

# Region 2000 Services Authority

Region 2000 Services Authority Meeting  
Region 2000 Partnership Large Conference Room  
January 23, 2013  
2:00 p.m.

## Final Minutes

### Board Members

#### Present

Steve Carter ..... Nelson County  
David Laurrell..... Campbell County  
Kim Payne..... City of Lynchburg  
John Spencer..... Appomattox County  
Bart Warner..... City of Bedford

#### Others

Emmie Boley ..... Region 2000  
Gary Christie..... Region 2000  
Susan Cook ..... Region 2000  
Clarke Gibson ..... Region 2000  
Bill Hefty ..... Hefty & Wiley  
Katrina Koerting ..... News and Advance  
Rosalie Majerus ..... Region 2000  
Matt McLearen..... RFCA  
Clif Tweedy ..... Campbell County  
Felicia West ..... Region 2000

#### 1. Welcome

Chairman Kim Payne welcomed everyone and opened the meeting at 2:00 p.m.

#### 2. Approval of October 24, 2012 Minutes

A motion was made by Steve Carter and seconded by David Laurrell to accept the minutes as written. The motion carried unanimously.

#### 3. Discussion with Mr. Don Barnett

Don Barnett, of 367 Barringer Dr., Rustburg, came to speak to the Authority concerning noise and traffic coming from the landfill. He explained that the expectation of the homeowners in his development was that the sound wall would extend approximately

300 ft. farther than it presently is. David Laurrell suggested that Clarke Gibson work up a rough estimate of what it would cost to extend the wall further, and also an estimate to put in a vegetative barrier on Barringer Drive.

Kim Payne also asked that the original illustration of the wall be shared with the Authority at the next meeting.

#### **4. Financial Report**

a) Matt McLearn, of Robinson, Farmer, Cox Associates, reported on the Services Authority audit for the year ending 06/30/2012. There were no significant deficiencies or material weaknesses in the financial reporting structure.

b) Year to Date Report

Ms. Majerus reviewed the financials through 12/30/12:

- Member revenue and tonnage is short of budget by \$255,000 at this point.
- Outside tonnage at market rate is greater than budgeted, mainly due to the Liberty project.
- Lynchburg contracts are also greater than budgeted.

c) 2011 Bond Residual

- There is a remaining \$285,000 Bond Balance from the 2011 Bond, with an estimated undesignated amount of \$165,000. Mr. Gibson proposed that the undesignated Bond Balance be used for engineering and permitting for the next phase.
- There is the full \$10,000,000 to pay on the 2011 Bond, and \$2,050,000 on the 2008 Bond.

Kim Payne asked that Mr. Gibson bring a report on milestones for expansion to the next meeting.

d) Liberty University Excess Revenue Trash Disposal Fees

Mr. Gibson explained that the impact of extra tonnage from the Liberty Project should cause FY13 Excess Revenue to be greater than budgeted. Once Lynchburg and Campbell receive their budgeted FY13 Excess Revenue payments, he proposed some options for the additional funds including:

- Paying Lynchburg and Campbell the shortfall from FY12 Excess Revenue
- Increase the O&M reserve by the amount. Ideally, the O&M reserve should contain three months of operating expenses.
- Establishing a rate stabilization reserve

After discussion, both Kim Payne and David Laurrell indicated that they would not want to use the extra funds to make up the shortfall from FY12 Excess

Revenue. It was also indicated that we would not use the O&M reserve funds for rate stabilization.

David Laurell indicated that he would support increasing the O&M Reserve.

It was decided that this would be reviewed again in April.

## **5. 2014 Budget Discussion**

Mr. Gibson presented a preliminary budget:

- Bedford City tonnage was removed from this budget.
- Member rate and market rate remains unchanged.
- Rates have been increased for the two contracts by 2.00/ton until contracts equal market rate.
- There is a slight decrease in tonnage projection.
- There is a slight increase in revenue, due to the rate increase for the two contracts.
- There is a slight decrease in operating expenses.
- Included is a proposed 3% salary adjustment for all employees.

Following discussion on member and market rates, a motion was made by David Laurell to advertise a market rate of \$39.00. The motion was seconded by Steve Carter, and carried unanimously.

Mr. Gibson was asked to provide a scenario for \$29/\$38 rate schedule, and also a \$29/\$39 rate schedule.

## **6. Update on Bedford Reversion**

Bart Warner stated that Bedford City asks for support for their withdrawal from the Authority, and also asks for the conditions associated with the withdrawal.

Bill Hefty advised that Bedford City can withdraw if everyone agrees and conditions for withdrawal are negotiated. Also, formal correspondence with their proposal is needed from Bedford City stating that they want out of the Authority under certain conditions, and giving their expectations. They would need to agree with the financial analysis done by SAIC on January 13, 2013 for reimbursement in the amount of \$270,000. The Board asked to have confirmed whether the closure, post closure liability issue was addressed in the analysis. The Authority would be open to flexibility on repayment. Bill Hefty asked that the letter is received by February 15, as it will have to be presented to all of the member governing bodies.

The question was also raised that if in the event of a Bedford payout, how would that revenue be handled?

## **7. Discussion on Discount for Lynchburg Sludge Disposal**

Gary Christie explained that Lynchburg has an opportunity to land apply sludge at a less expensive cost for their utility program. This would increase everybody's member rate by about \$3.00/ton. One scenario would be to offer a discount in order to keep the volume, and offer anybody with sludge to bring it at a reduced rate. There was no decision made at this time.

**8. Director's Report**

- a) Tonnage Report – Mr. Gibson reported that tonnage is down and will probably continue through February.
- b) Construction Update – Construction projects are almost complete.
- c) Services Authority Website – Work continues on an updated website.

**9. Closed Session to Discuss Real Estate – Postponed until the April meeting.**

**10. Next Meeting – April 24**

There being no further business, the meeting adjourned at 4:05 p.m.