



Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588
Date | Time
July 31, 2019
2:00 p.m.

AGENDA

1. **Welcome**..... Bonnie Svrcek, Chair
2. **Public Comment**..... Bonnie Svrcek, Chair
Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.
3. **Approval of May 22 and June 12, 2019 Meeting Minutes**..... Bonnie Svrcek, Chair
(Attached)
4. **Financials Update** Rosalie Majerus
(Attached)
5. **Update on Bedford County Solid Waste Disposal**..... Clarke Gibson
(Attached)
6. **Update on Concord Turnpike Gas Collection** Clark Gibson
7. **Update on Livestock Road Gas Wells Lift and Wall System**..... Clarke Gibson
8. **Update on RFP for Livestock Road Landfill Gas Usage**..... Clark Gibson
9. **Briefing on use of Bennett Property Soils**..... Clarke Gibson
(Attached)
10. **Director’s Report**..... Clarke Gibson
 - a) Hazardous Household Collection October
 - b) Tonnage Report
(Attached)
11. **Other Business**
12. **Next Meeting:** September 25, 2019, at 2:00 p.m. in the Haberer Building in Rustburg.



Region 2000 Services Authority

Location

Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time

May 22, 2019
2:00 p.m.

Minutes

Board Members Present

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

1. Welcome

Bonnie Svrcek welcomed everyone and called the meeting to order at 2:00 p.m.

2. Public Comment

There were none.

3. Approval of the March 29, 2019 Meeting Minutes

Upon a motion by Susan Adams, seconded by Steve Carter, the minutes of the March 29, 2019 meeting were approved as presented.

4. Financials

- a) Rosalie Majerus reported that tonnage is tracking up, approximately 4% greater than planned, causing revenue to be about \$250,000 greater than expected.

Under expenses, personnel is better than planned due to vacancies and savings within health insurance.

Landfill O & M costs are above plan.

Disposal cost per ton for April was \$29.32 per ton, versus a budget of \$30.25 per ton. Ms. Majerus also reported that there are no 2015 bond proceeds available.

- b) In response to a request at the last Services Authority meeting regarding early pay off of the bonds, Ms. Majerus referenced a chart included in the meeting packet showing the outstanding balance along with the payment for an early payoff. The Series 2011 has a 1% premium for any early payment, and the 2015 has a 1% premium for any early payment up until November 2020. Both bonds are scheduled to be paid off in 2025.

5. Consideration of the 2019-2020 Budget

Clarke Gibson gave a summary of the proposed 2020 budget:

- Tonnage projection is increased by 2.6% to 192,866 tons
- Revenue increases 3% to \$7,054,565.
- Operating expenses are increased by 2.7 %, with total expenses going up about 2.9% to match revenue
- Disposal cost remains at \$30.25 per ton
- \$390,000 is being added to the post-closure reserve
- O & M reserve will be increased by \$75,000.
- Tipping fee remains the same, \$30.25 and \$40.25 per ton
- Tonnage is increased, increasing excess revenue by \$50,000.

The proposed budget also includes a market study which would include 10 classifications and 20 employees. Total cost would be about \$7,000. Steve Carter asked as to whether the study could be done internally. Gary Christie answered that it could be done internally, but an outside perspective would be beneficial. Susan Adams stated that it would be difficult for her to support an outside market study because the same suggestion for the PDC was not supported, and an in-house salary study was suggested. Bonnie Svrcsek stated that she would have a hard time supporting an outside market study for the same reason.

Susan Adams stated that she had voiced her concern at the last meeting and it was to be discussed at this meeting, concerning the excess revenue pay out being specific to two localities. She had requested that this be a separate discussion. Bonnie Svrcsek made the motion to approve the proposed budget in the amount \$7,054,565, explaining that excess revenue is not determined until after the audit. Susan Adams stated that she would second the motion provided the language was changed in the revenue budget and not have it specific to any locality, being listed as excess revenue and a total amount. Gary Christie advised that it could be re-labeled as air space reserve and not splitting it between two jurisdictions.

Ms. Svrcsek agreed to the amended motion, and it was approved, with Frank Rogers voting nay.

Ms. Svrcsek suggested the Authority have a working lunch session to discuss plans for the future of the Authority, and long range planning including anything that Susan Adams can share regarding Appomattox's long term intentions. The agenda may also include the impact of Bedford possibly bringing their waste to Livestock Road. Discussion will also include excess revenue. The date was set for June 12 at 12:00 p.m. in the PDC conference room.

6. Dominion Power Contract Negotiation

Bill Hefty explained that at the last meeting the proposal from Dominion was to have the authority to bring 11,000 tons of wood ash to the landfill for a term ending June 30, 2020. They agreed to pay an

additional \$2.00 over the market rate, which would be \$42.25. How much they would bring is unknown. Clarke Gibson advised that the wood ash would have very little impact on tonnage. Steve Carter made the motion to authorize the contract with Dominion Power. The motion was seconded by Bonnie Svrcek, and it was carried unanimously.

7. Discussion on Accepting Out of Service Area Waste

Gary Christie explained that the Authority has a practice of not accepting out of the area waste, except for special exceptions, and accepting any out of area waste does require action by the Authority. He further explained that he has been approached by Bedford County about considering a four or five year contract to take some of their waste. Mr. Christie explained that accepting the waste would lower the cost, but also reduce the life of the landfill. With no change in the current tonnage the Livestock Road operation will close about 2030. With the potential loss of County Waste commercial tonnage, the landfill life could extend to 2033, but raise the member rate to \$42.50/ton, and ending at \$44.00/ton after the ten year process. By selling Bedford County approximately 25,000 tons of landfill space, almost \$3.50/ton would be saved, but shortens the landfill life by one year. Excess revenue would be generated, as they have agreed to pay the commercial rate.

Susan Adams stated that additional information would be needed at the June work session. She said that she would like information on the buyout option for the City of Bedford, and the response received from Bedford County when they were asked if they would like to join the Authority. She also would like to know who the current hauler is for Bedford County, as well as any historical background that the Authority has had with Bedford. Ms. Adams also asked if they would have any obligation to the Authority's debt service as well as closure expenses.

Clark Gibson added that Bedford County does have an RFP out for solid waste disposal and hauling.

8. Director's Report

- a) Mr. Gibson reported that the regional recycling report is complete and submitted to the DEQ. Calculations show the recycling rate at about 40%, and the mandated rate for our region is 25%. This number is not official until reviewed by the DEQ.
- b) The Hazardous Household Waste collection in April was successful. Another is scheduled for June, and another in the fall.
- c) Mr. Gibson reported that he has asked SCS to put together a proposal to assist with a preliminary engineering report to include the landfill gas projections, and quality and quantity. This would be data needed to put together a potential RFP for beneficial use at Livestock Road. He also asked that they assist with the advertising and bidding process, and meetings with potential vendors. They would also assist with evaluations of proposals that are received. SCS has offered a proposal for these tasks, in the amount of \$13,000.00. Mr. Gibson suggested funding this project with funds from this year's budget with some of the excess revenue from increased tonnage.

