



RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
February 23, 2009

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Monday, February 23, 2009 at 3:46 p.m. in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

Board Members Present: Mr. Michael Gaffney - Presiding, Mr. Mark Graham, Ms. Judith Mueller, Mr. Gary O'Connell, and Mr. Robert Tucker.

Authority Staff Present: Mr. David Atkins, Mr. Bruce Edmonds, Mr. Tom Frederick, Ms. Mary Knowles, Ms. Jennifer Whitaker, Mr. Lonnie Wood, and Dr. Robert Wichser.

Also Present: Mr. Jeff Greer – RSWA Citizens Advisory Committee Chairman, Mr. Kurt Krueger – RSWA Attorney, members of the public, and media representatives.

1.0 Call to Order

The regular meeting of the RSWA Board of Directors was called to order by Mr. Gaffney on Monday, February 23, 2009 at 3:46 p.m., and he noted that a quorum was present.

2.0 Minutes of the Previous Meeting

Mr. O'Connell moved that the Board of Directors vote to approve the minutes of the regular Board meeting held on Monday, January 26, 2009, seconded by Mr. O'Connell. The motion was approved by a 5 – 0 vote.

3.0 Executive Director's Report

Mr. Frederick stated that he took the opportunity to incorporate into this month's report a progress update on two items that were discussed at last month's Board meeting. The first item concerned the status of the Strategic Plan and recommendations on the future direction of the Authority as a result of the process. The second item addressed questions from the Board on how this Authority, based on actions taken by other solid waste organizations throughout the country, would deal with fluctuations in the economy and how it could impact the provision of services.

Mr. Frederick first reported on the progress of the Strategic Plan. He stated that comments received during the public participation process reflected this community's desire for the Authority to "aim high" on increasing recycling rates. RSWA consultant GBB (Gershman, Brickner & Bratton, Inc.) for the Strategic Plan provided a progressive plan that would allow for phased implementation toward the "aim high" recycling goal. The process would start with a focus on improving the existing Ivy Transfer Station. The Ivy Transfer Station is currently an outdoor and mechanical compaction facility, which is "not state-of-the-art and is somewhat costly to operate." Improvements to the facility can be implemented in a way that allows a

phased approach for planning future capacity needs. Today's technology utilizes front-end loading equipment to compact the material from the top, which reduces the safety hazards. An enclosed facility would also allow RSWA to reduce the amount of labor for that operation. The current labor at the site "achieves the conditions of a DEQ permit for an outdoor facility." An improved facility will also allow the Authority to re-introduce construction and demolition debris service and begin at a transfer station level to accept comingled recyclables. RSWA has received inquiries recently from private haulers interested in providing comingled recycling services at the curb in the County. The City is already providing that service through municipal services to residential areas. Mr. Frederick added that he felt those inquiries also extended to commercial facilities that may be in both the City and the County. The Authority is initially focusing on keeping the facility as a transfer station that would continue to transfer loads to various third parties that would handle the disposal and recycling of material and avoid immediately having to build a material recovery facility (MRF), which is a facility that can receive comingled recyclables and separate them into different market commodities for sale to the recycling markets. This phased approach does not prevent RSWA from providing additional services in the future or contracting with private sector organizations or existing facilities that might be receptive with an improved economy to provide third-party services, which could result in a publicly-operated MRF not being necessary even to achieve the "aim high" goals.

Mr. Frederick further stated that GBB has generally concurred with RSWA's suggestion that it could enter into private partnerships as well as operate public facilities with one "caveat." He explained that GBB has introduced a "state-of-the-art" practice of curbside collection called "Pay-as-you-throw", which is a concept where the homeowner pays one fee to get a trash roll-out cart that is sized for the amount of trash that will be disposed in a week, and also for this same fee the program provides a large recycling cart for the placement of a large amount of recyclables. In locations where this program has been implemented, the recycling efforts have increased and the volume of trash reduced, resulting in the need for a smaller container for trash. GBB has indicated that private collectors generally do not offer this type of program but rather get into the roadside or curbside recycling businesses that provide a recycling cart for an additional fee, which provides no financial incentive for recycling efforts. The closest "pay-as-you-throw" program is in the Richmond area operated successfully by the Central Virginia Authority.

Mr. Frederick also reported that during the Strategic Planning process, interviews were conducted with elected officials and representatives from a number of organizations and interest groups, in addition to the public meetings. Some of the comments received during those interviews included "pragmatic considerations" that are focused and aimed on costs.

Mr. Frederick then commented that RSWA is developing recommendations that take into account the cost side, the pragmatic side, and "aim high" goals as a future vision, as well as looking at the current economic climate. RSWA's recommendation as to its first step in implementing the Strategic Plan is to focus on improvements to the Ivy Transfer Station while recognizing the Authority's goal to be "a good neighbor and keep open the vision of incorporating additional steps in the future.

