Mr. Rogers liked his plan, they should move forward with it.

Mr. Rogers stated that was how he thought they should proceed because the City Manager had historically served in the position of Secretary-Treasurer, and if it was appropriate now to be elected and then at the point the current sitting Board member was no longer available to serve, the Office of the City Manager would designate someone, and that person would be the Deputy City Manager, and they would take the appropriate steps to have Council confirm the appointment to the Rivanna Solid Waste Authority.

Mr. Gaffney stated since a slate was not proposed and just stated who the current holders were, someone must propose the new officers before an election was held.

Mr. Pinkston moved that Mr. Gaffney remain as Chair, Mr. Richardson as Vice Chair, and Mr. Rogers be nominated as Secretary-Treasurer. The motion was seconded by Mr. Stewart and passed unanimously (7-0).

5. RECOGNITION

There were no recognitions for the month.

6. EXECUTIVE DIRECTOR'S REPORT

Mr. Mawyer stated business was still busy at the Ivy MUC. He stated they had over 5,000 vehicles in January and over 6,000 vehicles passed through the station in February with an average municipal solid waste and construction demolition debris of 143 tons per day. He stated that was the blue line shown on the graph, the green was the 2019 number, yellow for 2020, and orange for 2021. He stated it could be seen for each graph that the volume of refuse was getting higher almost every month with their transfer operations, which was good news. He stated they were pleased to recognize their safety manager, Liz Coleman, had completed the requirements to become a certified safety professional. He stated Ms. Coleman told him it took about seven years to achieve this certification. He stated it required certain academic degrees, experience, and passing a 5.5-hour exam. He congratulated and complimented her and added that our safety program was moving forward with her guidance.

Mr. Mawyer stated Mr. McKalips was working through the “Mulch Madness Giveaway” at the Ivy MUC, which had been successful because they had mulch available after the free vegetated debris disposal program from the storm in January. They were giving away the first two tons and then began charging for the rest to try and get the mulch pile reduced before they had any issues such as a fire hazard. He stated Mr. McKalips would discuss the large clean-fill project, which was going well. He stated he would mention the Board approved a buffer management plan in 2019 that would optimize the vegetated buffer around the landfill with some tree thinning. He stated that was approved in 2019 and the contractor should start as soon as this week with the first phase of that work.

Mr. Stewart stated the tree pruning or removal was supposed to create revenue. He asked if there was a projection for the amount of revenue generated this year.

Mr. Mawyer stated they had \$50K included in this year’s budget for that revenue.

7. ITEMS FROM THE PUBLIC

There were no items from the public.

8. RESPONSES TO PUBLIC COMMENT

As there were no items from the public, there were no responses.

9. CONSENT AGENDA

a. Staff Report on Finance

b. Staff Report on Ivy Material Utilization Center/Recycling Operations Update

Mr. Gaffney asked if anyone wanted to pull the remaining items for comments or questions and heard none.

Mr. Richardson moved that the Board approve the Consent Agenda as presented. The motion was seconded by Mr. Andrews and passed unanimously (7-0).

9. OTHER BUSINESS

a. Presentation: Public Hearing and Approval: Revised Rate Schedule, Large Clean Fill Program; Phil McKalips, Director of Solid Waste

Mr. Phil McKalips, Director of Solid Waste, stated in January they discussed the Large Clean Fill Program. He stated the Board authorized them to move forward with a pilot program, which they had been running since the 18th of February. He stated it was working pretty well. He stated the contractor was responsible for all the grading, compaction, seeding, and installation of interim stormwater controls.

Mr. McKalips stated they had been working with Faulconer Construction. He stated as of today, they had delivered 17,000 tons. He stated they had been doing a good job trying to be responsive to manage traffic, take care of the roads, deal with any mud on roadways, and phasing the number of truck deliveries each day. He stated that was going well. He stated in total, they were expected to deliver 30,000 - 40,000 tons by the end of May. He stated they had up to 165 trucks in one day, and with their other operations, it was a bit of a stress for the site staff that were having to do a lot of traffic control on Dick Woods Road and things that were not acceptable for long-term operations, so

they were working on that. He stated they put a limit at 120 trucks per day, and if they needed to, they would work with Faulconer to reduce that number.

Mr. McKalips stated these were parameters they would include when they moved forward with this program if the Board approved it. He stated they had earned about \$60K in revenue on this project, so that had been going well. He stated an additional point was that they had gotten calls from other contractors interested in participating. He stated it appeared there was some real interest in the development community in the area, and he felt like they had struck a chord and were meeting a need that had been present. He showed them one of the project sites from about a month ago which was the UVA upper class two housing project.

