

RSWA BOARD OF DIRECTORS
Minutes of Special Meeting and Board Retreat
June 25, 2009

The Rivanna Solid Waste Authority (RWSA) Board of Directors held a Board Retreat on Thursday, June 25, 2009 at 4:10 p.m., in the lower level Board Room of the Albemarle County Service Authority, 168 Spotnap Road, Charlottesville, Virginia.

Board Members Present: Mr. Kenneth Boyd, Dr. David Brown, Mr. Michael Gaffney – Presiding, Mr. Mark Graham, Ms. Judith Mueller, Mr. Gary O’Connell (arrived after the meeting began), and Mr. Robert Tucker.

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

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

1.0 Call To Order

The special Board Meeting and Retreat of the RSWA Board of Directors was called to order by Mr. Gaffney on Thursday, June 25 2009 at 4:10 p.m., and he noted that a quorum was present.

2.0 Items from the Public

There were no items from the public.

3.0 Business Meeting

In regards to Item 3a) Mr. Graham moved that Board of Directors vote to approve the Minutes of the regular meeting of the Board on May 18, 2009, seconded by Mr. Boyd. The motion was approved by a 5 - 0 vote. Mr. O’Connell was absent during the vote, and Dr. Brown abstained due to his absence from the May 18, 2009 meeting.

In regards to **Item 3b), Consent Agenda**, Mr. Gaffney asked if there were any items that the Board members would like to pull for questions or further discussion.

- 1) Staff Report on Finance
- 2) Staff Report on Ivy Material Utilization Center
- 3) Staff Report on Recycling Operations
- 4) Staff Report on Ivy Landfill Environmental Status

Mr. Tucker moved that the Board of Directors vote to approve all four Consent Agenda items, seconded by Mr. Boyd. The motion as approved by a 6 - 0 vote. Mr. O’Connell was absent during the vote.

4.0 Strategic Issues Reports from Staff

In regards to **Item 4a), Closed Ivy Landfill Remediation**, Mr. Frederick introduced Mr. Phil McKalips, who is Project Manager with Environmental Standards, RSWA's consultant leading the effort on the bioremediation work that is underway at the closed Ivy Landfill. Mr. McKalips will be providing an update on the environmental history and current efforts at the landfill.

Due to time constraints, Mr. McKalips asked the newest Board members their preferences as to what slides they were most interested for him to address. Mr. Boyd stated that he appreciated the history provided, but he was most interested in the future of the site. Dr. Brown expressed agreement with Mr. Boyd.

Mr. McKalips then moved to discuss the slide that listed "Corrective Actions." He stated that all of these actions were "hinged upon identifying volatile organic compounds in groundwater starting in the early 1990s." A plan was developed to address the volatile organic compounds, which included an "in-situ bioremediation" program, a "monitored natural attenuation program," continued operation of the "Pump and Treat System" that the Authority voluntarily installed in 2000 on the western side of the site, and "greatly expanded groundwater and surface monitoring" at the site.

Mr. McKalips next briefly commented on the slides that included information on the technologies he just mentioned. The western "Pump and Treat System" will continue in operation until the full-scale bioremediation program across the site is implemented. The bioremediation program involves injecting substrate material into the groundwater and once implemented, the continued operation of the "Pump and Treat System" would oppose the substrate injection by removing the substrate that is designed to enhance remediation. Therefore, the "Pump and Treat System" was shut down when the remediation program was implemented full-scale, and the wells of the "Pump and Treat System" were re-used as injection points for the substrate material.

Mr. McKalips then reported that monitoring of the bioremediation program has indicated full degradation in some areas. In other areas, the "establishment of favorable geochemical conditions" has been noted, but the pH levels had not yet gotten "definitive" enough to state that degradation is occurring. He hoped to start to see that development in the near future. Sodium bicarbonate is being added now to the substrate material for pH control, which consists of "sodium lactate, diammonium phosphate, and yeast extract," to "buffer groundwater acidity." The microbes "ferment the sodium lactate and ultimately produce hydrogen ions, which subsequent microbes use to replace the chlorine atoms out of these sulfur molecules." Organic gases are produced, which can "drive your pH to a point that it kills off the microbes." The process has worked well to degrade the compounds, but the challenge is to get the "substrate and the bacteria to a level in the groundwater in all parts of the plume to carry out this process." The focus is now on determining how to distribute the additional injected substrate to all the different areas in the subsurface that will allow the successful degradation of the organic compounds. A variety of techniques is being employed during this process.