Mr. Frederick next addressed the second question asked last month that concerned dealing with difficult financial conditions and the cash-flow side of RSWA's business. He noted that an "ironic" aspect of the solid waste business is that it costs more to dispose of trash than it does to

recycle, but a tipping fee is collected for trash disposal. The tipping fees are the revenues that cover the costs for many of the recycling programs that are offered free to the public in this community. Since RSWA does not collect fees for recycling, the Authority is not able to offset all the recycling costs simply by selling commodities to market. In better market conditions, RSWA has approached being very close to breaking even. Operating recycling convenience centers is not generally considered a revenue-producing program in all market conditions. By continuing to offer those services to the public or the public continues to demand that those programs be offered as a public service offered without a fee, there would be times that those particular services might need to be subsidized by local government support.

Mr. Frederick then reported that in deciding which business model would work best for the Authority, staff looked at past issues dating back to when the landfill closed related to the inequity concerns raised by implementation of the service contribution fee, the long-standing difference between the two different entities that the Authorities serves on how to address that issue, and the decision not to move forward with a utility fee. Mr. Frederick concluded after reviewing all that information that a strategy that might put RSWA on "firm ground looking toward the future" would be to identify the two categories of services that the Authority is requested to provide by the public. The first category is a competitive program that operates in the marketplace, meaning many private-sector organizations can offer the same service and charge a tipping fee. The second category he referred to as "non-revenue sufficient programs", which included recycling programs at the McIntire Recycling Center and some of the programs at the Ivy facility, such as the paint exchange program and the Household Hazardous Waste collection events.

Mr. Frederick next commented that as a condition for RSWA continuing to offer those "non-revenue sufficient programs", assuming that the City and the County are together in wanting the Authority to offer those services, RSWA would contract with the local government entities and define the terms, including how RSWA would be reimbursed for costs of public service programs. These contracts could be structured so that either the City or the County or both can "opt out" of the contract at any time independently of the other. RSWA would continue to offer the service as long as it can be done in contract with one of the organizations in a way that makes the Authority "whole." The local governments could at any time withdraw any of those services, subject to handling any stranded debt. He suggested that the only condition "on the table" would be that RSWA be allowed to discontinue the program if there were not enough revenues to sustain the operation on its own. Staff feels that going forward with this model is the best way to structure its programs in order to provide sufficient revenues to provide the services that the two local governments request. This model does limit the types of services that RSWA can offer to the City and the County.

Mr. Frederick also stated that the value of RSWA being a regional organization was discussed during the Strategic Plan's public participation process. Where there are common interests between the County and the City, RSWA might be able to offer those programs on an "economy of scale" to both organizations. This could be a guideline as to how to structure the types of services that RSWA would provide in the future that are in the "realm" of the public-service programs.

Mr. Tucker suggested that RSWA begin considering the options outlined in the Executive Director's Report in its budget preparations for possible implementation in a future fiscal year. Mr. Frederick stated that RSWA staff is making its best attempt to evaluate programs and economize to the extent possible and incorporate into the budget that will be presented to the Board in April. RSWA will not be proposing at this time to submit a budget with service program eliminations. If the proposed budget introduces a local government support payment that exceeds what the organizations are willing to support, RSWA will have developed a list at that point of "non-revenue sustaining programs" that can be evaluated as part of the budget deliberations.

Mr. O'Connell next inquired how RSWA "sees" presenting the McIntire Recycling Center during this budget process. Mr. Frederick stated that RSWA was studying the operation costs of the center in detail, but the continued operation of the McIntire Recycling Center will part of the submitted budget.

Ms. Mueller then requested that RSWA consider the McIntire facility as a "stand-alone" operation. Mr. Frederick replied that he did not think there was sufficient time between now and April to develop new cost centers. The Authority would be open to a discussion on future changes to how RSWA divides the costs.

Mr. O'Connell next commented that it would helpful to get figures on the number of City residents that utilize the McIntire facility. The City operates a curbside collection program, and he felt that it did not "make sense for a City resident to pay twice." Mr. Frederick commented that RSWA reported a few months ago on a "windshield" survey that was conducted at the center, and the Board indicated very clearly that it wanted these surveys to continue. As indicated in a Consent Agenda item, the Authority plans to conduct another survey in April, which coincides with upcoming budget discussions. Ms. Mueller next asked if the survey could include questions on the type of items and the amount being taken to the McIntire facility. Mr. Frederick replied that staff could design a questionnaire with no more than two or three questions that would be simple and easy to answer in order to keep the traffic moving smoothly at the facility. He also noted that both the City and the County have discontinued requiring yearly vehicle decals, which necessitates the need for staff to verbally ask these questions rather than just a visual survey of the stickers.

4.0 Items from the Public

There were no items from the public.

5.0 Consent Agenda

Mr. Gaffney asked if there were any items that the Board members would like to pull for discussion from the Consent Agenda.

- 5a) Staff Report on Finance**
- 5b) Staff Report on Ivy Material Utilization Center**
- 5c) Staff Report on Recycling Operations**
- 5d) Staff Report on Ivy Landfill Environmental Status**

Mr. Tucker moved that the Board of Directors vote to approve Items 5a), b), c), and d) of the Consent Agenda, seconded by Mr. Graham. The motion was approved by a 5 – 0 vote.

