

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY  
HELD ON WEDNESDAY, SEPTEMBER 27, 2023, AT NOON,  
NRRRA ADMINISTRATION BUILDING,  
DUBLIN, VIRGINIA:

PRESENT: Mr. Robert Asbury, Secretary  
Mr. Barry Helms, Member  
Mr. Tye Kirkner, Member  
Mr. Tom Starnes, Member  
Mr. Dirk Compton, Member  
Mr. Jonathan Sweet, Member

ABSENT: Mr. Paul Baker, Chairman  
Mr. Steve Fijalkowski, Vice-Chairman

STAFF: Mr. Joseph Levine, NRRRA Executive Director  
Ms. Marjorie Atkins, NRRRA Recording Secretary  
Mr. Howard Estes, NRRRA Legal Counsel  
Mr. Jamie Shoda, Equipment Operator  
Mr. Brandon Atkins, Compliance Assistant  
Mr. Dave Rupe, Administrative Manager  
Ms. Monica Furrow, Administrative Assistant

GUESTS: Mr. Andrew Monk, Thompson & Litton, Inc.  
Ms. Edith Hampton, Town of Dublin

Secretary Asbury called the meeting to order. The first item of business was to elect a temporary Chairman for the September 27, 2023, meeting.

Mr. Helms made the motion for Mr. Asbury to serve as the temporary chairman for the meeting. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>abstain</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

The motion to approve the September 27, 2023, agenda was made by Mr. Starnes. The motion was seconded by Mr. Kirkner and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

The motion to approve the minutes of the August 23, 2023, Board Meeting, as presented, was made by Mr. Helms. The motion was seconded by Mr. Kirkner and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

There were no Old Business items on the Agenda.

New Business and Administrative Items included Items of Consent.

The Transaction By Vendor Report for the month of August 2023 was included in the agenda.

The motion to approve the Transaction By Vendor Report for August 2023 was made by Mr. Starnes. The motion was seconded by Mr. Kirkner and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>no</u>

The draft Financial Statement for the month ending August 31, 2023, was presented.

The motion to approve the draft Financial Statements as of August 31, 2023, as presented, was made by Mr. Starnes. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

Pay Request 35 for the construction of Area D was included in the agenda package. Mr. Levine noted the request was the final payment for the retainage for the Litter Fence Project portion of Area D.

The motion to approve Area D Pay Request 35 in the amount of \$16,021.85, was made by Mr. Helms. The motion was seconded by Mr. Sweet and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

As reported at the last meeting, the current budget included a request for the “rebuild” of the Authority’s CAT 336 excavator. Based on the evaluation of the expense of the rebuild, Mr. Levine recommended the approved budget request be amended for the purchase of a new CAT 336-8 CF12 excavator. The Authority will utilize Sourcewell which is the national direct purchase organization. Carter Machinery quoted a 2023 CAT 336-8CF12 for \$473,978, in addition to two attachments not to exceed \$520,000. Staff is working with VML/VACo for financing of the lease/purchase.

The motion directing staff to proceed with the lease/purchase of a 2023 CAT 336-8 with two attachments for a cost not to exceed \$520,000 and to authorize the Executive Director to execute the required agreements after review of legal counsel was made by Mr. Helms. The motion was seconded by Mr. Kirkner and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

Mr. Monk presented the “2023 Waste Rate Study and Financial Model”. Mr. Monk noted that this was the fourth year Thompson and Litton had prepared the annual rate study and model. A copy of the presentation is attached to these minutes. The annual study is in accordance with Article IV Section 2 of the New River Resource Authority User Agreement for the Authority members for a third party to complete a study and analysis of NRRA’s budget and waste rates. The presentation included Waste Rates for other facilities and national averages of rates. The model considered:

\*Operating Expenses

- Administration Costs
- Professional/Contract Services
- Insurance
- Support Services
- Operations
- Capital Improvement

\*Development and Closure Cost

\*Equipment Cost

\*Financial Assurance Cost

Mr. Monk reviewed the research/analysis performed which included previous five years of waste rates, revenues, and expenses. Evaluation of development/closure needs; equipment needs; financial assurance. The goal of the analysis was to maintain current member rates and minimize rate increases. Mr. Monk noted that the increasing inflation rates for the financial assurance could be of major impact to the model. Mr. Levine stated that the report would be used as a working document for the Board and Budget Committee.

Mr. Asbury stated that continued concerns regarding PFAS issues and costs associated with remedial actions on site for regulatory costs. He noted that he envisioned remedial and administrative costs and possible fines and other costs that would need to be managed. Mr. Monk stated that the first regulations would most likely impact wastewater treatment plants first. From that point it will impact landfills.

