

# Fund 40150: Refuse Disposal

## Mission

The Fairfax County Solid Waste Management Program (SWMP) is dedicated to maintaining a healthy and safe environment through the prevention of pollution and other contamination associated with the improper disposal of refuse. This is achieved by providing environmentally sound and economically viable management of refuse and recyclables through the operation of the I-66 Transfer Station in Fairfax, Virginia, and environmentally sound and economically viable disposal of waste at the Covanta facility in Lorton, Virginia. This fund also supports public disposal programs at the I-95 Landfill. The I-66 Transfer Station provides the County with the following services:



- Wastes are delivered to Covanta in Lorton, Virginia, for final disposal either directly by refuse collectors or transported from the I-66 Transfer Station where original collection occurred.
- Brush is ground into mulch on site by County staff and equipment for reuse.
- Leaves and grass are transported to composting facility in Prince William County where they are processed into a soil amendment. Construction and demolition debris (CDD) is transported to CDD landfills.
- Other programs conducted at the I-66 Transfer Station include operation of the Recycling and Disposal Centers (RDCs) for residents and small businesses; Household Hazardous Waste; electronics recycling; used motor oil, antifreeze, and cooking oil recycling; latex paint recycling; automotive battery recycling; and scrap metal/appliance recycling.
- Landfill gas generated at the closed landfill generates methane captured and processed for power production.
- Staff and equipment from the I-66 Transfer Station respond to emergencies by providing debris removal during emergencies and disasters, including snow and ice control in winter months.

The combustion of waste for power production at the Covanta facility in Lorton, Virginia:

- Generates 80 megawatts (MW) of renewable energy.
- Reduces the need for landfill space through volume reduction of solid waste that occurs in the combustion process.
- Reduces greenhouse gas emissions by generating renewable energy.
- Recovers ferrous and non-ferrous metal from the ash, which is recycled.
- Uses treated wastewater (rather than potable water) for cooling water used during the combustion process.

### Focus

Fund 40150, Refuse Disposal, funds the operation of waste and recycling services to the community by providing a location for waste collection vehicles to empty their loads so they can be transported to Covanta for final disposal. The main role of the I-66 Transfer Station is to move waste collected in the northern and western parts of the County to the Covanta Fairfax, Inc. Waste to Energy Facility in Lorton, Virginia or landfills outside the County for final disposal. The SWMP also uses County vehicles and private trucking companies to transport waste from the I-66 Transfer Station to its final disposal destination. The consolidation of loads of waste from small trucks into large trucks reduces the number of vehicles on the roads and operating costs for the County's solid waste management system as a whole.

In FY 2024, the disposal rate is increasing from \$70 to \$72 per ton. This increase will assist SWMP in meeting increased labor and contractual costs necessary to operate the programs and to provide sustainable services. The tonnage will remain the same volume as FY 2023. The total FY 2024 revenue for this fund is projected to be \$58,734,182. It is important to note that projected expenditures are greater than projected revenue for FY 2024. The SWMP is using the rate stabilization reserve fund to keep the proposed rate increase to only \$2 additional per ton, which is intentional to lessen the severity of the rate increase. Additional rate increases are projected in future fiscal years as the rate stabilization reserve is drawn down.

Fund 40150 pays a disposal fee per ton for all waste disposed at the Covanta Waste to Energy Facility in Lorton. The SWMP recoups these costs through a disposal (tipping) fee to all users of the Covanta facility and those who deposit waste at the transfer station.

The current contract between the County and Covanta guarantees the County sufficient capacity to dispose of its waste through January 31, 2026, with one additional 5-year extension available. The contract covers the period of Covanta's lease of the property to FY 2031. Operational risks for the facility are retained by Covanta. Moreover, the contract affords the County below market pricing and sustainability for waste disposal. Fairfax County is contractually obligated to deliver approximately 650,000 tons of municipal solid waste to Covanta annually.

