

**AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
HELD ON WEDNESDAY, OCTOBER 23, 2024, AT NOON,
NRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:**

PRESENT: Mr. Paul Baker, Chairman
Mr. Steve Fijalkowski, Vice-Chairman
Mr. Robert Asbury, Secretary
Mr. Dirk Compton, Member
Mr. Darrin Cullip, Member
Mr. Barry Helms, Member
Mr. Tom Starnes, Member
Mr. Jared Linkous, Alternate

ABSENT: Mr. Jonathan Sweet, Member

STAFF: Mr. Joseph Levine, Executive Director
Ms. Marjorie Atkins, Recording Secretary
Mr. Howard Estes, Legal Counsel
Mr. David Rupe
Ms. Monica Furrow
Mr. Brandon Atkins
Mr. Isaac Wall

GUESTS: Mr. Brian Tew, Thompson & Litton

Chairman Baker called the meeting to order.

Approval of the Agenda

The motion to approve the Agenda for the October 23, 2024, meeting was made by Mr. Fijalkowski. The motion was seconded by Mr. Starnes and approved by a recorded roll call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

Approval of Minutes

The motion to approve the minutes of the September 25, 2024, Board meeting was made by Mr. Asbury. The motion was seconded by Mr. Fijalkowski and approved by a recorded roll call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>abstain</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

Old Business

There were no old business items on the Agenda.

New Business and Administrative Items of Consent

The Transaction By Vendor Report for the month of September 2024 was included in the Agenda and presented.

The motion to approve the Transaction By Vendor Report for the month of September 2024 was made by Mr. Starnes. The motion was seconded by Mr. Helms and approved by a recorded roll call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

The draft Financial Statements as of September 30, 2024, were presented.

The motion to approve the draft Financial Statements as of September 30, 2024, was made by Mr. Helms. The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

A proposed schedule for 2025 Board Meetings was included in the Agenda package.

Wednesday	January 15, 2025
Wednesday	February 26, 2025
Wednesday	March 26, 2025
Wednesday	April 23, 2025
Wednesday	May 28, 2025
Wednesday	June 11, 2025
Wednesday	July 23, 2025
Wednesday	August 27, 2025
Wednesday	September 24, 2025
Wednesday	October 22, 2025
Wednesday	November 12, 2025
Wednesday	December 3, 2025

The motion to adopt the 2025 Board meeting schedule was made by Mr. Compton. The motion was seconded by Mr. Fijalkowski and approved by a recorded roll call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

Reports

Mr. Levine presented the Executive Director's report. The waste stream report for the month of September was included with the report. Revenues were 8.6% above projections and expenses were 2.4% below projections. Mr. Levine noted regarding the balance sheet that insurances are paid in full in August, along with DEQ permit fees and HHW event. 17,694.51 tons of waste was managed during the month of September. Numerous meeting have been held regarding the clean up at Claytor Lake from Hurricane Helene. Meetings have included representatives from FEMA, DEQ, Virginia Department of Emergency Management, ECC (contractor for FEMA) and the Army Corps of Engineers. On October 5, all NRRRA staff was onsite for a clean up day. On October 31, Mr. Butch Joyce will be onsite to conduct the required five year operations assessment review.

Mr. Tew presented Thompson & Litton's 2024 Waste Rate Study and Financial Model. (A copy of the presentation is included with these minutes.)

The Authority's User Agreement's require a third party analysis of the NRRRA's budget and waste rates.

The presentation included:

- Waste Rates for Other Facilities. NRRRA's rates are well below others in the area.
- Expenses considered: Operating Expenses, Development and Closure Costs, Equipment Cost, Financial Assurance Cost
- Research/Analysis (previous five years of waste rates, revenues and expenses) along with development/closure needs and future schedule; equipment needs and schedule; financial assurance requirements for compliance with DEQ permits; with the goal of maintaining competitive and fair rates while maintaining solvency for the Authority.
- Assumptions included calculated actual waste stream variation over last four years; assumed construction cost inflation is 5% (down 1% from 2023); an average annual waste stream of 220,000 tons per year and compaction rate of 1,600 pounds per cubic yard. Mr. Tew noted the compaction rate was phenomenal. Average inflation rate for Financial Assurance (set by DEQ) was also included.
- The 2023 Waste Rate Model was reviewed.