Mr. McKalips next addressed the slide that graphically illustrated the data from a typical well as compared to a "hypothetical" well. The slide shows that degradation is occurring of "chlorinated

constituents in the groundwater,” but does not really occur in a very “hypothetical laboratory-like” manner.

Mr. McKalips then discussed the slide that provided information on the “Soil Vapor Extraction (SVE) System.” He explained that the Ivy site consists of 90 acres of “waste-disposal cells.” Twenty-two of those acres are in an area called the “Paint Pit,” which for about 22 years was used for disposal of liquid industrial waste, such as paints and inks. The “Paint Pit” area was closed in 1980, and it “represented a very definitive ‘hot spot’ of source material for groundwater contamination.” Although it was believed to be the only one at the site, but it was a “big enough target that it warranted taking some action to help remove those compounds before they got into the groundwater and required treatment around the perimeter. Soil excavations to remove the compounds from the site were considered, but the process would impact the soils down to 45 feet below ground surface, which is in an area that is “buttressing” some adjacent landfill cells. There were concerns about the “structural integrity” of those cells and the potential for a “huge release of these organic chemicals out into the environment.” The goal of the SVE System to try to remove these compounds before they become groundwater contamination issues. The system has been operating since 2006, and the level of organic compounds in the air discharge being monitored is far lower than the limits set by the DEQ air permit. The system has “destroyed over two tons of organic chemicals out of the subsurface.” Mr. Gaffney next inquired about the total amount of organic chemicals that are located in the “Paint Pit” area. Mr. McKalips replied that there was not a lot of “good data” about site operations from that period of time. Some of the area industries brought in “two 55-gallon drums of trichloroethylene each week for a period of years.” Mr. Gaffney then asked if some of that material had “dispersed” from those containers. Mr. McKalips affirmatively replied and added that during their investigation of the Paint Pit, acetate liners were used to define the material that passes through, which showed a layer of paint in a variety of colors. There was still an “incredible amount of solvent material” in that area. It is hoped over time that the SVE System will reduce the source of groundwater contamination and shorten the corrective action period. Mr. Frederick next commented that since there is very limited information on the history of the site, the extracted vapors can be periodically sampled as an indication of concentrations still present. Mr. McKalips added that prior to installing this system, SVE experts advised that after six to ninth months, the numbers will begin to go down, and further suggested that after another year or so, an evaluation of the levels of constituents could indicate whether or not its continued operation is warranted. He pointed out that the concentrations in the “Paint Pit” have not lowered since 2006. Mr. McKalips then explained that the system is designed to be “supplementally fired on propane as a fuel source,” and in order to save on the high cost of propane, the system is now being run “just on the vapors that came out through the extraction system.” Mr. Frederick also noted that on the negative side there have been times during the cold weather months there has not been enough vapor to keep the “burner ignited” which requires a shut down of the system. He added that it is a voluntary program, which provides benefits by shortening the remediation time over time, but we have the “liberty to shut it down [as opposed to burning propane] because it is not a regulatory issue.” Mr. Gaffney then asked that since the concentrations are not yet being lowered, is the comment about the system shortening the remediation period refer to the 30-year time frame or another number. Mr. McKalips stated the remediation program will hopefully be completed well before the 30-year time frame.