Mr. McKalips showed photos of the interim stormwater controls. He stated the clean fill areas already had some stormwater controls that were designed when the site was originally developed. He stated as an abundance of caution, they developed additional controls to make sure they did not have any issues. He stated there was a retention settlement basin that was part of the stormwater control system.

Mr. McKalips showed a photo to give a sense of how much fill was coming in and how much area they had to work with. He stated it was quite a large area and would hold 193,000 cubic yards, which was roughly 250,000 tons of material.

Mr. McKalips stated the current slide showed the working area. He stated they had done a great job of bringing in gravel matting so that the trucks were minimizing how much mud was picked up while they were dumping. He stated there was at least one contractor representative on site all the time compacting and grading the material. He stated they felt the pilot project had been successful and they wanted to continue with it. He stated they would like the Board to consider conducting a public hearing so the adoption of a new revised rate schedule can be considered.

Mr. Gaffney stated it sounded like they were limiting it to one contractor at a time as opposed to multiple contractors.

Mr. McKalips stated if they were getting 100 trucks a day, there were limitations at their site. He stated with the way that trucks had to come in, they had to come in through the main entrance through the scales, which was how they kept track of how much fill they had brought in. He stated with vegetation, the transfer station for the regular clean fill had scales that were a hive of activity. He stated right now he did not see how they would get multiple contractors into the clean fill site.

Mr. Gaffney asked if he had a wash rack for the trucks that were leaving the site.

Mr. McKalips stated they did not, but they were trying to keep the roads on site well graveled. He stated there was about a mile of well-graveled road to come out on, and right now Faulconer had committed to coming out once or twice a week as needed to wash and broom the public roads. He stated they were not getting clumps of mud on Dick Woods Road, but there was brown dust getting on the road.

Mr. Pinkston asked if the intention was to extend this offer to other contractors if it moved forward.

Mr. McKalips stated that any contractor in the region could apply and have access to the program, and they would then go through a separate agreement with a lot of information about where the

material was coming from, what kind of material it was, parameters on how many trucks a day, and other constraints. He stated it would be fair and open to the contractor community.

Mr. Pinkston asked if a new contractor would require advance approval.

Mr. McKalips stated that was correct.

Mr. Gaffney asked if there were any other comments. Hearing none, he asked if there was Board agreement to conduct a public hearing to see if there were any members of the public who would like to speak on this topic.

Mr. Stewart asked for confirmation that other than the addition of the clean fill for projects over 10,000 tons that the rate schedule was otherwise staying the same as the existing rate schedule.

Mr. McKalips stated that was correct.

Mr. Gaffney asked if there were any Board members opposed to conducting a public hearing to see if any members of the public would like to speak.

Mr. Mawyer stated they had advertised in the newspaper twice that there would be a public hearing today.

Mr. Gaffney asked if there was anyone from the public who wished to speak.

Mr. Hall stated there was no one signed up for public comment.

Mr. Pinkston asked if the new rate schedule was all of the pieces on the rate schedule or just the one on this special project.

Mr. Mawyer stated all the rates were approved in the last budget cycle in May 2021. He stated they had a current rate schedule, but this was to revise it and to add the two asterisk items, the \$3.50 per ton for the clean fill project, and the note at the bottom, otherwise the current schedule remained unchanged. He stated it was an approval of the entire schedule, but those were the only two changes, and there was only one fee change. He stated they would be effective starting tomorrow if approved.

Mr. Rogers moved to approve the new rate schedule. Mr. Pinkston seconded the motion, which passed unanimously (7-0).

b. Presentation and Approval: Introduction of the FY 2022 – 2023 Budget and Adoption of the Preliminary Rate Schedule for Public Hearing: Bill Mawyer, Executive Director

Mr. Mawyer stated this was the proposed budget for the next fiscal year beginning on July 1 for the Rivanna Solid Waste Authority. He stated they proposed a budget estimated to be \$6.8M, which represented their expenses, a \$1.4M increase from the current year totaling a 25.8% increase. He stated they also projected revenues of \$3.5M, which were a \$946K increase from the current year, or 36.5% increase. He stated those created a net \$3.3M deficit, which was an increase between the expenses and revenues of \$460K, or 16.1%. He stated the County, the City, and UVA contributed to the solid waste deficit. He stated the contribution they estimated for the County would be \$2.7M, which was a \$450K increase over the current year. He stated that was substantially for the increase

in tonnage they had through the transfer station, as well as the midyear opening of the Keene convenience center. He stated the City had a small increase in their contribution of \$508K for the year, which was about \$9K more than last year, for environmental expenses. He stated they had gas remediation system repairs they needed to make so there was a small increase. He stated UVA was under contract with the Authority to contribute \$79,982 to the environmental program through the year 2035.