Mr. Sweet stated, "The Authority had surety funds and reserve funds (Mr. Levine asked if Mr. Sweet meant Financial Assurance?) From the approximately \$4.5 million extracted from the PDR funds, where did those funds go?"

Mr. Levine explained that the reserve funds were designated for Financial Assurance for all the Authority's permits, including West Fork. That money is set aside and DEQ controls that so that if the Authority closes the gate the money is there to begin the closure process. Reserve funds showing on the balance sheet are funds set aside for Authority business.

Mr. Sweet noted that it was his fiduciary responsibility to ask questions involving public funds and this was regarding surety funds.

Mr. Asbury answered, the answer to Mr. Sweet's question was that the funds are New River Resource Authority funds collectively. Mr. Sweet stated that it was a change of policy that made those surety funds paid for by Pulaski, Dublin, and Radford the collective property of the Resource Authority.

Mr. Asbury asked Mr. Estes to explain. Mr. Estes explained that in the Authority's accounting system designated in the accounting system, not as a Board Policy, but in the accounting system those reserve funds as "PDR" funds. They were funds for financial assurance and obligations to maintain Ingles Mountain. Those funds and the liabilities are for the Authority at large. They are not limited to any jurisdictional boundaries or member jurisdictions. Mr. Sweet stated that if that were the case other members of the Authority should have been paying into those funds. Mr. Levine and Mr. Estes noted that the funds were collected as tip fees and a portion of those funds were designated to be placed in reserves. Mr. Estes noted that no funds had been transferred or no dissolution of accounts. The funds always have been and still are the property of the Authority. There were never deposits being paid into those accounts, monies originated from tip fees paid at the scales. Mr. Asbury noted that the Board of Directors of the Authority did vote to consolidate reserve funds of the Authority and that remained the position of the Authority. Mr. Compton requested a copy of emails from 2021 discussing liability resting with NRRA and the memo regarding fund policies. Mr. Estes noted that he would provide copies to the Board.

The motion to accept the Rate Study and Financial Model was made by Mr. Helms. The motion was seconded by Mr. Starnes and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Sweet	<u>yes</u>

Mr. Sweet thanked Mr. Monk for the presentation and that he appreciated the analysis but that "I do issue an exception for our counsel not being truthful to this Board."

Mr. Levine presented the Executive Director's report. Revenues were 2.6% above projections; expenses were 0.6% above projections. 16,332.45 tons of waste was managed in August. August 24 and 25, Robinson Farmer & Cox were on site for audit field work. The audit is scheduled to be presented to the Board at the November 13, 2023, meeting. On August 29, the Caterpillar D 8 Dozer arrived on site. The CAT 836 has been delivered. Motley Auction was on site September 1 to discuss surplus equipment.

Mr. Asbury asked if the Board was required to designate the equipment as surplus rather than administrative selection? Mr. Estes stated that any real property would have to be designated surplus by the Board before auction, but the equipment could be designated by staff. Mr. Asbury requested that the Board receive a list of all recommended surplus equipment. On September 14, SCS Engineers were on site to perform Title V Air Permit Tier II sampling of the landfill gas emissions. NRRA staff participated in Pulaski County AG Day for county fifth graders.

Mr. Levine presented the Engineering Section of the Agenda.

Mr. Monk reported the Authority is in the one-year warranty period for the litter fence. Renewal for the VPDES Stormwater permit is due by January 1, 2024.

The Chairman invited Public Comments.

No comments were presented.

Mr. Starnes thanked the Board and Staff for the presentation of a bench placed at Bissett Park in Radford in memory of Mrs. Starnes.

The motion for the Authority to advertise an RFP for legal services was made by Mr. Sweet. The motion was seconded by Mr. Compton and failed by a recorded roll call vote of the Authority as follows:

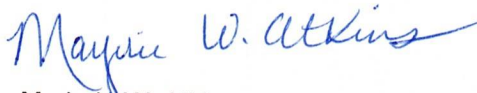
Mr. Asbury	<u>no</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>no</u>
Mr. Helms	<u>no</u>	Mr. Sweet	<u>yes</u>

The motion to adjourn was made by Mr. Starnes. The motion was approved by consensus.

The meeting adjourned at 12:44 pm.

The next scheduled meeting of the Authority is Wednesday, October 25, 2023, 12:00, (NOON), at 7100 Cloyd's Mountain Road.

