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I-95 Waste-to-Energy Facility
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Today during closed session, our Board discussed options and terms for either purchasing the I-95 Waste-to-Energy plant, or for extending a service agreement with Covanta Energy. The motion that we will have before us this afternoon is to approve a contract extension. I believe this action represents the best option for Fairfax County residents.

Fairfax County has been in a successful public-private partnership with Covanta since 1987, known then as Ogden Martin. The I-95 Waste-to-Energy plant, one of the largest of its kind on the East Coast, went online in 1990 as a state-of-the-art facility. The initial term of the service agreement expired in February of this year with the contract provision that Fairfax County could exercise an option to purchase.

Today's decision is the culmination of years of negotiations between the County and Covanta and thoughtful consideration by my colleagues. Throughout the process of exercising due diligence and considering a potential purchase most of my colleagues and I have remained open-minded to all options. This has been critical in order to ensure County staff's ability to negotiate successfully on behalf of our resident's interests.

Only after conducting due diligence did we receive the good terms that are before us today. Exercising our option to purchase allowed us to negotiate a service contract renewal based on the new economic reality and with a stronger negotiating position. The extension will result in \$300 million in savings over the life of the new contract compared to the terms negotiated in 2008.

Under the new contract, Covanta would continue to own and operate the facility until 2041. Fairfax County owns the land on which the plant sits. Renewing the contract on the terms County staff has negotiated provides an economical, safe and secure way to ensure Fairfax County residents have reliable, affordable and environmentally preferable trash disposal for the next 30 years.

This is a complex issue and one that impacts residents near the plant as well as customers receiving trash service throughout the County. In January I proposed an extensive public outreach process that included three public information sessions and a public hearing before the Board of Supervisors on Feb. 22. I have appreciated the letters, e-mails, testimony and generous amount of public engagement our Fairfax County residents have invested in the question of a purchase.

County staff has been negotiating with Covanta since 2005 to find a mutually agreeable solution to continue our partnership. Late last year, they presented three options to the Board of Supervisors:

- Allow the contract to expire and the market to determine the cost and availability of use;
- Negotiate a new long-term contract similar to the current contract that includes price and capacity stipulations;
- Purchase the facility and competitively bid a service contract with the private sector

County staff recommended the purchase of the facility. As a result of the most recent round of negotiations, however, between the County and Covanta, staff was able to secure some key provisions that make a contract extension more attractive. I support the option to renew the agreement over the other two options the Board considered because I believe it presents a better financial alternative to letting the current agreement expire, the “do nothing” option, and gives the County greater future flexibility and more options than a purchase.

With a service contract based on these new terms, Fairfax County residents will continue to have affordable and reliable trash service for the next 30 years. Our County staff worked very hard to secure these terms and I commend them for their efforts throughout the almost six-year process.

Sharon Bulova
Chairman, Fairfax County Board of Supervisors