Mr. Mawyer stated the \$6.8M budget was on a linear path since 2018. The budget was \$9.3M when the City changed its process and withdrew from the refuse disposal program of the Authority, which was when the budget declined over a number of years, and later, the County decided to build a new transfer station, which had been the initiative that started the solid waste budget back on an incline.

Mr. Mawyer stated some of the things accomplished this year included an increase in the transfer permit from the Virginia DEQ from 300 to 450 tons per day as a maximum amount, although they averaged around 140-150 tons per day, there were a few days when that number almost doubled if a big project was underway. He stated there was an irrigation pond that was built when the cells were being closed to use as irrigation water to establish grass on those closed cells. He stated they no longer needed the pond for that purpose, and it was under the Virginia Department of Conservation and Recreation dam regulations, and they would have to complete modifications to that dam, similar to what they were going to have to do at the Beaver Creek Reservoir. He stated rather than do that, they reduced the height of the pond dam and made it an unregulated structure. He stated this week, they were starting phase one of the buffer management program, the tree thinning process, which was in Area A on the right side of the slide. He stated that was where there were pine trees they would harvest and replant to help preserve and maintain the vegetated buffer. He stated they continued their household hazardous waste, e-waste, and compost programs this year.

Mr. Mawyer stated one of the big projects for the next year was building a new baling facility. He stated it was an aged and rented facility, so they were looking for a new home for this facility, and so far had identified the IMUC as a location for construction of a new baling facility. He stated this would be where all recyclable products from McIntire, Ivy, or Keene would be processed through a baling machine and then put on a truck to be taken to the appropriate locations, some in Lynchburg and some in North Carolina. He stated that was a big project, and there must be an agreement between the City and the County on how that facility would be funded. He stated they were well along in their effort for designing the Keene convenience center. He stated they expected to get construction started this summer and hopefully finished by the end of the calendar year, with an opening in the third quarter of the fiscal year. He stated as they had heard from Mr. McKalips, they also would have full implementation of the clean fill program bringing clean soil into the Ivy MUC next year.

Mr. Mawyer stated there were a number of programs managed through the solid waste budget. He stated the Ivy Transfer Station was their largest program at 51% and \$3.5M. He stated their environmental program was 16% and \$1M. He stated operations was 13% and almost \$900K. He stated recycling cost about \$800K at 12% of the budget, and the convenience centers were 8%, or over \$550K. He stated the environmental program managed groundwater remediation, gases from the closed landfill cells, electronic waste, the HHW hazardous waste program, and the paint disposal program. He stated it had zero revenue and expenses of just over \$1M, and through their contracts, UVA contributed \$79,982. He stated the County contributed 64.5% of the remaining cost, or \$637K. He stated the City contributed 35.5%, or \$350K. He stated those contracts and percentages were included in their Environmental MOU that was completed in 2005, along with the UVA

contribution, and this program supported 30% of their administrative services expense that was billed to the Solid Waste Authority.

Mr. Mawyer stated recycling at McIntire Recycling Center and the Paper Sort was anticipated to have revenues of \$265K, and expenses close to \$800K for a net deficit of \$524K. He stated by contract, the County and the City shared those costs at 70% and 30% through the Local Government Support Agreement for Recycling Programs that was put in place in 2011. He stated it also supported 20% of their administrative services expenses. He stated the Ivy transfer operation was fully funded by the County, and they anticipated \$2.5M in revenue and \$3.5M in expenses for about \$1M in net deficit. He stated that supported 20% of their total administrative expenses. He stated the operations program was for the vegetation and mulch program, furniture, tires, appliance recycling and disposal, as well as the clean fill program. He stated all the revenue they received from taking in clean fill, including now the Large Clean Fill Program, would come to this account. They anticipated \$632K in revenue next year and expenses of almost \$900K. He stated the County supported that net deficit of \$268K.