Respectfully Submitted,



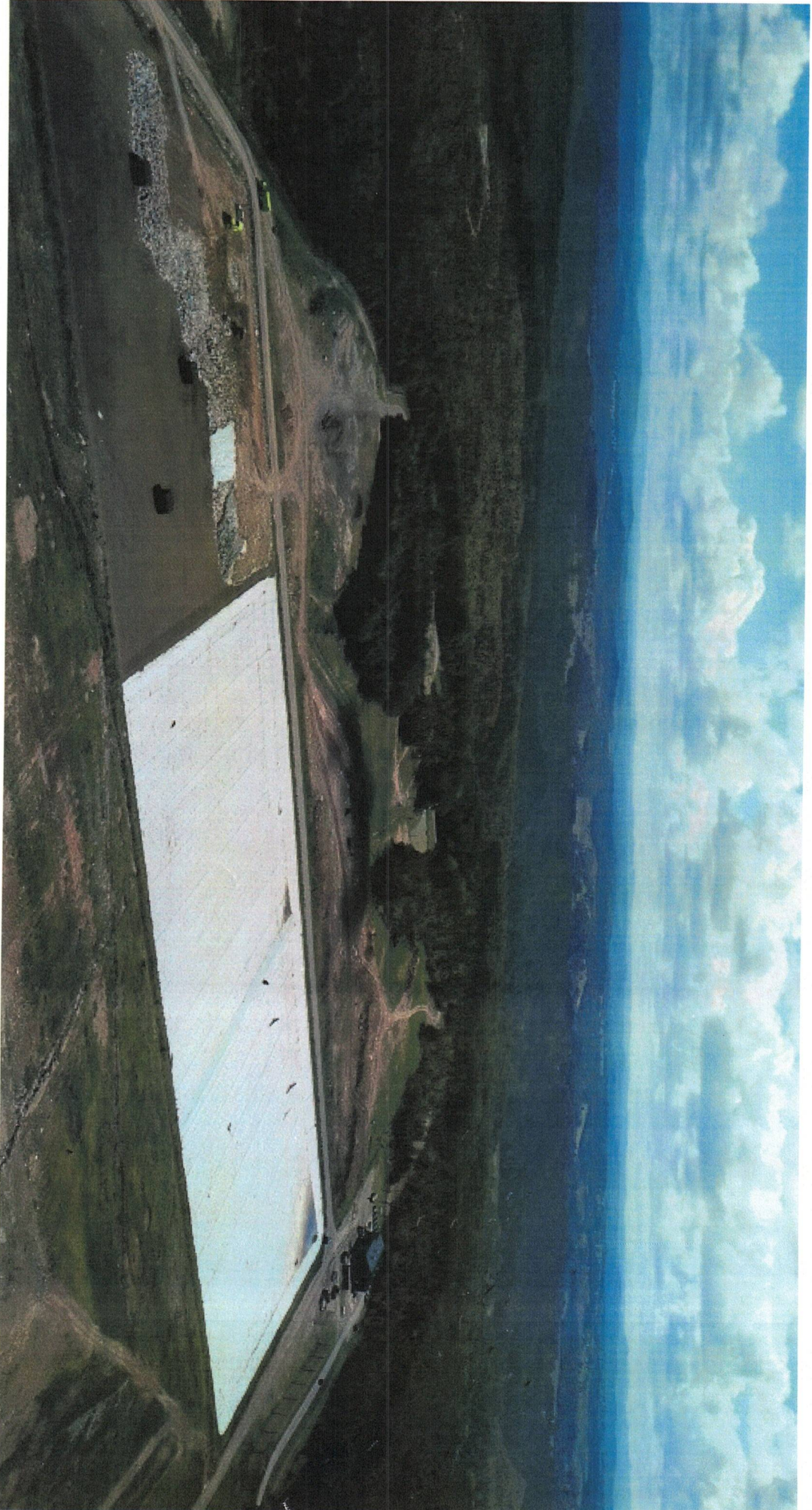
Marjorie W. Atkins  
Recording Secretary

Approved at 10/25/2023 Board Meeting.



Paul W. Baker, Chairman

Robert P. Asbury, Secretary



**2023 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	\$62.50	\$186.00	\$21.00
Bristol Virginia Landfill	-	-	-	-
South Eastern Public Service Authority	\$76.00	\$55.00	\$145.00	\$55.00
Northern Shenandoah Planning District	\$54.00	\$63.00	\$1-\$10 each	\$36.00
Fredrick County	\$52.00	\$47.00	\$200.00	\$52.00
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	\$56.11	\$55.50	\$177.20	\$42.32

- The Environmental Research & 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 2022 EREF annual report included the following:

  - National Average Rate: \$58.47 w/ year-over-year change of +8.2%
  - National Average Rate for Medium Landfills (65-390K Tons/Year): \$50.58
  - Northeast Average Rate: \$75.92 w/ year-over-year change of +9.01%
  - Virginia Average Rate: \$59.89 with a +/- \$18.40 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 2023 waste rate study and financial model we performed a baseline analysis (Scenario 1).
- Goal of the analysis was to maintain current member rates and minimize rate increases.