A motion was made by Bonnie Svrcek to approve funding of a consultant to explore how to best use our landfill gas, including issuance of an RFP. The motion was seconded by Steve Carter, and was unanimously approved.

d) Update on Projects

- i. Closure of Cell 3 – Counts & Dobyns and Falwell Corp. have done the gas system additions. The project is on schedule and within the budget parameters. Mr. Gibson said that he expects completion sometime in July.
- ii. Addition to the Maintenance Shop – Two bays are being added to the maintenance shop, and the project is about 75 % complete. This project also includes conversion of the heating system in the existing shop and the two new bays from waste oil and diesel to propane.
- iii. Road Paving – The paving was completed three or four weeks ago.

9. Other Business

Frank Rogers informed the Authority that part of the reason Bedford has approached the Authority to take some of their waste has to do with some revisited calculations on their own capacity. He asked that we recheck the Region 2000 capacity. Mr. Gibson said that he would get an estimate for another look at capacity, from another source.

Susan Adams asked that the Authority consider a change of venue for the meetings to possibly the Lynchburg location. Steve Carter stated he is also in favor of a change. Frank Rogers objected, because he feels the meetings should be held where the citizens most affected by the presence of the landfill can most readily access the meetings. He encourages staying in Campbell County to continue transparency and accessibility to the immediate neighbors. Bonnie Svrcek agreed. Steve Carter asked how the Campbell residents were specifically impacted. Ms. Svrcek responded that they are neighbors to the landfill. Mr. Rogers added odor issues, traffic, noise, and debris along the roadway as some of the other issues. Ms. Adams added that in all fairness to the constituency she suggested moving it from member locality to member locality on a rotation basis. She added that she hoped it was understood that she had to look out for her constituents. Steve Carter said it was the same for him. Gary Christie suggested going to another jurisdiction once a year. It was decided to add this to the agenda for the work session, along with other scenarios.

10. Election of Officers for 2019-2020

Gary Christie advised that it was time to elect officers for 2019-2020. It has been the practice that Campbell County and Lynchburg rotate at the chair position, and Nelson and Appomattox Counties rotate at the treasurer position. The current officers were elected in 2018, so they are eligible to be re-elected for one more year in their current positions.

Susan Adams nominated Bonnie Svrcek as chair, Frank Rogers a vice-chair, Steve Carter as treasurer, and Gary Christie as secretary. Steve Carter seconded the nominations, and the vote was unanimous.

11. Closed Session for Discussion of the Purchase of the Above Ground Equipment for the Gas Collection System at Concord Turnpike

Steve Carter made the motion that the Board go into closed session pursuant to Section 2.2-3711(a)(7) for consultation with legal counsel pertaining to probable litigation regarding the Authority's gas collection contract with Land Gas of Virginia regarding the Concord Turnpike landfill in Lynchburg.

The motion was seconded by Bonnie Svrcek and unanimously approved.

The motion was made by Steve Carter and seconded 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 approved as followed:

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

12. Next Meeting – July 31, 2019

There being no further business the meeting adjourned at 3:30 p.m.



Region 2000 Services Authority

Location

12th Fl, 828 Main St.
Lynchburg, VA 24504

Date | Time

June 12, 2019
2:00 p.m.

**Services Authority Work Session
Minutes**

Board Members Present

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

1. Welcome & Introductions: Chair Bonnie Svrcek welcomed the committee and introductions were made with staff, visitors and support folks on the telephone.

2. Emerging Issues and Background

A. Consideration of Bedford County bringing Waste to Livestock Road at the Commercial Rate

Gary Christie reported that Bedford County has asked the Authority if they would be willing to allow the disposal of Bedford County solid waste in the Livestock Road landfill at the commercial rate.

Gary noted that, based on conversations with County Waste, staff believes that loss of County Waste commercial waste is inevitable when County Waste opens their landfill in Cumberland. This could reduce our waste stream by 50,000 tons per year and expand the life of the landfill to 2033. Taking Bedford solid waste would likely reduce the life of the landfill by one year and help offset some of the loss of revenue from County Waste saving the Authority \$3.47 per ton for FY 20.

There was discussion among the Authority members as to what might have changed at the Bedford Landfill that they would now be interested in using the regional landfill. Even though Bedford County is seeking proposals for hauling and disposal of waste, the Authority will not be responding to the RFP but entering into separate, independent negotiations

Several Authority members offered suggested parameters for the discussion with Bedford County:

1. Our capacity in the permitted area is finite and we should only negotiate for an amount of solid waste that will consume no more than a year's worth of capacity at our facility.
2. We look for Bedford County to pay the commercial rate for this solid waste.
3. We would like the County's assurance that, if a new cell is built, the Region 2000 Services Authority could have access to an equal amount of airspace at a rate to be satisfactorily negotiated. This would be similar to a reciprocal agreement that we now have with the Roanoke Valley Resource Authority which allows us to take solid waste to Roanoke if needed and them to bring waste to us if they need to.
4. We do not want to accept any sludge from Bedford County as part of the waste stream.
5. The Services Authority is interested in understanding what other options Bedford County is considering for disposing of the solid waste.
6. The Services Authority would like to know what percentage of the solid waste comes from the Town of Bedford.

B. Appomattox County Transfer Site Timeline and Potential Impact on the Services Authority

Susan Adams reported that there was no new information at this time regarding the County's transfer site. The Authority asked staff to circulate the Botetourt County agreement with County Waste.

Lynn Klappich noted that County Waste's Cumberland Landfill was likely about 4 years away from starting. She noted that the Appomattox County Transfer site would come before that.

3. Process for the Dissolution of the Authority or a Member leaving the Authority

Bill Hefty reported by telephone that VA Code Section 15.2-5109 and 15.2-5112 governed the dissolution of the Authority or the withdrawal of a member. He noted that all localities have to adopt concurring resolutions and resolve outstanding bonds. He noted that one scenario is to stop operations but keep the Authority in existence for closure/post closure activities.

Frank Rogers received clarification that dissolution or a member exiting required unanimous consent of the other members. It was also clarified that determining the buy-out for a member leaving is a local process and not prescribed by state code.

4. Discussion Regarding Excess Revenue

Steve Carter suggested using excess revenue to lower our member costs. He noted that the R.W. Beck report of January 9, 2009 and the SAIC report of December 2011 said that we were paying Campbell and Lynchburg for the airspace. Seth Cunningham, the report's author, noted that it was a poor choice of words, but that the payments made to Campbell and Lynchburg did not include the value of the airspace.

The Authority asked if the financial policies, which set an excess revenue distribution of 75% Campbell and 25% Authority, required annual approval by the Authority or if it was an automatic distribution. Gary indicated that he would check.

5. Meeting Location Options

The Authority discussed:

- Meeting at the PDC offices
- Meeting at the Landfill in the Services Authority offices
- Rotating the meeting among jurisdictions
- Internet video streaming of meetings
- Keeping the meeting in Campbell County

The Authority also heard from Mr. Jon Hardie who encouraged the meetings to be accessible to the neighborhood around the landfill.

No consensus was reached to change the meeting from the current location.

6. Update on Concord Turnpike Gas Collection System Discussions

Bill Hefty and Bob Dick from SCS reported that they are working with the gas collection system owner at the Concord Turnpike Landfill to identify a third party appraiser to develop a value for the equipment. Three appraisals will be averaged and both parties can decide whether they agree with the outcome.