Mr. Mawyer stated lastly were their convenience centers at Ivy and the planned one for Keene, which they hoped to open midyear. He stated they anticipated revenues of about \$60K and expenses of over \$550K, and a net deficit of about \$490K. He stated it was 100% supported by the County through the Ivy Convenience Center Agreement of 2019. He stated in summary, the total allocation to the City was \$508K, to the County was \$2.7M and UVA \$79,982. He stated that was how they balanced their budget after revenues. He stated some of the investments and expenses in the budget this year for infrastructure were building and equipment repairs and replacements. He stated there was additional building depreciation as they built more facilities, and they had a depreciation charge in their operating budget to replace those facilities. He stated they proposed three additional positions to support the Keene Convenience Center at midyear, a \$60K expense.

Mr. Mawyer stated they were proposing a 4% merit pool for July 1 for their staff, and they also included in the budget the midyear FY 2022 cost of living increase that was approved in February. He stated they allocated cost from their administrative team, which included IT personnel, Finance, HR, and administrative staff. He stated they typically had an annual health insurance increase. They were reprocurring their health insurance this spring to see what the market would give them as the best price, but they were anticipating a small increase in that charge.

Mr. Mawyer stated operationally, they had additional tonnage of 12,800 tons that they estimated would be received through the transfer station, and that had a net cost of about \$175K. He stated they knew fuel prices were increasing, so \$60K was estimated for fuel, and \$50K in additional costs for wood grinding. He stated the fee schedule that was just approved did not include any proposals to have any changes to their tip fees for the next fiscal year. He stated he mentioned the additional three staff proposed: two attendants to operate the facility and one driver to drive the products back to the baling facility or landfill.

Mr. Mawyer stated in summary, their total budget was \$6.8M and their net deficit increase was about \$460K, of which the County was allocated most of that at \$450K with the City contribution totaling about \$9,000 in increase, with UVA paying its share. He stated they had a resolution to adopt the preliminary rate schedule, which was the same schedule they adopted a few minutes ago to be effective tomorrow. He stated this would renew the schedule and set their rates and fees for July 1, 2022 -- June 30, 2023. He stated there were no changes to the rate schedule. He stated they would like the Board to approve this resolution to adopt the proposed preliminary rate schedule and allow them to advertise a public hearing to be held at the May 24 meeting.

443
444 Mr. Gaffney asked if there were any comments or questions for Mr. Mawyer.
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446 Mr. Pinkston stated he had some questions for his own edification. He asked if the fees or increases
447 in cost that the City needed to pay, for example, the \$9200 would be reflected in the City's budget.
448

449 Mr. Smalls stated it was reflected in their budget, so conversations they would have about the
450 potential baling facility they want to build would have to be discussed and placed into their budgets
451 in the appropriate years.
452

453 Mr. Pinkston asked if they had a sense of when this new baling facility would be necessary.
454

455 Mr. Mawyer stated they planned for it to be opened in about two years. He stated it was a good
456 question, because the baling machine broke a couple of weeks ago, and they were able to get it
457 repaired, but it was a limiting factor for them, because they only had one baling machine, and they
458 would have to make some significant arrangements to process recycling products if it did not work.
459 He stated this Board approved them going forward with the planning and design on the new baling
460 facility last year for a \$4M facility, but they currently believed it would cost more than that. He
461 stated they would like to have that facility constructed and completed in FY24, which was two years
462 from now.
463

464 Mr. Pinkston asked if that would belong in the CIP, or if it was a one-time expense they were
465 hoping to recoup.
466

467 Mr. Mawyer stated it was in their CIP. He stated they would have to put together an agreement for
468 the City and the County on how they would share those costs. He stated there currently was not an
469 agreement on what each entity would pay for that facility. He stated that was on their list of items to
470 discuss with Mr. Smalls and Mr. Stewart and include in their budgets for the future. He stated the
471 facility was dependent on funding from the City and County.
472

473 Mr. Rogers asked if this would fall into the City-County budget for FY24.
474

475 Mr. Mawyer stated that was for most of the money. He stated they would like to have some money
476 for next year for design purposes, which was about \$400K. They would determine a final estimate
477 for the budget for construction and include that in FY2024.
478

479 Mr. Rogers stated he was specifically talking about the baling facility. He asked Mr. Smalls if the
480 money for the baling facility in the FY2023 budget was something he did not recall.
481

482 Mr. Smalls stated FY24 was what he was seeing and what had been part of the conversations he had
483 with the Deputy City Manager.
484

485 Mr. Rogers stated that was what he had thought. He asked Mr. Mawyer for what the timing was for
486 getting the agreement on the table for their review.
487

488 Mr. Mawyer stated they would like to get together in the next month or so with Mr. Smalls and Mr.
489 Stewart to put the agreement in place so everyone knew what their allocation would be, and then
490 they could get the costs aligned with the budgets and fiscal schedules.
491