Mr. Boyd further commented that although the plan was developed and budgeted for 30 years, it appeared that the “technology and experience with the site is maybe working positively for [RSWA].” Mr. McKalips stated that the 30 years is a “post-closure care period,” which is not part of the corrective action. This 30-year period began in April 2004, which is the date of the DEQ approval of the closure of the last cell at the Ivy site. Since 30 years is the time frame for continued monitoring at the site, Mr. Boyd asked if 10 years was the time period estimated for the remediation activities to occur. Mr. McKalips hoped that it would require less than that time period. Mr. Boyd next questioned about the budget process for the remediation. Mr. McKalips replied that the budgets are “decreasing year over year.” He added that part of the process is a “little bit of [a] learning curve.” A pilot program was implemented during the initial phase to determine if the process would work at the site. Monitoring was conducted only 30 feet away from the injection wells, which resulted in receiving positive information very quickly. The observation points are now up to several hundred feet away due the larger scale of the project, which could cause some delay in receiving the information. The bacteria that are native to the site are always going to be “resident” in those areas, and the theory is to continue to treat groundwater over the long term. The first issue to get the “propagated mass big enough” that it will be able to accomplish this goal.

Mr. O’Connell next inquired about whether there would be a final inspection by regulators that will determine the completion of the remediation process. Mr. McKalips replied that part of the “30-year post closure care period” requires compliance monitoring. The corrective action is successful when groundwater is remediated to below the Groundwater Protection Standards at all the compliance wells for a period of two years. Mr. Tucker then asked if it was felt that the objective would be met before the 30-year period, and Mr. McKalips responded affirmatively. Mr. McKalips also perceived that the point will be reached when the system can be “scaled back.” There are “more or less two plumes,” which are in located in the north-northeast, the east, and the west areas. Sometime in the near future, he felt that the eastern plume will be remediated and there will be an examination of the area for any possible “rebound effects.” This will “cut back” his firm’s expenses over time.

Mr. Boyd then questioned whether “any future big hits to the County or the City in terms of more money that will be needed in order to complete this project.” Mr. Frederick stated that since it is unknown as to what was put in the cell and the amount, there was always the potential for “surprises,” but the Authority believes it is a “low risk at this point.” At the time the leachate issue was uncovered and addressed, he requested that some wells be placed in the other cells in order to detect any “surprises” that could occur and none were found. He could not give a “firm guarantee,” but the Authority did see anything in the future that would be an unexpected expense at this time.

Mr. Gaffney then inquired about the status of the 30-year budget for this project. Mr. Wood replied that at the completion of the corrective action portion, he expected about \$80,000 to \$90,000 per year to be spent on the post closure period. Mr. Gaffney further questioned if the project was on-budget from the amount included in the Memorandum of Understanding (MOU) between the City, County, RSWA, and the University of Virginia. Mr. Wood next stated that the MOU did not include the expenses to address the leachate issues at Cell 3. Mr. Gaffney further expressed his hope that other remediation projects have come in at costs lower than what was budgeted, which has enabled the budget to get back on schedule. Mr. Wood commented that

some large costs were eliminated due to the determination that “running an interceptor from Cell 3 to the Crozet Interceptor” so that wastewater extracted from the site could be pumped to the Moores Creek plant for treatment was not needed. Mr. Frederick next stated that from the trends he has observed he would suggest that the Authority’s costs have been lowered from original plans. He added that firm numbers about the remediation budget would be provided to the Board as soon as it became available. Unless DEQ decides otherwise, RSWA is committed to continue its monitoring activities at the site for 30 years, and RSWA has already contracted in a settlement agreement to long-term monitoring that is above and beyond DEQ requirements.

Mr. Tucker then questioned whether the “rebound effect” was a common occurrence and if there would be regulatory issues. Mr. McKalips stated that a “rebound is less common effect with the technology being used now.” The Ivy site was one of the first facilities to have an approved action plan and is further along in its actual implementation. One of issues of possible concern relate to the regulatory agencies re-evaluating the groundwater protection standards, which means that what was not a problem this year could “arbitrarily turn into a problem because of some changes in the ultimate acceptable concentration levels. As an example, the standards for cobalt were lowered this year by almost “2 orders of magnitude.” Mr. Frederick also expressed concern about groundwater standards being regulated on very tight levels and tend to be uniform across different watershed areas or locations. Individual sites can experience natural background levels that will rise above a standard, but if this occurs on a site already regulated under a corrective action plan, the “burden of proof is on you” to show that it was a natural occurrence, which can “trigger” additional costs.