Bill reported that the system owner would not be allowed to take equipment before this appraisal process was completed. It may be 30-60 days before the appraisal process is completed. Clarke explained that we are now maintaining the system to keep extracting the gas, which is currently being flared off.

There is a gas line from the landfill to RockTenn but it is unknown if there is an easement for that line.

7. There was no other business and the meeting was adjourned.

Region 2000 Services Authority
FY 2019 Preliminary Actuals and FY 2020 Approved Budget
As of 6/30/19

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Region 2000 Services Authority
 FY 2019 Disposal Fee Revenue through 6/30/19

Item No. 4

Schedule 1

FY2019 Rates
 \$30.25/\$40.25

FY2020 Rates
 \$30.25/\$40.25

	(A)	(B)	(C)	(D)	
Tonnage	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
Tonnage From Member Jurisdictions					
Lynchburg	35,160	35,769	(609)	-1.73%	35,160
Campbell	20,412	21,214	(802)	-3.93%	20,412
Nelson	9,984	10,387	(403)	-4.04%	9,984
Appomattox	5,354	5,763	(409)	-7.64%	5,354
Subtotal Member Jurisdictions	70,910	73,133	(2,223)	-3.14%	70,910
Market Rate Tonnage	116,976	123,445	(6,469)	-5.53%	121,976
Subtotal Contract and Market Rate	116,976	123,445	(6,469)	-5.53%	121,976
Subtotal Revenue Generating Tonnage	187,886	196,578	(8,692)	-4.63%	192,886
Other Tonnage at No Charge (inert/brush/slag)	12,176	7,764	4,412	36.24%	12,176
Total Tonnage	200,062	204,342	(4,280)	-2.14%	205,062

	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
Disposal Fee Revenue					
From Member Jurisdictions					
Lynchburg	\$ 1,063,590	\$ 1,082,635	\$ (19,045)	-1.79%	\$ 1,063,590
Campbell	\$ 617,463	\$ 641,719	\$ (24,256)	-3.93%	\$ 617,463
Nelson	\$ 302,016	\$ 314,213	\$ (12,197)	-4.04%	\$ 302,016
Appomattox	\$ 161,959	\$ 174,828	\$ (12,870)	-7.95%	\$ 161,959
Subtotal Member Jurisdictions	\$ 2,145,028	\$ 2,213,395	\$ (68,368)	-3.19%	\$ 2,145,028
Market Rate Tonnage	\$ 4,708,284	\$ 4,974,168	\$ (265,884)	-5.65%	\$ 4,909,537
Subtotal Contract and Market Rate	\$ 4,708,284	\$ 4,974,168	\$ (265,884)	-5.65%	\$ 4,909,537
Total	\$ 6,853,312	\$ 7,187,563	\$ (334,252)	-4.88%	\$ 7,054,565

	FY 2019 Approved Budget	YTD Average Through 6/30/19	Budget Amount Remaining (A - B)	% Difference (C / A)	FY 2020 Approved Budget
Per Ton Disposal Fees					
Member Disposal Fee	\$ 30.250	\$ 30.265	\$ (0.015)	-0.05%	\$ 30.250
Cost of Service (COS) Tipping Fee	\$ 30.250	\$ 28.885	\$ 1.365	4.51%	\$ 30.250
Market Rate	\$ 40.250	\$ 40.295	\$ (0.045)	-0.11%	\$ 40.250

Schedule 1

7/23/2019 12:15 PM

Region 2000 Services Authority
 FY 2019 Expenses through 6/30/19

Item No. 4

Schedule 2

FY2019 Rates
 \$30.25/\$40.25

FY2020 Rates
 \$30.25/\$40.25

Expenses	(A)	(B)	(C)	(D)	FY 2020 Approved Budget
	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	
Personnel (Schedule 3)	\$ 1,619,703	\$ 1,481,841	\$ 137,862	8.5%	\$ 1,566,246
Landfill O & M (Schedule 4)	\$ 1,421,200	\$ 1,569,545	\$ (148,345)	-10.4%	\$ 1,574,630
Landfill Equipment Replacement Reserve	\$ 438,049	\$ 438,049	\$ -	0.0%	\$ 426,385
Closure and Post-Closure Reserve	\$ 389,567	\$ 389,567	\$ -	0.0%	\$ 390,000
Future Disposal Planning Reserve	\$ 36,278	\$ 36,278	\$ -	0.0%	\$ 25,000
O & M Reserve	\$ 73,324	\$ 73,324	\$ -	0.0%	\$ 75,000
Annual Debt Service -2011 Bond Debt	\$ 853,015	\$ 850,352	\$ 2,663	0.3%	\$ 853,303
2015 Bond Debt	\$ 1,111,976	\$ 1,105,378	\$ 6,598	0.6%	\$ 1,112,497
Internal Loan	\$ -	\$ -	\$ -	0.0%	\$ -
Annual Debt Service Subtotal	\$ 1,964,991	\$ 1,955,730	\$ 9,261	0.5%	\$ 1,965,800
Operating Expenses	\$ 5,943,113	\$ 5,944,335	\$ (1,222)	0.0%	\$ 6,023,060
Reimbursable Personnel Costs (Schedule 5)	\$ (117,062)	\$ (43,701)	\$ (73,361)	62.7%	\$ (45,756)
Reimbursable O & M Costs (Schedule 5)	\$ (121,500)	\$ (188,485)	\$ 66,985	-55.1%	\$ (121,500)
Late Fee, Recycling & Int Income	\$ (21,000)	\$ (34,069)	\$ 13,069	-62.2%	\$ (21,000)

Net Cost of Service Operating Expense Total	\$ 5,683,551	\$ 5,678,080	\$ 5,470	0.1%	\$ 5,834,804
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	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
Airspace Reserve					
Airspace Reserve Subtotal	\$ 1,169,761	\$ 1,408,511	\$ (238,750)	-20%	\$ 1,219,761
O & M Reserve Contribution	\$ -	\$ 100,972	\$ (100,972)		\$ -

Total Expenses	\$ 6,853,312	\$ 7,187,563	\$ (334,252)	-5%	\$ 7,054,565
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Total Revenue Generating Tonnage	187,886	196,578	(8,692)	-4.6%	192,886
Disposal Cost per Ton	\$ 30.2500	\$ 28.885	\$ 1.365	4.5%	\$ 30.2500