## 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 6.0% 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 2022 study; however, if inflation remains at record levels escalation will need to be adjusted.
- Average inflation rate for Financial Assurance the last 10 years was 1.94%. In 2021 the rate was 4.6% and the 2022 rate was 7.1%. Assumed 2.0% inflation rate for financial assurance calculations over the next 10 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.

# WASTE INCREASE/DECREASE CALCULATION

Annual Waste Stream Increase/Decrease and Weighted Average													
Source	Actual Tons	Actual Tons	Actual Tons	Actual Tons	Actual Tons	Year 1 to 2 Change	Year 2 to 3 Change	Year 3 to 4 Change	Year 4 to 5 Change	Average Annual Change	Total Volume (Tons)	Percent of Total Waste Stream	Weighted Average
	18-19	19-20	20-21	21-22	22-23								
Pulaski County	54,405	54,690	51,999	53,418	55,697	0.52%	-4.92%	2.73%	4.27%	0.65%	270,209	29.46%	0.19%
Town of Dublin	2,999	2,935	2,862	2,185	2,217	-2.13%	-2.51%	-23.66%	1.46%	-6.71%	13,198	1.44%	-0.10%
City of Radford	12,844	12,523	12,268	11,228	11,524	-2.50%	-2.03%	-8.48%	2.64%	-2.59%	60,387	6.58%	-0.17%
Giles County	13,708	14,111	16,187	16,750	14,792	2.94%	14.71%	3.48%	-11.69%	2.36%	75,549	8.24%	0.19%
Montgomery County	80,456	84,309	75,694	84,099	86,413	4.79%	-10.22%	11.10%	2.75%	2.11%	410,971	44.81%	0.94%
Floyd County	12,050	12,667	12,997	12,806	12,956	5.12%	2.61%	-1.47%	1.17%	1.86%	63,476	6.92%	0.13%
Wythe/Bland	3,550	4,288	4,817	5,095	5,534	20.79%	12.34%	5.77%	8.62%	11.88%	23,282	2.54%	0.30%

- For purposes of calculating the weighted average for the respective sources any known outliers/anomalies were excluded from the sample set.

# SCENARIO 1 BASELINE - WASTE RATE SCHEDULE

## Scenario 1 - Baseline

### Waste Rate Schedule (\$/Ton)

Description	Actual	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	\$38.00	\$39.00
Member Rate	-	-	-	\$24.00	\$24.00	\$24.00	\$24.00	\$26.00	\$28.00	\$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	\$32.00	\$36.00	\$39.00
MSW / CD Non-Member (Emergency)	\$35.00	\$35.00	\$35.00	\$37.00	\$37.00	\$37.00	\$37.00	\$39.00	\$41.00	\$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	\$58.00	\$59.00
Clean Wood	\$20.00	\$20.00	\$20.00	\$25.00	\$25.00	\$25.00	\$25.00	\$29.00	\$33.00	\$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	\$260.00
White Goods	\$32.00	\$32.00	\$32.00	\$34.00	\$34.00	\$34.00	\$34.00	\$36.00	\$38.00	\$38.00	\$38.00	\$39.00

# 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
	23-24	24-25	25-26	26-27	27-28	28-29
Revenue	\$5,353,840	\$5,374,860	\$5,814,620	\$6,267,740	\$6,358,140	\$6,621,620
Expenses	\$5,850,000	\$5,981,300	\$6,114,800	\$6,250,700	\$6,389,000	\$6,529,700
Amount Applied from Previous Year	\$1,445,232	\$949,072	\$342,632	\$42,452	\$59,492	\$28,632
Adjusted Expenses	\$4,404,768	\$5,032,228	\$5,772,168	\$6,208,248	\$6,329,508	\$6,501,068
Amount Applied to Proceeding Year	\$949,072	\$342,632	\$42,452	\$59,492	\$28,632	\$120,552

## RECOMMENDATIONS

- **NRRA needs to maintain current waste stream volumes.**
- **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  
SEPTEMBER 27, 2023**

**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. \_\_\_\_\_

9. \_\_\_\_\_

10. \_\_\_\_\_