Continuing with his presentation, Mr. McKalips stated that he did not think there was enough recognition of the amount of “care being taken” to ensure that the Ivy site is not adversely impacting groundwater, surface water, or air quality in that part of the County. He then referred to the slide that discussed “monitoring” activities. Over 100 groundwater samples are collected each year, which are analyzed for a very range of constituents. There are over a dozen air and gas samples are collected each year. Surface water monitoring occurs at seven locations on a quarterly basis, which includes assessments of stream health. Mr. McKalips further stated that in his opinion the manner in which this facility is being operated and monitored places it in the “top tier” in comparison to the facilities he has seen in Virginia.

Mr. McKalips then mentioned that the horizontal drains in Cell 3 has been installed and are producing the amount of leachate that was expected. It was also found that there was a large quantity of landfill gas under pressure, most of which was “submerged under the accumulated liquid.” The leachate drains were also connected to the landfill gas collection system, which is being balanced to accommodate the inflow of extra, and should provide the benefit of further reduction of odors.

Mr. O’Connell next requested follow-up information regarding the question regarding the amount of money spent on this project versus what was planned. Mr. Wood stated that due to expenses being less than budgeted, RSWA was able to apply about \$2 million to next year’s MOU agreement. Mr. Frederick also commented that actual numbers as compared to the original agreement will be provided to the Board.

In regards **Item 4b, Strategic Plan**, Mr. Frederick stated that today's presentation was the same as the one he gave during the May PACC meeting. He stated that a lot of interviews and discussions were conducted in this community during the strategic planning process. Many comments related to the desire to significantly increase the recycling of our waste. One recommendation by RSWA's consultant, who examined some "best practices" across the country, related to making recycling more convenient in order to increase the overall recycling efforts by the public. One way of being convenient in the urban area is to provide "curbside" services, and a way to be more convenient in the rural areas is to provide closer access to convenience centers. Concerning 'curbside' service, there is more initiative for going to "single stream" recycling, which is already being implemented by the City.

Mr. Frederick next commented that another "best practice" that came out of that discussion is called "pay-as-you-throw." This is a "curbside" or roadside type collection system, where one fee is paid and the recycling and trash collection are "bundled." This type of collection service has an incentive to recycle because of the choice between multiple-sized carts for the trash, with the amount paid based on the size of the trash cart. With every level of trash service, a large recycling bin is provided and allows residents to recycle as much as they want for the same price. He recently read that the City of San Francisco has adopted an ordinance that requires a mandatory separation by all citizens into a three-bin system, which consists of one for trash, one for single-stream recycling, and one for organic waste for composting. He expected to see that trend increase over time.

Mr. Frederick then addressed the slide that listed the different levels of service that can create the "high recycling vision" expressed by this community," which included as just mentioned increasing "curbside" service, transfer stations providing services for co-mingled recycling and reduce the "carbon footprint," increasing convenience centers especially in the rural areas, materials recovery facilities (MRF), which is being considered less of a priority due to the existence of the private facility located at Zion Crossroads and also one in Culpeper, and "waste-to-energy" option, which is viewed as more of a long-term vision versus a short-term issue.

Mr. Boyd then asked if "curbside" service was mandated in the rural areas, would there still be a need for the convenience centers. Mr. Frederick replied that if there were a way to mandate that service in the rural areas, there might not be the need for convenience centers. Mr. Graham next commented that there are County residents who do not use a hauler and suggested that the Ivy facility could provide that service. Mr. Frederick agreed that the convenience center could be placed near where those residents would bring all their trash.

Dr. Brown then requested that Mr. Frederick talk further about the motivation of the consumer to put out co-mingled recyclables since it is currently being included with their trash.