Schedule 2

7/23/2019 12:15 PM

Personnel
Schedule 3

Item No. 4

		(A)	(B)	(C)	(D)	
	Account	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
	Solid Waste Staff					
	Salary	\$ 983,791	\$ 930,336	\$ 53,455	5.4%	\$ 946,712
41100	Salaries&Wages-2% increase for FY19	\$ -	\$ -	\$ -	0.0%	\$ -
	Salaries&Wages-increase due to operator advancement	\$ -				\$ -
	Salaries&Wages-2% increase for FY20	\$ -				\$ 18,934
	Proposed Merit Increase	\$ 6,000	\$ -	\$ 6,000	100.0%	\$ -
	Total Salaries	\$ 989,791	\$ 930,336	\$ 59,455	6.0%	\$ 965,647
	Employee Benefits					
42210	VRS-Retirement (6.49% ER + VLDP)(fy19=4.71%+VLDP)	\$ 52,459	\$ 45,196	\$ 7,263	13.8%	\$ 51,179
42220	VRS Life Insurance (1.31%)	\$ 12,966	\$ 12,169	\$ 797	6.1%	\$ 12,650
42300	Employer Cost-Health Insurance (+0% FY20 Est)	\$ 233,446	\$ 196,847	\$ 36,599	15.7%	\$ 204,000
42700	Employer Cost-Worker's Comp	\$ 36,773	\$ 35,126	\$ 1,647	4.5%	\$ 37,000
42100	Employer Cost-FICA	\$ 78,779	\$ 70,368	\$ 8,411	10.7%	\$ 76,932
42600	Unemployment Insurance	\$ 8,000	\$ -	\$ 8,000	100.0%	\$ 8,000
	Employee Benefits Subtotal	\$ 422,423	\$ 359,707	\$ 62,716	14.8%	\$ 389,761
	Overtime					
41200	Salaries and Wages - Overtime	\$ 40,000	\$ 31,574	\$ 8,426	21.1%	\$ 40,000
	Overtime Subtotal	\$ 40,000	\$ 31,574	\$ 8,426	21.1%	\$ 40,000
	Total Personnel Costs-Services Authority Staff	\$ 1,452,215	\$ 1,321,617	\$ 130,598	9.0%	\$ 1,395,408
	Local Government Council Staff					
43131	Prof Services-LGC-Salaries	\$ 69,424	\$ 75,521	\$ (6,097)	-8.8%	\$ 70,812
43132	Prof Services-LGC-Benefits	\$ 39,995	\$ 41,772	\$ (1,777)	-4.4%	\$ 40,795
43133	Prof Services-LGC Overhead	\$ 58,069	\$ 42,931	\$ 15,138	26.1%	\$ 59,230
	Total Personnel Costs-Region 2000 Staff	\$ 167,488	\$ 160,224	\$ 7,264	4.3%	\$ 170,838
	Total Personnel Costs	\$ 1,619,703	\$ 1,481,841	\$ 137,862	8.5%	\$ 1,566,246

Schedule 3

7/23/2019 12:15 PM

Landfill Operating and Maintenance Expenses

Item No. 4

Schedule 4

Account	Operations and Maintenance Cost Type	(A)	(B)	(C)	(D)	FY 2020 Approved Budget
		FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	
	Contractual Services					
43166	Software support-Paradigm	\$ 7,000	6,636	\$ 364	5%	\$ 25,000
43321	Communications M&R Service/Radio	\$ 13,000	12,762	\$ 238	2%	\$ 13,000
43313	Building M & R Services	\$ 6,000	2,637	\$ 3,363	56%	\$ 6,000
43171	Site Maintenance-Concord Turnpike	\$ -	-	\$ -	0%	\$ -
43172	Site Maintenance-Livestock Road	\$ 35,000	35,209	\$ (209)	-1%	\$ 35,000
43170	Sedimentation Basin Cleaning	\$ -	-	\$ -	0%	\$ -
43169	Janitorial Services	\$ 7,800	8,085	\$ (285)	-4%	\$ 7,800
43110	Med/Dental/Pharm/Lab Services	\$ -	-	\$ -	0%	\$ -
43150	Legal Services	\$ 30,000	30,000	\$ -	0%	\$ 30,000
43120	Accounting and auditing service	\$ 9,000	11,393	\$ (2,393)	-27%	\$ 9,000
43140	Engineering/Monitoring Services-Lynchburg	\$ -	-	\$ -	0%	\$ -
43140a	Engineering/Monitoring Services-Campbell	\$ 80,000	138,057	\$ (58,057)	-73%	\$ 125,000
43141	Professional Consulting Service	\$ -	5,808	\$ (5,808)	0%	\$ -
43160	Environmental Lab Services-Lynchburg	\$ -	-	\$ -	0%	\$ -
43160a	Environmental Lab Services-Campbell	\$ 8,000	8,439	\$ (439)	-5%	\$ 8,000
43200	Temporary Help Service Fees	\$ 30,000	20,051	\$ 9,949	33%	\$ 30,000
43600	Advertising	\$ 6,000	3,054	\$ 2,947	49%	\$ 6,000
43176	Software Purchases-Other	\$ 3,000	2,650	\$ 350	12%	\$ 3,000
43167	Pest Control services	\$ 1,000	960	\$ 40	4%	\$ 1,000
43168	Investigative Services	\$ 100	74	\$ 26	26%	\$ 100
46011	Uniform Rental Services / Clothing Allowance beginning FY2020	\$ 10,000	12,219	\$ (2,219)	-22%	\$ 10,070
43161	Tire Shredding Services	\$ 5,000	2,789	\$ 2,211	44%	\$ 5,000
43165	Misc Contractual Services	\$ 1,000	-	\$ 1,000	100%	\$ 1,000
43177	Website, Media & Public Communications	\$ 2,500	2,508	\$ (8)	0%	\$ 2,500
42850	Employee Med Exp-drug tests, ph	\$ 1,500	1,143	\$ 357	24%	\$ 1,500
43174	Equip Parts Supplier Admin	\$ -	-	\$ -	0%	\$ -
46031	Heavy Equipment-Outside Repair	\$ 70,000	40,755	\$ 29,245	42%	\$ 70,000
43173	Mechanical M&R Services	\$ 4,000	1,897	\$ 2,103	53%	\$ 4,000
43121	Payroll support services	\$ 12,000	10,500	\$ 1,500	13%	\$ 12,000
46017	Software Maint Contract-Accounting	\$ 800	860	\$ (60)	-8%	\$ 800
43162	HHW Disposal	\$ -	99	\$ (99)	0%	\$ -
43163	Wood Waste Grinding	\$ 10,000	-	\$ 10,000	100%	\$ 10,000
	Contractual Services Subtotal	\$ 352,700	358,584	\$ (5,884)	-2%	\$ 415,770
	Supplies & Materials					
46001	Office Supplies/Audio Visual Supplies	\$ 6,000	5,200	\$ 800	13%	\$ 6,000
46002	Forms & Stationary	\$ 1,500	468	\$ 1,032	69%	\$ 1,500
46005	Custodial Supplies	\$ 2,500	1,593	\$ 907	36%	\$ 2,500
46033	Apparel/Protective Wear/Personal Protective Equipment	\$ 3,000	1,811	\$ 1,189	40%	\$ 3,000
46012	Books & Publications	\$ -	-	\$ -	0%	\$ -
46013	Subscriptions	\$ -	-	\$ -	0%	\$ -
46018	Safety Supplies	\$ 3,000	4,906	\$ (1,906)	-64%	\$ 3,000
46019	Awards & Recognitions	\$ -	-	\$ -	0%	\$ -
46020	Grounds Maintenance Supplies	\$ 3,000	1,840	\$ 1,160	39%	\$ 3,000
46026	Food & Dietary Supplies	\$ -	-	\$ -	0%	\$ -
46022	Minor Equipment-Tools	\$ 7,000	5,537	\$ 1,463	21%	\$ 7,000
46021	Chemicals/gases	\$ 500	535	\$ (35)	-7%	\$ 500
43310	R & M- Office	\$ -	-	\$ -	0%	\$ -
46009	Vehicle M&R Equipment Parts	\$ 150,000	162,902	\$ (12,902)	-9%	\$ 150,000
46007	R&M Supplies-Building	\$ 5,000	442	\$ 4,558	91%	\$ 5,000
43312	R & M-Mechanical-Materials	\$ -	-	\$ -	0%	\$ -
46016	Odor Control Operations & Materials	\$ 100,000	75,568	\$ 24,432	24%	\$ 100,000
46032	Communications M & R Materials	\$ 2,000	540	\$ 1,460	73%	\$ 2,000
46025	Haul Road M&R Materials	\$ 140,000	218,491	\$ (78,491)	-56%	\$ 180,000
46027	Daily Cover/Posi-Shell	\$ 110,000	63,851	\$ 46,149	42%	\$ 110,000
45210	Postal Services	\$ 2,000	2,355	\$ (355)	-18%	\$ 2,000
45220	Messenger Services	\$ -	-	\$ -	0%	\$ -
43500	Printing & Binding	\$ 1,000	378	\$ 622	62%	\$ 1,000
46035	Shop Supplies	\$ 15,000	15,863	\$ (863)	-6%	\$ 15,000

