



Region 2000 Services Authority

Location
Electronic Meeting - Zoom

Date | Time
March 24, 2021
2:00 p.m.

Minutes

Board Members Present

Susan Adams..... Appomattox County
Steve Carter Nelson County
Frank Rogers..... Campbell County
Gaynelle Hart (alternate for Reid Wodicka)..... City of Lynchburg

1. Welcome

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

2. Public Comment

Jon Hardie offered condolences to the Services Authority and the Central Virginia Planning District Commission for the loss of long-time former staff member Susan Cook who passed away earlier in the month. Mr. Hardie recognized Susan’s pleasant attitude and professionalism during her tenure.

3. Approval of January 27, 2021 Meeting Minutes

Upon a motion made by Susan Adams, seconded by Steve Carter, the minutes of the January 27, 2021 meeting were unanimously approved.

4. Financial Report

Rosalie Majerus noted that tonnage is up overall for the year, which is causing cost of service to be approximately \$1.06 less than the budgeted rate. Expenses are slightly above the projected amounts, which is in part due to some heavy equipment repairs throughout the year that required contract work.

5. 2021-2022 Preliminary Budget Summary

Clarke Gibson introduced the preliminary proposed budget for fiscal year 2022. The projected tonnage is 192,886 tons, which is not an increase from the previous year. Revenue includes a

2.05% increase and operating expenses are projected at a 2.4% increase, with total expenses matching revenue for the year.

A 3% merit-based employee salary increase is proposed in recognition of excellent employee work, specifically during the last year. Mr. Gibson noted that as some localities may be considering 5% salary increases for their staff, and if so, a 5% salary increase for Services Authority staff could also be configured from reserve funds to offset additional operating expenses.

Disposal cost of service is proposed at \$31.00 per ton, which is a \$0.75 increase from the previous year, while being \$0.25 less than the previously proposed rate of \$31.25 per ton at the January meeting. The market rate is proposed at \$41.00 per ton, which is also a \$0.75 increase from the previous year. A public hearing is required due to the proposed increase of the tipping fee.

A landfill capacity analysis is currently underway to more accurately determine when the original volume of the Member Use Agreement will be reached. At that point, the distribution calculation of the excess revenue will cease. Current project for reaching this volume is sometime within the next three to six months.

Steve Carter asked if staff have looked at past years to determine if revenues have exceeded expenditures to help mitigate the need for an increase to tipping fees. Frank Rogers asked what revenue would need to be to mitigate a rate increase for tipping fees. Clarke Gibson stated that staff could prepare a budget with the projected tonnage increase that would avoid the tipping fee increase.

Susan Adams asked if the health insurance rates have been determined since the last meeting. Staff affirmed that insurance rates will go down 1% for FY2022.

Steve Carter asked for clarification of what the source of the original calculation of the airspace related to excess revenue. Clarke Gibson explained that the information is documented in the studies completed prior to the Member Use Agreement. Mr. Carter also asked if the information was documented in the true-up documents as well and if there is a value associated with the amounts and if they have been paid to Campbell County and the City of Lynchburg. Mr. Rogers interjected and stated that the answer may not be as simple as a “yes or no” answer without context and advised that we exercise caution before digging too deeply into that question with respect to the disagreements about excess revenue and the ongoing lawsuit.

Gaynelle Hart stated that the City of Lynchburg is not in favor of a tipping fee increase at this time. Susan Adams and Steve Carter also stated that their localities are not in favor of tipping fee increases. As such, no public hearing is needed as a rate increase will not be included in the budget. In the absence of a rate increase, staff will review the budget with adjusted tonnage projections for discussion at the April meeting.

6. Livestock Road Gas to Energy Project

Staff previously advertised for a Gas to Energy project and received two proposals from companies for this project last year. INGENCO was selected, but the project was suspended in response to the concerns around COVID-19. Contract negotiations were able to resume in Fall

2020 with INGENCO that is proposed for consideration from the Authority for approval. Bob Dick from SCS Engineers also provided a presentation on the project proposal. Frank Rogers asked if the project may help mitigate odors at the landfill and additional impact it may have on the community such as noise. Thomas Fabrie from INGENCO advised that the equipment used for this project is housed inside of a metal building and that they work to keep equipment as quiet as possible with minimal local impact. Bob Dick also explained that the project design should not increase odors produced by the landfill.

Steve Carter asked about the revenue percentage for the Authority in the proposed partnership and if any additional information was provided about INGENCO's potential expenses or revenue. Bob Dick advised that after negotiating with INGENCO and based on available information that the offer provided to the Authority was comparable to other similar projects.

By consensus, the Authority agreed to authorize the Solid Waste Director to execute contract documents with INGENCO.

7. Livestock Road Solar Energy PPEA Proposal

Clarke Gibson provided a review of the unsolicited PPEA project proposal received in December 2020 and introduced in prior meetings for consideration. If the Authority chooses to accept this proposal, it will require seeking proposals from other vendors for a similar project. If the Authority chooses to decline the proposal, solicitation for PPEA proposals can be issued later as well.

A motion was made by Steve Carter, seconded by Gaynelle Hart, to request additional information from the proposer on similar projects and supplemental information that could provide comprehensive information on consideration of a proposal. The motion was unanimously approved.

8. Director's Report

- a) Tonnage Report: Tonnage continues to increase comparatively to FY2020 but remains about average when compared to the past three years.
- b) Odor Report: Five odor complaints from two addresses have been received in March, and three complaints from two addresses were received in February.

9. Attorney's Report

Bill Hefty informed the Authority that the General Assembly had a proposed bill to raise fees for landfills. A work group was formed to meet over the summer and come back with a proposal for the General Assembly. The work group has been instructed to propose a fee increase to cover all costs of permitting enforcement. No action from the General Assembly will come until next year.

10. Other businesses from staff or Authority members

There was none.

11. Adjourn – There being no further business, the meeting was adjourned at 4:02 p.m.