Mr. Frederick stated that the "pay-as-you-throw" system encourages recycling because you only pay for the volume of trash. Dr. Brown questioned if that model work with the private haulers. Mr. Frederick replied that he felt "it possibly works with the private hauler," but as pointed out by RSWA's consultant GBB, in an "unregulated market where profit is the driving force, private haulers are more likely to offer trash service and recycling as separate services with separate pricing . Mr. Tucker then questioned about what would stop the hauler from requiring a higher fee." Mr. Graham next stated that the County could mandate that the hauler provide a recycling service but cannot require that the service be offered free. Mr. O'Connell next asked if the

County could “franchise” this program with “service restrictions.” Mr. Tucker replied that that it cannot be “franchised” since the hauler has five years to “phase out” if the County “franchised” the service in certain regions or areas of the County. Mr. Frederick further commented that GBB told the Authority that the “pay-as-you-throw” program has been implemented more successfully under public models than private models because of the incentive in the “unregulated private market” to offer the service separately instead of being “bundled.” However, if the County wished to explore the legality of mandating that private haulers “bundle” their solid waste services, at that point he felt that this program could work in private markets. He reiterated that the legal questions would need to be further explored. Dr. Brown next commented that the consumers in Charlottesville do have a motivation to recycle since it means they would pay less overall for the “curbside” service. He then asked if the Charlottesville model could be “pushed onto the private collection system in the County” and motivate citizens to separate their recyclables from their trash. Mr. Graham next commented that he thought it was difficult to provide an economic incentive for the haulers to offer a recycling service. He understood that the tipping fee for the hauler “represents about 25% of their cost.” If an extra trip for the recyclable products is needed, “the economic advantage is lost.” Mr. O’Connell then asked if this would work with a “single-stream” approach. Mr. Graham noted that the County was offering the “Blue Bag” program for years, and many complaints about the haulers picking up the “Blue Bags” and then throwing them in with the trash because of the convenience to the haulers. Mr. O’Connell then suggested that all the material could be thrown together in truck and the material would then get sorted at another location. Mr. Boyd next commented that he felt it was an important issue because he felt it had a lot to do with whether or not a decision is made to proceed with any kind of updates to the Ivy facility. Mr. Tucker then discussed the “downside” to having a convenience center, as they are difficult to manage the type of material that is brought to the facility after hours. Mr. Frederick added that RSWA was really trying to find ways to reduce costs and explore that option further, but had been advised against it because of not being able to rely on some members of the public to not dump their trash at the convenience centers.

Mr. Frederick then discussed the “economic challenges” include the interest that the programs provided by the Solid Waste Authority “pay for themselves.” The Authority feels that if the Transfer Station operations are left as a separate cost center can be self-sustaining. Staff has found from experience that some special collections can be offered as fee-based programs, such as the small commercial hazardous waste and electronics recycling. The Authority receives a fairly good volume by offering the Household Hazardous Waste Collections free to public and is basically paid for by the City and the County through their local government support. He has some question at this time whether this program can be offered on a pay basis as this has not been tried very much in the past.

Mr. Frederick next commented that RSWA made a couple of assumptions in limiting the options to consider for the near-term. One assumption is that there will not be a discussion about building a public MRF. Another factor is that the County will probably stay in the near term future with utilizing private haulers for trash collection. The first option for the Authority would be to exit the trash and recycling business entirely. The Authority realizes that it exists to provide “economies of scale where there are commonalities of service between the City and the County and the City and the County are willing to contract with a regional authority to provide the services.” The second option consists of building a modern enclosed transfer station at the

current site. Currently, the facility only accepts trash and has limitations on the services it can provide because of the constraints in the transfer station's design. RSWA would like to "open up" the services it provides to construction and demolition debris again and also to single-stream recycling. The Authority has also an increased demand by the private haulers in the County from residents in subdivisions who want the "curbside" single-stream service. The Authority felt like this would be the appropriate time to consider this option.

Mr. Frederick further stated that under the model outlined in Option 2, the Transfer Station would pay for itself, but the Transfer Station would not offer programs outside of those three he just mentioned. The Household Hazardous Waste programs, Amnesty Days, the Paint Exchange Program, recycling of CFLs and batteries, and the McIntire Recycling Center would need to be contracted with the appropriate governmental unit that is interested in having RSWA provide those services with the necessary funding support to break even.