Landfill Operating and Maintenance Expenses

Item No. 4

Schedule 4

Account	Operations and Maintenance Cost Type	FY 2019 Approved Budget	PRELIMINARY Actuals Through 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
42820	Education-Tuition Assistance	\$ -	-	\$ -	0%	\$ -
46023	Computer Materials & Repair	\$ 10,000	12,210	\$ (2,210)	-22%	\$ 10,000
46024	Mechanical M&R Materials	\$ -	-	\$ -	0%	\$ -
	Supplies & Materials Subtotal	\$ 561,500	574,491	\$ (12,991)	-2%	\$ 601,500
	Gas/Diesel Fuel/Oil & Grease	\$ 200,000		\$ 200,000	100%	\$ 250,000
46008	Vehicle & Equipt Fuel-Diesel	\$ -	236,512	\$ (236,512)	0%	\$ -
46028	Vehicle & Equipt Fuel-Gasoline	\$ -	4,054	\$ (4,054)	0%	\$ -
46029	Vehicle & Equipt/Oil & Grease	\$ -	17,202	\$ (17,202)	0%	\$ -
	Gas/Diesel Fuel/Oil & Grease Subtotal	\$ 200,000	257,768	\$ (57,768)	-29%	\$ 250,000
	Rentals & Leases					
45410	Lease/Rent of Equipment-Office (Copier/postal meter)	\$ 5,500	5,109	\$ 391	7%	\$ 5,500
45411	Lease/Rent of Equipment-Landfill	\$ 10,000	71	\$ 9,929	99%	\$ 10,000
45420	Lease/Rent of Buildings	\$ 600	90	\$ 510	85%	\$ -
	Rentals & Leases Subtotal	\$ 16,100	5,270	\$ 10,830	67%	\$ 15,500
	Utilities & Natural Gas					
45230	Telephone/Internet	\$ 20,000	15,763	\$ 4,237	21%	\$ 20,000
45110	Electrical Services	\$ 35,000	34,155	\$ 845	2%	\$ 35,000
45130	Water & Sewer	\$ 1,500	1,247	\$ 253	17%	\$ 1,500
45120	Utilities - Propane Gas	\$ -	2,330	\$ (2,330)	0%	\$ -
45231	Cellular Services & Pager	\$ 3,000	2,880	\$ 120	4%	\$ 3,960
	Utilities Subtotal	\$ 59,500	56,374	\$ 3,126	5%	\$ 60,460
45500	Travel & Training-Includes Continuing Education	\$ 4,000		\$ 4,000	100%	\$ 4,000
45510	Travel Mileage-Personal Vehicle	\$ -	1,093	\$ (1,093)	0%	\$ -
45530	Travel-Subsistence & Lodging	\$ -	3,124	\$ (3,124)	0%	\$ -
45540	Off-Site Training	\$ -	833	\$ (833)	0%	\$ -
46014	On-Site Training	\$ 4,000	5,644	\$ (1,644)	-41%	\$ 4,000
	Travel & Training Subtotal	\$ 8,000	10,693	\$ (2,693)	-34%	\$ 8,000
	Miscellaneous					
45800	Miscellaneous	\$ 3,500	1,947	\$ 1,553	44%	\$ 3,500
45810	Dues and Assoc Membership-Misc	\$ 1,800	1,236	\$ 564	31%	\$ 1,800
45801	Bank Service Charges	\$ 3,600	2,857	\$ 743	21%	\$ 3,600
45802	Cash Overage and (Shortage)	\$ -	(0)	\$ 0	0%	\$ -
45803	Finance Charges paid to vendors	\$ -	13	\$ (13)	0%	\$ -
45804	Bad Debt Expense	\$ 3,000	1,931	\$ 1,069	36%	\$ 3,000
45840	VDEQ landfill fee - Misc	\$ 28,000	28,174	\$ (174)	-1%	\$ 28,000
	Misc Expenses Subtotal	\$ 39,900	36,158	\$ 3,742	9%	\$ 39,900
	Payments to Other Entities					
43164a	Leachate Treatment-LR facility	\$ 20,000	40,404	\$ (20,404)	-102%	\$ 20,000
45308	General Liability insurance	\$ 42,000	41,318	\$ 682	2%	\$ 42,000
	Payments to Other Entities Subtotal	\$ 62,000	81,722	\$ (19,722)	-32%	\$ 62,000
	Sub-Total SA O & M Expenses	\$ 1,299,700	1,381,061	\$ (81,361)	-6%	\$ 1,453,130
	Reimbursable O & M Expenses (see Reimbursable Schedule for Detail)	\$ 121,500	188,485	\$ (66,985)	-55%	\$ 121,500
	Grand Total Operations and Maintenance Cost	\$ 1,421,200	\$ 1,569,545	\$ (148,345)	-10%	\$ 1,574,630