492 Mr. Rogers said that sounded okay.

493
494 Mr. Stewart stated to clarify, there was a study that was approved, as had been previously
495 mentioned. He stated that study had in mind a site that the County owned as a possibility. He stated
496 the design that came from preliminary design of the facility that came from the new study was
497 different than the study they had done a couple of years ago. Mr. Stewart stated it was smaller,
498 hence the change now where Ivy was a consideration because it would be a less expensive option,
499 and he would be fine with more conversation, but they needed to know when they could expect the
500 draft study to be in their hands in time to review it so they could really understand the cost involved
501 in both design and construction and the timing to do those things so they could think about how that
502 may fit into future budget discussions. He stated if there was any comment on when they could
503 expect a better and more complete draft that took into account the Ivy site, he would like to hear
504 more about that.

505
506 Mr. McKalips stated they could complete that amended estimate in the preliminary engineering
507 report by the end of the month or beginning of April.

508
509 Mr. Andrews stated his question was about trying to understand the process. He stated the budget
510 was not what they were asked to approve at the moment, but it did contemplate expenditures by the
511 County and the City, and he was not exactly sure the order of events on how things were decided on
512 being put in their respective parts of the budget. He stated he knew the question for today was the
513 approval of the preliminary rates schedule, and he wanted to know the difference between that and
514 what they just did.

515
516 Mr. Mawyer stated there was no difference between the schedule they just approved and the
517 schedule they had now proposed as the preliminary rate schedule. He stated they were trying to
518 establish a rate schedule for FY23 which started July 1. He stated their history had been that even if
519 they did not change the tipping fees, they would advertise to the public and the Board would hold a
520 public hearing to confirm and approve the proposed rate schedule.

521
522 Mr. Andrews asked if the difference was that one schedule was for now and one was to take place
523 as of July 1.

524
525 Mr. Mawyer stated that was correct.

526
527 Mr. Gaffney stated they amended the rate schedule they adopted last year today.

528
529 Mr. Andrews stated he wanted to make sure that was clear. He asked at what point the rate schedule
530 was studied for possible adjustment, particularly in light of increased expenses in many other areas.

531
532 Mr. Mawyer stated they started meeting with County and City staff in the fall, usually in September
533 or October to try and give projections on what their budget would be in the upcoming years, which
534 would be FY24. He stated the baling facility would be a topic for discussion as they got into those
535 meetings this fall, so the County and City could include the costs in their own budgets, which would
536 be coming in FY24.

537
538 Mr. Andrews stated he was also asking on the revenue side that if these rates were essentially the
539 subject of discussion in the fall as to whether or not there would be any increases, he was not sure at
540 what point circumstances changed and it would need to be reconsidered.

Mr. Mawyer stated on the revenue side, they usually did a local area survey and study of what other local landfills were charging. He stated some of the history was that a few years ago, their rates were \$66 per ton, rather than their current rate of \$52 per ton. He stated they were not getting that much tonnage, approximately 35 tons per day, and the Board made a decision when it decided to build the new transfer station that they wanted to be more competitive to increase the tonnage coming through the new facility, so they did a market survey and decided that \$52 was an appropriate fee for refuse disposal. He stated that was adopted in 2019 and had been that way since then. He stated they periodically did another market survey to make sure they were still competitive or if there was room for them to raise their rates.

Mr. Gaffney asked Mr. McKalips if they had done a market survey of rates by local transfer stations.

Mr. McKalips stated that was done in November.

Mr. Gaffney stated in the Ivy Transfer Station's proposed FY23 budget, the projected 12 months for 2022 to the proposed for 2023 showed revenue down \$126K and costs up about \$206K. He stated he supposed they were planning on keeping the rates steady and absorb that difference.

Mr. Mawyer asked Mr. Gaffney if he was looking at a particular cost center.

Mr. Gaffney stated he was looking at page 9 on the Ivy Transfer Station proposed budget.

Mr. Mawyer stated their revenues that were budgeted this year, FY22, were going to be \$1.9M, but their actual revenues had been closer to \$2.7M. He stated this was what was projected through the end of this year, so they would be similar to the revenues that they projected for next year. He stated their expenses, similarly, were estimated to be \$2.6M this year, and it looked like they were going to be closer to \$3.5M next year because of the higher tonnage they were running through the transfer station. He stated they had more revenue, but they also had more expenses, and every ton was processed at a deficit, so the more tons they had, the greater net deficit they had between revenues and expenses, which was in large part why they predicted a net deficit of \$956K for the transfer operation in FY23.