Mr. Frederick added that under this model, the local governments would not be obligated at any time to contract with RSWA. However, if the Authority does not have a contract for the free programs, then the Authority will not be providing those services. Although staff has successfully reduced the McIntire's facility to a six-day operation with minimal complaints, there is still a high volume of people using the Center. He felt that if there were further cutbacks in that program without offering something first as a substitute, it could be "politically" very unpopular.

Mr. Frederick next noted that the next few slides included pictures of the existing Transfer Station, which illustrates the limitations of that facility. All the operations are outdoors and open to elements, which is labor intensive. DEQ will not allow any kind of solid waste to be dumped onto the concrete pad at any time and must be dumped into the "hopper" by the conveyor belt. For safety reasons, the Authority does not allow the employees to be inside the "hopper" at any time. Also, it has recently come to his attention that the level of the concrete pad has dropped "some more." He had hoped to get some decisions made and get something new built in order to minimize the investment in the existing stations. At this point, staff sees the necessity of spending some money on that concrete pad in order to avoid a "catastrophic" loss of that facility and have to close down. The conveyor is in need of some repair and replacement services as well. He reiterated that money will need to be spent to address some issues at the site that are "poorly designed to begin with" if progress is not made to move forward with a new site.

Mr. Frederick then stated that the disadvantage of the conveyor belt idea and the "hopper" is the susceptibility of mechanical breakdown, which means a reduction in customer service and customer frustration. He has received generally positive comments from the haulers about Ivy employees being "extremely polite and extremely well customer oriented," and commended Mr. Brownlee for the nice job he does in managing the staff at the Ivy site. Mr. Brownlee and staff are paying close attention to the conveyor belt and keeping it lubricated more frequently in an attempt to extend its life, which only can be done for a limited amount of time.

Mr. Frederick next referred to the slides that illustrated the difficulties of labor and management of the existing "open-air" site. He then noted the picture of a modern transfer station, along the line that is being considered by the Authority. He stated that the level where the public enters has a covered concrete pad, which allows trash to be dumped directly on the concrete pad. The

operation also utilized top-loading into a transfer trailer situated at a lower level than the pad. Once that transfer trailer is full, it pulls out and a new pulls in to be loaded. With this type of system, the Authority could manage three different piles on the concrete floor for the three different services that could be loaded one at time into separate transfer trailers.

Mr. Frederick then emphasized a tremendous amount of staff energy and effort went into making the entrance to the facility attractive and environmentally friendly. He then referred to the slide that pictured the facility's entrance. Staff has paid particular attention to maintain the buffer, remain "friendly" with the neighbors, and offer a very attractive surrounding as opposed to the traditional landfill or dump-type settings. The employees do maintain Dick Woods Road and have adopted the highway stretch through that area, and the roadway entrance to the site is as clean as any transfer station that he has observed.

Mr. Boyd then asked Mr. Frederick how long it would take to develop a proposal for the upgrade of this facility and would they need to hire a consultant to have this done. Mr. Frederick stated that RSWA would need to hire a design consultant. If the Authority were given the approval to move forward with the solicitation process, he thought that within two to three months that a design consultant could be hired. It might take an additional eight to nine months to design the facility, two to three months to bid it, and within a year it could be constructed for a total time frame of about two years. GBB a year ago estimated \$3.7 million for a 300-ton per day facility. He believed that the Authority could look to the future, but he also believed that the project could start with a smaller facility and phase-in the larger over time. Recently, GBB suggested that with the current construction markets if the project were ready to bid today, the Authority might be able to get 20% or a little more below that figure. However, it is more difficult to see a year from now, and if the project were delayed beyond a year, the cost and whether those savings would be available becomes even less certain.