Reimbursable Landfill Operating and maintenance Expenses Personnel Costs

Item No. 4

Schedule 5

		(A)	(B)	(C)	(D)	
Account	Operations and Maintenance Cost Type	FY 2019 Approved Budget	PRELIMINARY Actuals Though 6/30/19	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY 2020 Approved Budget
	Reimbursable Landfill O & M Expenses					
	City of Lynchburg					
43140	Engineering/Monitoring Services	\$ 60,000	\$ 117,250	\$ (57,250)	-95.4%	\$ 60,000
43160	Environmental Lab Services	\$ -	\$ 4,020	\$ (4,020)	0.0%	\$ -
43162	HHW Disposal	\$ 28,050	\$ 25,275	\$ 2,775	9.9%	\$ 28,050
	City of Lynchburg Subtotal	\$ 88,050	\$ 146,545	\$ (58,495)	-66.4%	\$ 88,050
	Amherst County					
43162	HHW Disposal	\$ -	\$ 2,214	\$ (2,214)	0.0%	\$ -
	Nelson County					
43162	HHW Disposal	\$ -	\$ 631	\$ (631)	0.0%	\$ -
	Appomattox County					
43162	HHW Disposal	\$ -	\$ 178	\$ (178)	0.0%	\$ -
	Campbell County					
43140a	Engineering/Monitoring/Remediation Services	\$ 22,840	\$ 30,116	\$ (7,276)	-31.9%	\$ 22,840
43160a	Environmental Lab Services	\$ 5,000	\$ 2,965	\$ 2,035	40.7%	\$ 5,000
43162	HHW Disposal	\$ 5,610	\$ 5,836	\$ (226)	-4.0%	\$ 5,610
43164a	Leachate Treatment	\$ -	\$ -	\$ -	0.0%	\$ -
	Campbell County Subtotal	\$ 33,450	\$ 38,917	\$ (5,467)	-16.3%	\$ 33,450
	Reimbursable Landfill O & M Expenses	\$ 121,500	\$ 188,485	\$ (66,985)	-55.1%	\$ 121,500
	Reimbursable Landfill Personnel Costs					
	City of Lynchburg					
	Concord Turnpike Personnel Costs	\$ 39,000	\$ 39,495	\$ (495)	-1.3%	\$ 39,756
	Recycling Program Manager Salary & Benefits	\$ 29,031	\$ -	\$ 29,031	100.0%	\$ -
	City of Lynchburg Subtotal	\$ 68,031	\$ 39,495	\$ 28,536	41.9%	\$ 39,756
	Campbell County					
	Environmental Compliance & Safety	\$ 20,000	\$ 4,206	\$ 15,794	79.0%	\$ 6,000
	Recycling Program Manager Salary & Benefits	\$ 29,031	\$ -	\$ 29,031	100.0%	\$ -
	Campbell County Subtotal	\$ 49,031	\$ 4,206	\$ 44,825	91.4%	\$ 6,000
	Reimbursable Landfill Personnel Costs	\$ 117,062	\$ 43,701	\$ 73,361	62.7%	\$ 45,756

Region 2000 Services Authority Balance Sheet

	PRELIMINARY 6/30/2019
Assets	
Cash - 2015 Bond Funds	
Cash-US Bank-Bond Balance	\$ 237,253.84
Cash-US Bank-Bond Fund Payments	\$ 677,292.42
Total 2015 Bond Funds	\$ 914,546.26
Cash - 2011 Bond Funds	
Cash-US Bank-Bond Fund Payments	\$ 694,292.66
Total 2011 Bond Funds	\$ 694,292.66
Cash - Closure/Post-Closure	
Cash -SunTrust Closure/Post-Closure	\$ 120,076.70
Total C/PC Concord Tpk	\$ 120,076.70
LGIP-Concord Tpk - C/PC	\$ 2,424,000.66
Total Closure/PC - Concord Tpk	\$ 2,544,077.36
LGIP-Livestock Road - Purchased Contribution C/PC	
LGIP-Livestock Road - SA Contribution C/PC thru FY19	\$ 1,096,689.32
Total Closure/PC - Livestock Rd	\$ 2,208,244.23
Total Closure/Post Closure	\$ 5,849,010.91
Cash-Operating Accounts	
Total Bank of the James Depository Account	\$ 21,150.54
Total SunTrust Operating Account	\$ 3,042,589.74
LGIP-Environmental Remediation - FY2009 thru FY2017	\$ 477,573.82
Total Cash and LGIP	\$ 10,999,163.93
All Receivables for Operations	\$ 599,313.33
Receivable from City for CT Post Closure Care	\$ 726,508.33
Internal Loan Receivable	\$ 1,551,135.19
GASB 68 Deferred Pension Outflow & OPEB GLI	\$ 63,821.00
Prepaid Expenses	\$ 55,513.40
All Fixed Assets -less depreciation	\$ 14,630,179.18
Total Assets	\$ 28,625,634.36
Liabilities	
Accounts Payable	\$ 266,463.40
Accrued OPEB Liabilities	\$ 339,216.55
GASB 68 Deferred Pension & OPEB Liabilities	\$ 200,062.00
Net Pension Liability	\$ (496,106.00)
Accrued Interest Payable	\$ 99,608.41
Accrued Vacation Pay	\$ 69,106.53
Accrued Other Liabilities	\$ 18,300.00
Total Current Liabilities	\$ 496,650.89
Accrued P/C Cost-Concord Tpk - City of Lynchburg (71.6%)	\$ 2,081,520.57
Accrued P/C Cost-Concord Tpk - SA (28.4%)	\$ 825,631.06
Accrued Closure-P/C Cost-Livestock Road	\$ 5,914,131.24
Total Closure/Post-Closure	\$ 8,821,282.87
Debt	
Internal Loan Payable	\$ 1,551,135.19
2015 Bond Payable	\$ 6,194,000.00
2011 Bond Payable	\$ 4,459,000.00
Total Liabilities	\$ 21,522,068.95
Reserves	
Restricted - Environmental Remediation Reserve	\$ 450,000.00
Restricted - Equipment Replacement Reserve	\$ 874,875.34
Restricted - Future Disposal Planning Reserve	\$ 24,964.38
Restricted - O & M Reserve	\$ 658,248.03
Total Reserves	\$ 2,008,087.75
Fund Balance	\$ 5,095,477.66
Total Liabilities & Equity	\$ 28,625,634.36

Region 2000 Services Authority

6/30/2019

Schedule 7

Capital Equipment Fund

FY2019 Approved Capital Equipment Items	Average Cost Estimate	Fund Balance
Balance @ 6/30/2018		\$ 874,875
FY 2019 Approved Purchases		
Remanufactured Compactor-actual	\$ 495,000	
963 Track Loader-actual	\$ 320,854	
Gain on sale of used/salvage equipment YTD	\$ (118,500)	
Rubber Tire Loader	\$ 120,000	
Rubber Tire Loader-will not be purchased in FY19	\$ (120,000)	
Subtotal	\$ 697,354	
Transfer from Operating Fund for FY2019		\$ 438,049
Estimated Balance @ 6/30/2019		\$ 615,570

FY2020 Preliminary Capital Equipment Items	Average Cost Estimate	Fund Balance
Estimated Balance @ 6/30/2019		\$ 615,570
FY 2020 Preliminary Purchases		
CAT D9 Dozer	\$ 510,000	
CAT 336 Excavator	\$ 298,000	
Tires for Off-Road Dump Truck	\$ 20,000	
Subtotal	\$ 828,000	
Estimated Transfer from Operating Fund for FY2020		\$ 426,385
Estimated Balance @ 6/30/2020		\$ 213,955

FY 2019 & FY 2020 Estimated Post-Closure Costs for Concord Turnpike Facility	Average Cost Estimate per Year
Estimated Cost of Contracted Services per year	\$ 125,000

Region 2000 Services Authority
FY2019 Summary of Amounts Written Off
G/L 45804 - Bad Debt Expense
Schedule 8

Number of Accounts	Description	Amount
1	Disputed Tire Fees	\$ 36.00
8	Finance Charges	\$ 1,672.48
1	Various unidentified items	\$ 222.73
		<u>\$ 1,931.21</u>

Below you will find our communication with Bedford County and their responses/explanation. Robert Hiss, the Bedford County Administrator, will attend our meeting on 7-31, to answer questions.