6.0 Other Business

There were no Other Business Items this month.

7.0 Other Items from Board/Staff not on Agenda

Mr. Gaffney recognized Mr. Jeff Greer, the Citizens Advisory Committee, who requested that he be allowed to provide some comments at this time.

Mr. Greer first responded to Mr. O'Connell's earlier comments about not wanting City residents "to pay twice" for a service that they could get curbside and one that is also provided at the McIntire Recycling Center. As a City resident, he appreciated Mr. O'Connell's observations on that matter. However, Mr. Greer noted that the McIntire facility provides services today that are not necessarily provided curbside by the City. He felt it was a "one for one, apples to apples" arrangement. Ms. Mueller next stated that for those "very limited services there could be other options that the City could provide at a much less cost."

Mr. Greer then reported that he attended the electronics recycling event that was hosted at Crutchfield on Saturday, January 31, 2009. Based on both the "huge success" of that event and comments that citizens have made to him, it seemed to him that there was strong demand for such an event to be held regularly on either an annual or semi-annual basis. Although the form of such a future event could probably not be known at this time, he "wondered" if RSWA could be encouraged to consider a role of helping to establish a permanent electronics recycling event due to its "scope and popularity."

Mr. Greer next thanked Mr. Frederick for his comments on the progress of the Strategic Plan. He was in attendance at the Thomas Jefferson Planning District Commission's (TJPDC) Solid Waste Management committee meeting on Friday, February 13, 2009. The TJPDC is reviewing the implementation of their 20-year Solid Waste Plan. At the meeting the committee expressed interest in the progress of RSWA's Strategic Plan and was hopeful that the two plans will "align and complement each other." Mr. Greer felt that the committee would like to hear a progress report on the Strategic Plan from Mr. Frederick as well.

Following up on Mr. Greer's comments concerning the electronics recycling event, Mr. Gaffney inquired if Crutchfield planned to continue to hold such events on a yearly basis or if that was a one-time offer. Mr. Greer replied that he thought that Crutchfield was no longer collecting recyclables for a fee. Mr. Frederick then clarified that Crutchfield did not charge for receiving items during this special event, but he has not heard from Crutchfield that they have stopped charging on a daily basis. Crutchfield has offered a program for about 1-1/2 years where people can bring used electronic equipment to their store, and there is a fee for receiving and recycling the material. Crutchfield can also offer a voucher that can be used to purchase a new item in their store. Mr. O'Connell next asked if the cost for this event was shared by different sponsors. Mr. Frederick stated that there was an anonymous contribution made by private charitable organizations to hold this event. Mr. Greer then stated that it was not a "firm" figure, but he heard that the donation was around \$30,000. Mr. O'Connell next questioned if a similar

donation was anticipated in the future. Mr. Frederick responded that he had not heard if that contribution would be continued for future events.

Mr. Frederick then addressed Mr. Greer's comments on the possibility of future electronic recycling programs. Mr. Frederick stated that if there was a private entity or a private entity combined with a charitable organization offering these programs, RSWA would view these as "complementing" the Authority's programs and would not try to "duplicate" those types of efforts. For that reason, RSWA is not planning an electronics recycling event. He felt that RSWA "set the standard" for future electronics recycling. The Authority offered an event about two years ago in the parking lot of University Hall that was a fee-paid program. RSWA spent about \$5,000 to \$6,000 on advertising for this event and obtained a few sponsors to help pay for some of the advertising. The event was successful, and it did not cost RSWA any significant amount of money. Such programs can be offered to the public, but there would need to be a fee attached for that service unless there is an alternative funding program in place. Citizens in this community have communicated to RSWA their willingness to pay for that service. Mr. Tucker next commented that he felt that most people would be willing to pay a fee to help cover the cost of the Household Hazardous Waste (HHW) Collection events. Mr. Frederick then stated that the HHW events cost around \$42.00 per car due to the significant paperwork and other federal requirements associated with hazardous waste. He felt it might be difficult for most people to be willing to pay that amount. Mr. Tucker added that his comment concerned the willingness of the public to pay something toward that expense.

Ms. Mueller next commented that concerning the electronics recycling event she felt it was "fair to say" that no one anticipated the volume collected. It was specifically timed to occur at the same time as the television digital conversion, and the sponsors anticipated receiving mainly older television sets. She added that she did not feel that this one-time event was a good estimate on the volume that could be received at an annual event. She was in agreement that she felt most people would pay a small amount in order to continue this program.

8.0 Closed Meeting

There was no need for a closed meeting.

9.0 Adjournment

There being no further business, Mr. Tucker moved the meeting be adjourned, seconded by Mr. Graham. All members voted aye, and the meeting was adjourned at 4:12 p.m.

Respectfully submitted,

Mr. Gary O'Connell
Secretary - Treasurer