



Region 2000 Services Authority

Location

Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time

January 31, 2018
2:00 p.m.

Minutes

Board Members Present

Susan Adams.....Appomattox County
Steve Carter Nelson County
Frank Rogers, *Chair*..... Campbell County
Bonnie Svrcek.....City of Lynchburg

1. Welcome

Frank Rogers welcomed everyone and called the meeting to order at 2:00 p.m.

2. Approval of the November 29, 2017 and January 10, 2018 Meeting Minutes

Upon a motion by Bonnie Svrcek, seconded by Susan Adams, the minutes of November 29 were approved as presented.

Upon the motion by Susan Adams, and seconded by Bonnie Svrcek, the revised minutes of January 10 were approved as presented.

Steve Carter stated that the minutes need to be more definitive.

3. Public Comment – There were none.

4. Financial Update

1) Audit Report

Matt McLearn, with Robinson, Farmer, Cox Associates, reviewed the audit report for the years ending June 30, 2017 and 2016. Mr. McLearn reported that there were no significant findings or deficiencies found in the audit review.

The motion was made by Susan Adams, and seconded by Steve Carter, to accept the audit report as presented. The motion was unanimously approved.

2) Budget Update and Discussion

- Clarke Gibson reported that Roanoke will be making a final decision next week on whether or not they will convert their system over to hauling and transferring, or stay with their rail car system at the Smith Gap Landfill.
- Mr. Gibson reported that he has received a firm quote to replace the Al-Jon compactor, in the budget for FY19. He has budgeted \$800,000.00, and the new company has quoted \$920,000.00. He then asked staff to research remanufactured compactors, and found a company that they are familiar with, Tri-County Equipment Repair, an authorized Al-Jon repair parts dealer. They have given a verbal quote for delivery of a remanufactured compactor including trade-in of the current compactor, of \$400,000.00. The compactor comes with a six month bumper-to-bumper warranty and a three year power train warranty. Mr. Gibson feels this is a good option, and will be recommending that the Authority pursue this option rather than purchasing a new compactor. Through 2030 three more compactors will be needed, so if satisfied with the performance of this compactor he would consider purchasing remanufactured units in the future.
- Mr. Gibson reported that tonnage is down 300 tons over projection for the first four months this year, due mainly to lower member tonnages. November and December were slow months, being down about 2,000 tons. This continues to be due to lower member tonnages. Looking at January to date, some tonnage has been made up, tracking over 15,000 tons for January, which is 1,200 tons over last January. He suggested discussing reducing tonnage projections for next year based on some of this data. Frank Rogers stated that he felt the data is overstated, and suggested doubling year to date tonnage. If this is done, while also keeping expenditures the same as in the proposed budget, there would be a .75/ton effect on the tipping fee, bringing it to \$31.00/ton.

Rosalie Majerus advised that if the Roanoke tonnage does not exist, and cost of equipment is reduced, and tonnage is at the original budgeted amount of 192,000 tons, the tipping fee can be kept at \$30.25. If tonnage is reduced, expenses will have to be lowered, or increase the tipping fee.

In order to get the cost of service to stay the same, Ms. Majerus explained that closure costs were pushed out, along with the loan repayment to the last years of the landfill.

Steve Carter stated that he would prefer to wait until the next meeting, to see what happens with Roanoke, and get more narrative and summary, comparing options for the budget.

Frank Rogers agreed that more discussion and comparison in regard to the revenue projection based on tonnage, and trying to keep the tipping rate the same would be beneficial.

Susan Adams asked if there were other expenditures looked at for possible reduction. Rosalie Majerus advised that on Schedule 4, the detail on the O & M,

two columns were added showing historical and current information, and the budget. The same has been done on Schedule 3 with the salary information.

Mr. Christie advised that in Schedule 2, \$150,000.00 has been added to the Future Disposal Planning Reserve for funds to work with in talks with Campbell County concerning the 2030 plans over the next 12 to 18 months. Bonnie Svrcek asked if staff could provide some specificity behind the \$150,000.00 and what the time line might look like.

Frank Rogers expressed concern about justification of a rate increase.