Communications with Bedford County on Depositing Solid Waste at the Livestock Road Landfill

1. The Services Authority is willing to negotiate the sale of airspace to Bedford County at the Livestock Road landfill to accommodate 150,000 tons of solid waste. Our capacity in the permitted area is finite and this amount of solid waste will consume a year’s worth of capacity at our facility.

Response:

The 150,000 tonnage allowance would be helpful allowing 10,000 – 15,000 tons of MSW deliveries per year to the Livestock Road Landfill.

Explanation:

It would be efficient to use Livestock Road Landfill in the following circumstances. Town of Bedford tonnage is already being transferred so it would efficiently be delivered to Livestock Road.

CY 2018 – 2019 Tonnage

Location	Tons
Blackwater	722
Boonsboro	1,073
Otter River	686
Forest	4,917
Coleman Falls	303
Town of Bedford	3,996
Total Tons/Year	11,697

(rounded to 12,000 tons)

Duration = 150,000 total tons/12,000 tons per year = 12.5 years

2. We look for Bedford County to pay the commercial rate for this solid waste. Each year the commercial rate is set for the year and it could change from year to year.

Response:

This is acceptable. It's understood that the Livestock Road Landfill operating and capital costs, landfill capacity, and related factors are routinely evaluated and subject to change. Bedford County's solid waste operations and facilities are managed in a similar manner. Given operational impacts, a minimum 30-day advance notice is requested and Bedford County will provide the same.

3. We understand that Bedford County is considering adding an additional cell to their facility. We would like the County's assurance that, if a new cell is built, that the Region 2000 Services Authority could have access to an equal amount of airspace at a rate to be satisfactorily negotiated. This would be similar to a reciprocal agreement that we now have with the Roanoke Valley Resource Authority which allows us to take solid waste to Roanoke if needed and them to bring waste to us if they need to.

Response:

This requires an ordinance revision and is subject to BOS approval. Please send the reciprocal agreement for review, and advise when negotiations are needed since Bedford County will not have additional cell capacity for at least 5 years (2024). Additionally, the BOS has not made a decision to date regarding the construction of a new cell. It is anticipated to make that decision within the next 6 months.

4. We do not want to accept any sludge from Bedford County as part of the waste stream.

Response:

Acknowledged.

Explanation:

Bedford County will be considering this issue and others with transfer/disposal proposal submission, remaining onsite landfill capacity, and new cell construction.

5. The Services Authority is interested in understanding what other options Bedford County is considering for disposing of the solid waste.

Response:

Offeror responses to the RFP – transfer/disposal procurement were due on June 21st, and have been reviewed with the intent to finalize a contract during the next several months.

Explanation:

RFP procurement is confidential. Offeror discussions, ranking and negotiations, and review with the BOS has occurred and staff was given direction as to which facilities to pursue further negotiations.

6. What percentage of the solid waste comes from the Town of Bedford?

Response:

During the past 12 months, MSW tonnage from the Town of Bedford was 3,996 tons representing 7-8 % of total landfill tonnage at the Bedford County Waste Management Facility.

Item No. 6: Update on Concord Turnpike Gas Collection

SCS and the appraiser hired by Virginia LandGAS continue discussions about hiring a 3rd party appraiser for the above ground LFG equipment at Concord Turnpike.

Item No. 7: Update date on next Phase of LFG Collection Wells at Livestock Road Landfill

As we have discussed, the landfill won't be deep enough for efficient vertical wells until final grade is reached in Phase IV. We are proposing "hybrid" horizontal/shallow vertical wells will allow us to install a permanent (not sacrificial) well system in the next lift rather than waiting until the landfill has enough depth for full vertical wells.

We are working in the second lift of phase IV right now and the "hybrid" horizontal/shallow vertical wells system will be installed in the third lift. We anticipate being at the proper fill level of the third lift and constructing this phase of LFG wells at the end of calendar year 2021. Recent connection of the underdrain leachate collection pipes to the LFG collection system provides sufficient gas extraction for the first two lifts.

Item No. 8: Update on RFP for Livestock Road Landfill Gas Usage

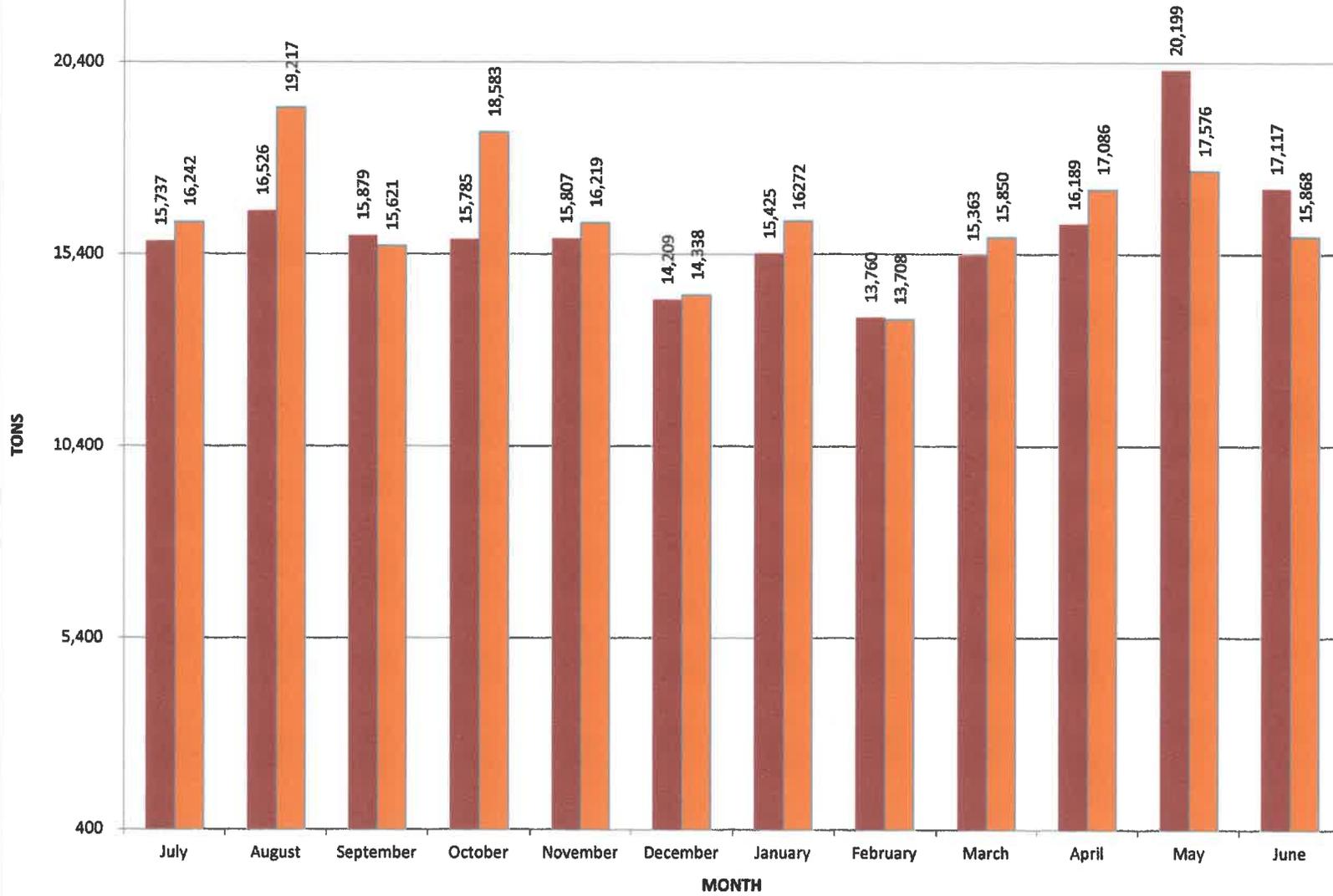
SCS continues to work on the landfill gas calculations and the RFP for beneficial use of LFG at the Livestock Road Facility.