Recycling operations is responsible for providing the overall management of solid waste reduction and recycling programs that are required by the County and for developing plans for future recycling programs and waste reduction systems. The annual recycling rate in Fairfax County, based on Calendar Year 2021 information, is 47.5 percent, well above the Commonwealth of Virginia's mandated rate of 25 percent. The agency's goal is to maintain a high rate of recycling in the County.

Performance measures for Solid Waste are displayed at a program-wide level. Please refer to the Solid Waste Management Program Overview in Volume 2 of the [FY 2024 Adopted Budget Plan](#) for those items.

## Organizational Chart



## Budget and Staff Resources

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
<b>FUNDING</b>					
<b>Expenditures:</b>					
Personnel Services	\$13,842,607	\$14,882,590	\$14,882,590	\$15,587,590	\$16,048,746
Operating Expenses	39,572,949	39,169,512	42,552,591	41,380,512	41,380,512
Capital Equipment	424,580	3,230,000	5,135,498	3,214,000	3,214,000
Capital Projects	1,393,506	967,581	6,796,163	2,050,000	2,050,000
<b>Subtotal</b>	<b>\$55,233,642</b>	<b>\$58,249,683</b>	<b>\$69,366,842</b>	<b>\$62,232,102</b>	<b>\$62,693,258</b>
Less:					
Recovered Costs	(\$97,415)	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)
<b>Total Expenditures</b>	<b>\$55,136,227</b>	<b>\$58,152,178</b>	<b>\$69,269,337</b>	<b>\$62,134,597</b>	<b>\$62,595,753</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	154 / 154	154 / 154	152 / 152	154 / 154	152 / 152

## FY 2024 Funding Adjustments

The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 9, 2023.

**Employee Compensation** **\$1,194,914**

An increase of \$1,194,914 in Personnel Services includes \$729,270 for a 5.44 percent market rate adjustment (MRA) for all employees and \$230,590 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2023. The remaining increase of \$235,054 is included to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data.

**Other Post-Employment Benefits** **(\$28,758)**

A decrease of \$28,758 in Personnel Services reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. For more information on Other Post-Employment Benefits, please refer to Fund 73030, OPEB Trust, in Volume 2 of the FY 2024 Adopted Budget Plan.

## Fund 40150: Refuse Disposal

### **Operating Expenses** **\$2,211,000**

Funding of \$41,380,512 in Operating Expenses reflects an increase of \$2,211,000 over the FY 2023 Adopted Budget Plan. This is primarily due to increases in refusal disposal expenses, transportation services and fuel expenses.

### **Capital Equipment** **(\$16,000)**

Funding of \$3,214,000 in Capital Equipment reflects a decrease of \$16,000 from the FY 2023 Adopted Budget Plan. In FY 2024, funding for Capital Equipment includes \$700,000 for the replacement of four tractors; \$760,000 for the replacement of four trailers; \$600,000 for the replacement for one wheel loader; \$115,000 for the replacement of two pick-up trucks; \$550,000 for the replacement of one material handler; and \$69,000 for the replacement for four 50-yard containers. These items have exceeded their useful life and are required to be replaced based on the overall age and condition of the equipment. The remaining amount of \$420,000 is for the purchase of one new sweeper and one new vacuum trailer.

### **Capital Projects** **\$1,082,419**

An increase of \$1,082,419 in Capital Project reflects additional funding required in FY 2024 to support civil work, site renovation and environmental compliance requirements at the I-66 Transfer Station.

## **Changes to FY 2023 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.*

### **Carryover Adjustments** **\$8,612,523**

As part of the *FY 2022 Carryover Review*, the Board of Supervisors approved funding of \$8,612,523 including \$1,916,727 in encumbered carryover and \$171,850 in unencumbered carryover, and \$6,523,946 in unexpended Capital Projects balance.

### **Third Quarter Adjustments** **\$3,200,000**

As part of the *FY 2023 Third Quarter Review*, the Board of Supervisors approved funding of \$3,200,000 due to higher than anticipated fuel costs, transport services costs, and refuse disposal expenses.