Susan Adams expressed concern with increasing the expenditure budget.

Steve Carter asked for more discussion, with narratives and trends in tonnage, at the next meeting.

5. Examining alternatives for the use of the methane produced by the Livestock Road Landfill

Clarke Gibson reported that he had a proposal for a task order from SCS to begin a feasibility study for a beneficial use for the methane gas that they are now extracting and flaring off. This task order would fall under the scope of the current contract with SCS, which goes through August of this year. Items identified under this scope are:

- 1) Identify and analyze landfill gas to energy project opportunities
- 2) An engineering calculation and analysis of the landfill gas fuel reserve

Mr. Gibson explained that this information would be needed for a future RFP for a gas project. SCS would do a structure and a risk analysis of the risk management mechanism associated with various projects and present a feasibility study which would include a market valuation, an economic analysis of potential end users and revenue, and then a final report. SCS has presented a proposal to do this study for \$17,500. Mr. Gibson proposes using excess bond revenue to fund this project.

Bonnie Svrcek asked who future clients might be for the methane. Clarke replied that they would talk to local universities, and also explore the potential of using it as compressed natural gas for vehicles. One of the private customers has already converted their fleet to compressed natural gas. The gas could also be sold to a third party to generate electricity. Mr. Gibson said that he would like to look at converting the landfill heating system in the shop to using methane gas. Currently the gas collection system is extracting and flaring nearly 1,000 cubic feet per minute, and has a capacity of 2,000 cubic feet per minute.

Clarke asked the Authority to consider authorizing SCS to proceed with the feasibility study and report.

Susan Adams asked if it would be beneficial to ask staff to reach out to some of the other landfills and look at their best practices and decide if is worthwhile to pursue a feasibility study.

Bonnie Svrcek asked how many landfills have done something like this recently, considering lack of government incentives. Mr. Gibson gave the New River Valley, Bristol, Roanoke, and Christiansburg as landfills that are using or are considering similar projects.

In response to a question from Susan Adams, he added that when a landfill is closed there is approximately 30 years of gas production.

Frank Rogers stated that he would rather get comparisons from other landfills that have done this, and also agreed with Bill Hefty that this report is not really necessary. The Authority could issue an RFP on their own.

No action was taken by the Authority.

6. Review of 2030 options that will be presented to the Campbell Board of Supervisors

Gary Christie reminded the Authority that he and Clarke will be working on a presentation of the 2030 plan to take to the Campbell County Board of Supervisors in May.

7. Director's Report

Clarke Gibson reported that the truck customer wheel wash has been completed, which is a customer service for the private haulers. It will also help to keep the roads cleaner and silt and sediment off of the roads.

8. Other Business – There was none.

9. Closed Session to consider an unsolicited PPEA proposal received by the Services Authority

Bonnie Svrcek made a motion that the Board go into closed session pursuant to Section 2.2-3711(a)(3) of the Code of Virginia to consider the acquisition of real property for a public purpose and pursuant to Section 2.2-3711(a)(29) of the Code of Virginia for discussion of the award of a public contract, both regarding an unsolicited proposal presented to the Authority under the Virginia Public-Private Educational Infrastructure Act of 2002 and where under both provisions discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

The motion was seconded by Steve Carter, and the vote follows:

Susan Adams – Aye
Steve Carter – Aye
Frank Rogers – Aye
Bonnie Svrcek – Aye

The motion was made by Bonnie Svrcek that the Board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed or considered in a closed session.

The motion was seconded by Steve Carter, and the vote follows:

Susan Adams – Aye
Steve Carter – Aye
Frank Rogers – Aye
Bonnie Svrcek – Aye

Gary Christie reminded the Authority members that appointments to the Services Authority are for four year terms expiring in July 2018, and asked that they have their Board or Council take action on (re)appointments of the Services Authority Member and Alternate by July 1, 2018.

10. Adjourn – There being no further business, the meeting adjourned at 3:37 p.m.

Next meeting March 28, 2 p.m., Haberer Building, Rustburg

Approved by: _____

Date: _____