-Waste Increase/Decrease and Weighted Average table

-The recommended waste rate schedule included a \$2.00 per ton increase in rates for Fiscal Year 2024/2025.

-Revenue versus Expenses table.

-Recommendations included maintaining current waste stream tonnage; NRRRA needs to continue to identify and evaluate potential sources for increasing the waste stream. Ideally the Authority should strive to maintain a waste stream of 225,000 to 250,000 tons per year. NRRRA should continue applying excess revenue to reserve fund to maintain rates. Rates should be examined on a quarterly basis with the Budget Committee.

Mr. Levine noted that the presentation was discussed during the Budget Committee earlier in the day.

No one registered for public comments.

The motion to adjourn was made by Mr. Helms. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority Board as follows:

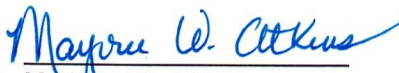
Mr. Asbury	<u>yes</u>	Mr. Helms	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Cullip	<u>yes</u>	Mr. Linkous	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Baker	<u>yes</u>

The meeting adjourned at 12:16 pm.

The Audit Committee will meet at 10:00 am on November 13, 2024.

The next regularly scheduled meeting of the Authority is Wednesday, November 13, 2024, 12:00 (NOON), at 7100 Cloyd's Mountain Road.

Respectfully submitted,



Marjorie W. Atkins
Recording Secretary

Approved at 11/13/24 Board Meeting.

Paul W. Baker
Paul W. Baker, Chairman

ATTEST:

Robert P. Asbury f.
Robert P. Asbury, Secretary



2024 Waste Rate Study and Financial Model
PRESENTATION FOR THE NEW RIVER RESOURCE AUTHORITY



**THOMPSON
& LITTON**
EST. 1956
ENGINEERS ARCHITECTS SURVEYORS

THIRD-PARTY ANALYSIS

- **IN ACCORDANCE WITH ARTICLE IV SECTION 2 OF THE NEW RIVER RESOURCE AUTHORITY USER AGREEMENT FOR AUTHORITY MEMBERS, THOMPSON & LITTON HAS COMPLETED OUR THIRD-PARTY ANALYSIS OF THE NEW RIVER RESOURCE AUTHORITY'S BUDGET AND WASTE RATES.**

WASTE RATES FOR OTHER FACILITIES

Waste Rates for Other Facilities

Description	MSW	C&D	Tires	Clean Wood
Roanoke Valley Resource Authority	\$55.00	\$65.75	\$255.00	\$37.00
Blue Ridge Resource Authority	\$60.50	NA	\$186.00	\$21.00
Bristol Virginia Landfill			-	
South Eastern Public Service Authority	\$67.00	\$55.00	\$100-\$160	NA
Northern Shenandoah Planning District	\$54.00	\$63.00	\$1-\$10 each	\$36.00
Frederick County	\$55.00	\$50.00	\$200.00	\$55.00
Region 2000 Service Authority	\$40.25	\$40.25	\$2-\$4 each	\$40.25
Carroll-Grayson-Galax SWA	\$55.00	\$55.00	\$100.00	\$55.00
Average	\$55.25	\$54.83	\$185.25	\$40.71

- The Environmental Research & Education Foundation (EREF) maintains a database of 300+ MSW landfills across the United States and publishes an annual report on waste rates based on annual tonnage accepted. The 2023 EREF annual report included the following:
 - National Average Rate: \$57.63 w/ year-over-year change of -1.5%
 - National Average Rate for Medium Landfills (65-390K Tons/Year): \$49.70
 - Northeast Average Rate: \$84.31 w/ year-over-year change of +1.00%
 - Virginia Average Rate: \$65.21 with a +/- \$26.15 deviation due to lack of respondents

WASTE RATE MODEL – EXPENSES CONSIDERED

- **Operating Expenses**
 - Administration Costs
 - Professional/Contract Services
 - Insurance
 - Support Services
 - Operations
 - Capital Improvement
- **Development and Closure Cost**
- **Equipment Cost**
- **Financial Assurance Cost**

RESEARCH/ANALYSIS PERFORMED

- Analyzed previous 5 years of waste rates, revenues, and expenses.
- Evaluated development/closure needs and established future schedule.
- Evaluated equipment needs and established future schedule.
- Evaluated financial assurance requirements to assure compliance with DEQ permits.
- For the 2024 waste rate study and financial model we performed a baseline analysis (Scenario 1).
- The goal is to maintain competitive and fair rates while maintaining solvency for the Authority.