Mr. Boyd next inquired if the Authority could handle the expense of the design work within your existing budget or would it required additional monies from the City and the County. Mr. Frederick replied that the Authority has some reserves that can be applied to that design work, but staff also felt that selling some bonds would be necessary. Selling bonds would be needed for any construction work. He would consult with Mr. Wood to assure that there were sufficient reserves to begin the design work. Mr. Gaffney asked that Mr. Frederick bring back this information at the next Board meeting. Mr. Boyd then stated that it seems "logical" that the Authority needs to move forward with the design work. Mr. Graham then commented that one of the big questions is the "flow control" and whether this is the appropriate way to proceed at this time. Related to the "flow control" issue, he questioned whether the City and the County were committed to using this facility exclusively for trash in their localities. Ms. Mueller next stated that City residents do not pay to dispose of their recyclable materials, and if the Authority agreed to accept the City's recyclables for free, then it probably would not be "a big deal to my hauler." Mr. Graham then commented that he was not "averse" to starting to look at the design phase of this project. He felt that better financial information was needed before proceeding any further. Mr. Boyd next stated that he was referring to the financial aspect in his previous request for preliminary information. Mr. Tucker also commented that he did not want to spend a lot of money to "retrofit" the existing facility if there will be upgrades to the Transfer Station.

Mr. Frederick next suggested beginning this process with some type of market analysis. GBB had done a preliminary market analysis for the Authority and suggested that there would be sufficient volume to handle that type of operation. He further stated that haulers will most likely use facilities that are closest to their area of operation. He felt that since some changes have occurred over the past year and a half to update GBB's market analysis. Mr. Boyd next commented that he felt the operation would need to be profitable and not require any local government contributions. Mr. Graham then stated that he felt that the question would come down to whether the City viewed it as an economic advantage because he believed that it will work for the County. Dr. Brown next asked if he was correct in his understanding that the new facility would have more capacity. Mr. Frederick replied that the capacity of the current facility is 150 tons per day, and he felt that a capacity of 200 tons per day would be sufficient at this time with the ability to expand later. Mr. Boyd next inquired if the 200 tons per day figure would be enough for the operation to "pay for itself." Mr. Frederick replied that this number should be confirmed when the consultant is hired. Ms. Mueller expressed her agreement with the need for confirmation by the consultant and added that you cannot count on all the commercial collections that are handled in both the City and the County to be brought to the Ivy facility. Mr. Graham also stated that the construction and demolition debris (CDD) question also needed to be addressed. The haulers have now recognized the economic advantage of using the private MRF, and they have stopped hauling to the Zion Crossroads facility. Mr. Boyd then commented that if the facility began accepting CDD material than maybe a lot of haulers doing business in that section of the County would bring the material to the Ivy facility. Ms. Mueller replied that it would depend on the amount being charged. Mr. Boyd agreed that the pricing would need to be "competitive." Both Ms. Mueller and Mr. Graham agreed that this financial information would "drive the decision." Dr. Brown next commented that if the Transfer Station could take single-stream recyclables, what would be the difference financially in how Rivanna currently handles the material and under an updated transfer station. Mr. Frederick replied that currently RSWA handles the source-separated material and not the single-stream recyclables. Dr. Brown then stated that the source-separated material has more value, and inquired how it would work having more volume of material with less value. Mr. Graham next commented that the processing used by the McIntire facility is very expensive. Mr. Frederick added that the single-stream process is more convenient and the processing cost is generally incorporated into the cost incurred by the hauler collecting the material. Analysis conducted by GBB one year ago suggested that when the economy is good and the demand for recyclable material is up it might be possible for a single-stream MRF to be profitable as a cost center that does not include the cost of "curbside" collection.. Adding "curbside" collection services to the analysis, changes the profitable outlook as that service costs money, and user fees are necessary to be profitable. .

Dr. Brown then commented that he thought there were many questions about investing in a different type of transfer station, but he felt there were as many questions with Option 1 related to RSWA leaving the trash and recycling business. He wanted to understand the implications of the first option and not just focus on the practicalities of Option 2. Some of the questions with Option 1 include what happens to recycling in the urban area and for the City, there are questions about "brush and yard debris."