Item No. 9: Briefing on use of Bennett Property Soils

Draper Aden submitted the attached report showing the purchase of the Bennett property has saved the Authority \$1,444,400 since it was purchased by utilizing the site for specified clay for the liner construction of Phase IV and the clay cap for the Phase III partial closure project. We anticipate even greater savings when we construct Phase V and close phase IV and Phase V. The Bennett property has also been a valuable source for unspecified soil cover for operations and cover material.

REGION 2000 REGIONAL LANDFILL AVERAGE TONS PER MONTH GENERATING REVENUE

FY 2018
FY 2019



At the June worksession the question came up as to whether the 75-25 distribution of Excess Revenue after the original agreement was completed is a “will” or a “may”.

Page 5 of this document notes that excess revenue will be paid at the 75-25 percentage share once the original agreement is completed.

Region 2000 Services Authority Fiscal Policy Guidelines

Table of Contents

Objectives

Reserve and Fund Policies

- **Closure and Post-Closure Reserve Fund**
- **Equipment Replacement Reserve**
- **Environmental Remediation Reserve**
- **Operating and Maintenance Reserve**
- **Debt Service Reserve**
- **Future Disposal Planning Reserve**

Debt Management Policy

Operating Budget Policies/Guidelines

FISCAL POLICY GUIDELINES - OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the Authority. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. Effective fiscal policy:

- Contributes significantly to the Authority's ability to prepare for and insulate itself from fiscal crisis by being able to better manage stressful financial internal and external events,
- Enhances the ability to obtain short-term and long-term credit financing by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the Authority rather than single issue areas, and
- Promotes the view of linking long-run financial planning with day-to-day operations.

To these ends, the following fiscal policy statements are presented.

Reserve and Fund Policies

Closure and Post-Closure Reserve Fund: This fund provides for the cost of capping completed areas of the landfill and at the end of the landfill's useful life to completely close any remaining area, install all monitoring and collection systems and perform all post-closure care activities per regulatory requirements. Contributions will be made to this Reserve on an annual basis as an operating expense.

Equipment Replacement Reserve: This fund provides for the future purchases, and regularly scheduled replacement of major operating equipment in an orderly fashion as to minimize annual operating costs, maximize any trade-in or surplus value, and to provide for the best overall purchasing value. Contributions will be made to this Reserve on an annual basis as an operating expense. Salvage value of retired equipment will also flow through this reserve.

The purpose is to stabilize the impact of equipment purchases on the operating fund. Contributions out of the operating fund are leveled out even though the cost of required equipment replacements could vary significantly from year to year.

Environmental Remediation Reserve: The Authority has chosen to establish a separate reserve fund to address potential environmental remediation issues. Annually, \$50,000 will be contributed to this fund. The funds in the reserve will be available for the Authority to use for other purposes or to distribute to the member jurisdictions, if there is a balance in the reserve at the end of the Landfill life. However, if an environmental remediation issue occurs and the expense exceeds the balance of the remediation fund, the Authority would have to find other funding sources for addressing the environmental remediation. Contributions will be made to this Reserve on an annual basis as an operating expense.

Operating and Maintenance Reserve: The authority will provide an Operating and Maintenance Reserve fund (O &M) in an amount equal to not less than 90 days of its projected expenses (excluding debt service), net of reimbursable expenses and interest income, as prescribed in the current fiscal year's budget. The O & M Reserve will be established as separate account and will be used to the extent the Board does not desire to use other available funds to cover periods of revenue shortfall when the Authority's revenues are not sufficient to cover its net expenses. The reserve contribution will not be included in the calculation of the cost of service rate since the contribution originate from revenues generated from member jurisdiction in excess of the cost of service rate.

Debt Service Reserve: Funds in this account will be used to pay debt service owed by the Authority. This account will be funded by the Member Jurisdictions contributions as determined by the Member Use Agreement and the schedule of payments set forth by the Bondholders. An amount sufficient to satisfy the debt service payment will be budget each fiscal year until the debt service is satisfied and no further payment is required as set forth in the bond documents. Contributions will be made to this Reserve on an annual basis as an operating expense.

Future Disposal Planning Reserve: Funds in this account will be used for future planning and feasibility studies related to disposal options once the Lynchburg and Campbell landfills reach capacity. Contributions will be made to this Reserve on an annual basis as an operating expense.

Debt Management Policy

- The Authority will not use long-term debt to fund current operations.
- The Authority will not use short-term borrowing to fund current operations.

Whenever the Authority finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed.

Operating Budget Policies/Guidelines

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established by the Board.

The Authority shall establish its Member Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to

create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

1. The Authority will budget for all current operating expenditures to be paid for with current operating revenues.
2. The management and operations staff should, not only during the preparation of the budget but in the budget execution, use due care and promote cost savings and operating efficiencies at all times especially during periods of revenue shortfalls.
3. In preparing its annual budget, the Authority will base its revenue and expenditure projections on historic performance while also taking into consideration current trends, events and developments in regulatory and environmental activities.
4. One-time or other special revenues will not be used to finance continuing Authority operations, but instead will be used for funding specific one-time projects.
5. The Authority will prepare quarterly financial statements showing the progress of budget estimates compared to actual results. These quarterly reports and the Authority's budgets are prepared on a cash flow or modified cash flow basis and differ from the final audited year end reports.

“Excess Revenue” means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year and therefore will vary based on both the incoming tonnage and disposal rates.

Once the current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host and 25% will be retained to use for future planning, as a means to self-fund projects, or any other item approved by the Board.

“Operating Costs” means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

- (1) Salaries and fringe benefits of employees;
- (2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;
- (3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;
- (4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;
- (5) Debt Service Payments;
- (6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;
- (7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;
- (8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;
- (9) Purchase and maintenance costs of equipment and maintenance of the Facilities;
- (10) All accounting and bookkeeping fees and charges;
- (11) All costs associated with uncollectible accounts;
- (12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;
- (13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.
- (14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

- (15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

“Operating Revenues” means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction’s Pro Rata Share.