ASSUMPTIONS

- Calculated actual waste stream variation over the last four years and applied weighted averages to each waste stream (member and non-members).
- Assumed construction cost inflation is 5.0% (down 1.0% from 2023 study) annually as projected by industry experts.
- For Development/Closure schedule, an average annual waste stream of 220,000 tons per year and a compaction rate of 1600 lb/cy was utilized.
- Utilized current DEQ financial assurance forms to calculate requirements and necessary funding.
- Utilized 2.5% escalation for operating expenses year over year. No change from 2023 study.
- Average inflation rate for Financial Assurance over the last 15 years is 2.2%. The 2021 rate was 7.1%, which is an outlier and excluding that rates results in average of 1.85%. Assumed 2.0% inflation rate for financial assurance calculations over the next 15 years.
- Any excess revenue is applied to the Reserve Fund.
- Assumed no major regulatory changes in the future that would impact operations. Please note that future PFAS regulations could have significant impacts for the solid waste industry.

REVIEW OF 2023 WASTE RATE STUDY PRESENTATION

Scenario 1 - Baseline

Waste Rate Schedule (\$/Ton)

Description	Actual	Actual	Actual	Actual	Actual	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29
Gate Rate	\$32.00	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00	\$34.00	\$36.00	\$38.00	\$38.00	\$39.00
Member Rate	-	-	-	\$24.00	\$24.00	\$24.00	\$24.00	\$26.00	\$28.00	\$28.00	\$29.00
POTW Sludge	\$17.00	\$17.00	\$17.00	\$22.00	\$22.00	\$24.00	\$24.00	\$28.00	\$32.00	\$36.00	\$39.00
M/SW / CD Non-Member (Emergency)	\$35.00	\$35.00	\$35.00	\$37.00	\$37.00	\$37.00	\$37.00	\$39.00	\$41.00	\$41.00	\$42.00
Non-Friable Asbestos	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00	\$56.00	\$58.00	\$58.00	\$59.00
Clean Wood	\$20.00	\$20.00	\$20.00	\$25.00	\$25.00	\$25.00	\$25.00	\$29.00	\$33.00	\$36.00	\$39.00
Tires	\$100.00	\$200.00	\$200.00	\$200.00	\$200.00	\$240.00	\$240.00	\$260.00	\$260.00	\$260.00	\$260.00
White Goods	\$32.00	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00	\$34.00	\$36.00	\$38.00	\$38.00	\$39.00

- **The 2023 Waste Rate model indicated that without a change in waste stream, rates would need to increase significantly over the next 5 years.**
 - \$2.00 Rate Increase in Fiscal Year 2025-2026.
 - \$2.00 Rate Increase in Fiscal Year 2026-2027.
 - \$1.00 Rate Increase in Fiscal Year 2028-2029.
 - \$1.00 Rate Increase in Fiscal Year 2029-2030. (Not Shown in Table Above)
 - Total Rate Increase of \$6.00 by Fiscal Year 2029-2030.

WASTE INCREASE/DECREASE CALCULATION

Annual Waste Stream Increase/Decrease and Weighted Average										
Source	Actual Tons	Actual Tons	Actual Tons	Actual Tons	Actual Tons	Actual Tons	Average Annual Change	Total Volume (Tons)	Percent of Total Waste Stream	Weighted Average
	18-19	19-20	20-21	21-22	22-23	23-24				
Pulaski County	54,405	54,690	51,999	76,774	75,697	42,173	-0.49%	355,738	28.07%	-0.14%
Town of Dublin	2,999	2,935	2,862	2,185	2,217	2,452	-3.24%	15,649	1.23%	-0.04%
City of Radford	12,844	12,523	12,268	11,228	11,524	10,968	-3.04%	71,356	5.63%	-0.17%
Giles County	13,708	14,111	16,187	16,750	14,792	17,997	6.22%	93,545	7.38%	0.46%
Montgomery County	80,456	84,309	75,694	84,099	86,413	89,414	2.38%	500,385	39.48%	0.94%
Floyd County	12,050	12,667	12,997	12,806	12,956	12,355	0.56%	75,830	5.98%	0.03%
Wythe/Bland	3,550	4,288	4,817	5,095	5,534	11,117	29.68%	34,399	2.71%	0.81%

- Weighted Average is utilized in model to project future waste stream.
- The calculated weighted averages have minimal impact on the model and projected waste stream in the short term.