Mr. Graham then commented that it meant that each locality would have to develop its own solution. Dr. Brown next stated that he thought those solutions might be both "unpopular and costly." Mr. Boyd then stated that he understood Dr. Brown's comments about Option 1, but

Mr. Boyd would suggest that the market analysis might be better described as a “business plan backed up with some statistics.” Mr. Graham next commented that there is a variation on Option 2, which would be to contract on the market for these services on a competitive bid process. Mr. Frederick then reported on the past inquiries he has made within the City and the County, which showed interest by companies in “privatization to design, build, operate, or operate under a contract.” The interest was much less if the company was requested to find a site for constructing the facility in the County for that operation. Mr. Gaffney next commented that he felt it would be “easier” for RSWA to build this plant at the existing site than a private company. Mr. Boyd then stated that he felt developing the business model first would be the next step in this process. Mr. Gaffney then asked if an RFP needed to be prepared and issued to get a consultant to prepare the “business model.” Mr. Frederick replied that if the Board agreed, then RSWA was ready to proceed with the RFP process. Mr. Graham next expressed his agreement that he felt the “business model” was essential to the City and the County being able to make an informed decision. Mr. Gaffney then asked for clarification about what the Board is requesting that the RSWA moved forward on. Mr. Boyd stated to “build this ‘business model’ to see if it is actual feasible for both the City and the County to move forward with the upgrades to the transfer station. Mr. Boyd then asked if RSWA had anyone in-house that could prepare this RFP as an alternative to issuing an RFP to hire a consultant. Mr. Frederick suggested that the contract with GBB has not been closed concerning the Strategic Plan work they conducted for the Authority and that this firm could be asked to develop the “business model.” Mr. Boyd then asked if GBB had already done this work previously. Mr. Frederick replied that the work is now dated and not at the level that is being requested today by the Board. He agreed to contact GBB to see about their willingness to prepare this “business model.” Ms. Mueller requested that she review the scope of work before it goes to the consultant to ensure that it addresses all the questions posed at today’s meeting. Mr. Frederick agreed with Ms. Mueller’s request.

In regards to **Item 4c, Trends and Future Challenges**, Mr. Frederick stated that unless requested by the Board, he did not see the need to present this information as he felt the issues had been addressed in the previous discussions. Mr. Graham then noted that there is an operation agreement between the City and County that runs through June 30, 2010, and he felt it was important to move forward the process of developing a “business model” prior to that time so that decisions can be made about the future direction of the Authority. Ms. Mueller will also check on the contract dates with the hauler that handles the City’s trash collection and will have that information for the next Board meeting.

5. Other Items from Board/Staff not on the Agenda

There were no other items from the Board or staff not on the Agenda.

6. Closed Meeting

Mr. Tucker made the following motion, which was seconded by Mr. Boyd:

RESOLVED that the Board of Directors of the Rivanna Solid Waste Authority enter into a closed meeting for consultation with legal counsel with respect to a litigation matter as permitted by Section 2.2-3711.A.7 of the Code of Virginia.

The motion was approved by a 7 - 0 vote, and the Board of Directors of the Rivanna Solid Waste Authority went into a closed meeting at 5:10 p.m.

Attendees: Mr. Krueger - RSWA Counsel, Mr. Frederick, Dr. Brown, Mr. Boyd, Mr. Gaffney, Mr. Graham, Ms. Mueller, Mr. O'Connell (for part of the closed meeting), and Mr. Tucker.

Resumption of Open Meeting

The Rivanna Solid Waste Authority Board of Directors meeting was reconvened at 5:36 p.m.

Mr. Tucker moved that the Rivanna Solid Waste Authority Board of Directors vote to approve the following resolution, seconded by Mr. Boyd:

WHEREAS, the Rivanna Solid Waste Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by the Rivanna Solid Waste Authority that such closed meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Solid Waste Authority hereby certifies that, to the best of each members' knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Rivanna Solid Waste Authority.

Mr. Gaffney called for a roll call vote: Ms. Mueller – Aye, Mr. Gaffney – Aye, Mr. Tucker – Aye, Mr. Graham – Aye, Dr. Brown - Aye, and Mr. Boyd - Aye. Mr. O'Connell was absent from the vote.

7.0 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 5:38 p.m.

Respectfully submitted,

Mr. Gary O'Connell
Secretary - Treasurer