Mr. Gaffney asked for clarification that it was due to the increased tonnage.

Mr. Mawyer stated yes, because higher tonnage created a higher net deficit at the rates they charged. He stated they tried to balance within the market, so when they raised rates they could lose tonnage, and that was the balancing they did several years ago when they lowered rates to increase tonnage. He stated they tried to monitor that with a market survey. He stated it recently had not indicated that they could raise the tip fees without losing tonnage.

Mr. Stewart commented that discussions between staff in the fall and spring included one factor he thought was fairly significant in terms of offsetting some of the County's contribution, and that was a rebounding recyclables market. He stated the "China effect" from recent years had really put the City and County upside down with those programs and the improved market for recyclables had offset the market for those costs. The increase was in large part driven by the new convenience center and the known costs related to construction.

Mr. Mawyer stated that Mr. Stewart was correct. He stated this year, they estimated they would have revenue of \$136K for recycling products, but they were projecting an actual revenue this year

of close to \$280K, which was the rebound in the recyclables market. He stated it was overcoming what they called the "China effect," where years ago, China closed its doors and stated they would not take any more recyclables, because they were a primary recycling destination. He stated the expenses in that program stayed pretty much the same; they were \$746K projected for this year, and they estimated actual expenses would end up close to that in FY22 at \$786K, and would be essentially the same expense budget they projected for the following year, at \$789K. He stated the net deficit in recycling they expected to decrease in FY23 compared to FY22.

Mr. Rogers asked if there was a scenario in which they would see the Authority budget being balanced in any point in the future on this program.

Mr. Mawyer stated not as a whole. He stated all of their programs ran at a deficit, and perhaps the optimism would be that a couple of the programs could start breaking even, but they would have to have a significant increase in the transfer tip fee without losing tonnage, and they needed a greater rebound in the recycling market in order for that to break even, because it cost three times what it made. He stated that had been the history of recycling since it was started. He stated a few products potentially could break even, but the program as a whole would struggle to break even. He stated he would not be optimistic that they would see the Solid Waste Authority begin to break even with its current programs. He stated a program like the Clean Fill Program that was just approved would help, because they would make revenue from that over the years, but there still was a pretty significant overall deficit to make up.

Mr. Smalls brought up a good point about the Clean Fill Program. He stated they were doing just one contractor at a time. He asked if there was a way that they could look at having multiple contractors by modifying the site.

Mr. Mawyer stated they could look at that. He stated they were limited by the road network there and access, as they only had one scale. He stated Mr. McKalips discussed the possibility of alternate entrances and ways to get the contractors in without impacting the neighborhood and Dick Woods Road, and the other customers that were trying to get through the scale area. He stated that was a good suggestion that they were exploring, and he was happy to talk more about it at any time. He stated with their strategic plan objectives of optimizing their programs, they looked at all the programs constantly for how they could generate more revenue or reduce expenses. He stated that was tough to do in the area of solid waste.

Mr. Gaffney stated it would be helpful for the Board if they had in a future Board meeting a presentation on the landfill and thirty-year mitigation of it, because they were still spending \$1M per year on that, and it went to 2035. He stated it would be helpful to have the background and what was included in the current cost.

Mr. Mawyer stated that was a good idea. He stated he planned to give a presentation on some of the Authority's foundation documents that were referred to and where they came up with the cost sharing allocation. He gave that presentation to the Board last year, and now that there were a number of new members, he was planning on doing that again in the next few months, so he would include that information in that presentation.

Mr. Pinkston stated he would appreciate that.

640 Mr. Pinkston moved to adopt the preliminary rate schedule and advertise for a public hearing
641 during the regular meeting of the Board of Directors on May 24, 2022. The motion was
642 seconded by Mr. Rogers and passed unanimously (7-0).
643

644 Mr. Mawyer thanked the Board.
645

646 **10. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**
647

648 Mr. Gaffney asked if there were any other items from Board or staff not on the agenda.
649

650 Mr. Mawyer stated there were no items from staff.
651


652 **11. CLOSED MEETING**

653 There was no closed meeting.
654

655 **12. ADJOURNMENT**

656 At 3:04 p.m., Mr. Andrews moved to adjourn the meeting of the Rivanna Solid Waste
657 Authority. Mr. Pinkston seconded the motion, which passed unanimously (7-0).
658

659 Respectfully submitted,
660

661 
662 _____
663 Mr. Michael Rogers
664 Secretary - Treasurer