SCENARIO 1 BASELINE - WASTE RATE SCHEDULE

Scenario 1 - Baseline

Waste Rate Schedule (\$/Ton)

Description	Actual	Actual	Actual	Actual	Actual	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Gate Rate	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00	\$34.00	\$36.00	\$36.00	\$36.00	\$37.00	\$38.00
Member Rate	-	-	\$24.00	\$24.00	\$24.00	\$24.00	\$26.00	\$26.00	\$26.00	\$27.00	\$28.00
POTW Sludge	\$17.00	\$17.00	\$22.00	\$22.00	\$24.00	\$24.00	\$26.00	\$26.00	\$26.00	\$27.00	\$28.00
MSW / CD Non-Member (Emergency)	\$35.00	\$35.00	\$37.00	\$37.00	\$37.00	\$37.00	\$39.00	\$39.00	\$39.00	\$40.00	\$41.00
Non-Friable Asbestos	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00	\$56.00	\$56.00	\$56.00	\$57.00	\$58.00
Clean Wood	\$20.00	\$20.00	\$25.00	\$25.00	\$25.00	\$25.00	\$27.00	\$27.00	\$27.00	\$28.00	\$29.00
Tires	\$200.00	\$200.00	\$200.00	\$200.00	\$240.00	\$300.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00
White Goods	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00	\$34.00	\$36.00	\$36.00	\$36.00	\$37.00	\$38.00

- **The 2024 Waste Rate model indicates that without a change in waste stream, rates would need to increase over the next 5 years; however, not as significantly as the 2023 Waste Rate model.**
 - Total Rate Increase of \$4.00 by Fiscal Year 2029-2030.
 - Construction Cost inflation dropping had the most significant impact on the model.

SCENARIO 1 BASELINE - REVENUE VS EXPENSES

Scenario 1 - Baseline						
Revenue vs Expenses						
Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	24-25	25-26	26-27	27-28	28-29	29-30
Revenue	\$6,560,905	\$6,500,159	\$6,640,043	\$6,709,417	\$6,877,846	\$7,153,451
Expenses	\$6,502,820	\$6,339,700	\$6,489,400	\$6,641,900	\$6,797,200	\$6,955,400
Surplus Revenue Applied to Reserve Fund	\$58,085	\$160,459	\$150,643	\$67,517	\$80,646	\$198,051

- Expenses include Operating Expenses and Transfers to Development/Closure Fund, Equipment Fund, and Environmental/Financial Assurance Fund.
- Please note Year 0 is the current fiscal year and Surplus Revenue is calculated from 2023 model.

RECOMMENDATIONS

- **NRRA needs to maintain current waste stream tonnage.**
- **NRRA needs to continue to identify and evaluate potential sources for increasing the waste stream. Ideally, the Authority should strive to maintain a waste stream of 225,000-250,000 tons/year.**
- **NRRA should continue to ensure compliance with regulatory requirements and participate in monetizing carbon credits through the Climate Action Reserve as long as the Authority is eligible.**
- **NRRA should continue applying excess revenue to reserve fund to maintain rates.**
- **Rates should be examined on a quarterly basis with the budget committee utilizing the model to include waste stream and expense data as available after quarterly volume surveys.**
- **The overall goal should be to maintain competitive and fair rates while maintaining solvency for the Authority.**



**NRRA
PUBLIC COMMENT
REGISTRATION
OCTOBER 23, 2024**

Please register below if you wish to speak during the “Public Comment” portion of the Agenda. Speakers are limited to five minutes.

NAME: ADDRESS: PHONE OR EMAIL:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
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