### **Position Adjustments** **\$0**

In order to better support the Department of Public Works and Environmental Services (DPWES) four core business areas and enhance department-wide initiatives, 1/1.0 FTE position was transferred from Fund 40150, Refuse Disposal, to Agency 25, Business Planning and Support. This position will continue to be funded by Fund 40150, Refuse Disposal, in FY 2023. In addition, in order to better support overall Solid Waste Program, 1/1.0 FTE position was transferred from Fund 40140, Refuse Collection, to Fund 40150, Refuse Disposal, and 2/2.0 FTE positions were transferred from Fund 40150, Refuse Disposal, to Fund 40170, I-95 Refuse Disposal.

## Position Detail

The FY 2024 Adopted Budget Plan includes the following positions:

REFUSE DISPOSAL – 152 Positions			
1	Division Director	3	Code Specialists I
2	PW Environmental Services Managers	1	Industrial Electrician II
3	PW Environmental Services Specialists	5	Assistant Refuse Superintendents
1	PW Environmental Business Operator	1	Trades Supervisor
2	Project Coordinators	4	Heavy Equipment Supervisors
1	Constr/Mnt Project Manager I	8	Lead Refuse Operators
1	Management Analyst IV	50	Heavy Equipment Operators
3	Management Analysts II	1	Motor Equipment Operator
1	Management Analyst I	2	Equipment Repairers
1	Financial Specialist III	1	Welder II
2	Financial Specialists II	1	Welder I
2	Financial Specialists I	1	Human Resources Generalist I
6	Environmental Technicians II	2	Administrative Assistants V
1	Engineer III	6	Administrative Assistants IV
1	Engineering Technician III	16	Administrative Assistants III
2	Engineering Technicians II	5	Senior Maintenance Workers
1	Safety Analyst II	1	Maintenance Trade Helper II
1	Code Specialist III	11	Maintenance Workers
1	Code Specialist II		

A Fund Statement and a Summary of Capital Projects are provided on the following pages. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects or projects for which funding is necessary on an ongoing basis (e.g., a contingency or planning project).

# Fund 40150: Refuse Disposal

## FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2024 Advertised Budget Plan	FY 2024 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$64,882,548</b>	<b>\$51,990,562</b>	<b>\$61,331,508</b>	<b>\$49,887,206</b>	<b>\$46,687,206</b>
<b>Revenue:</b>					
Interest on Investments	\$50,852	\$179,012	\$179,012	\$114,932	\$114,932
Refuse Disposal Revenue <sup>1</sup>	50,546,389	54,152,553	54,152,553	57,701,207	57,701,207
Other Revenue:					
White Goods	\$1,075,614	\$625,000	\$625,000	\$523,250	\$523,250
Sale of Equipment	64,454	0	0	0	0
Licensing Fees	98,355	82,320	82,320	108,000	108,000
Miscellaneous	375,523	293,150	293,150	286,793	286,793
Subtotal	\$1,613,946	\$1,000,470	\$1,000,470	\$918,043	\$918,043
<b>Total Revenue</b>	<b>\$52,211,187</b>	<b>\$55,332,035</b>	<b>\$55,332,035</b>	<b>\$58,734,182</b>	<b>\$58,734,182</b>
<b>Total Available</b>	<b>\$117,093,735</b>	<b>\$107,322,597</b>	<b>\$116,663,543</b>	<b>\$108,621,388</b>	<b>\$105,421,388</b>
<b>Expenditures:</b>					
Personnel Services	\$13,842,607	\$14,882,590	\$14,882,590	\$15,587,590	\$16,048,746
Operating Expenses <sup>1</sup>	39,572,949	39,169,512	42,552,591	41,380,512	41,380,512
Recovered Costs	(97,415)	(97,505)	(97,505)	(97,505)	(97,505)
Capital Equipment	424,580	3,230,000	5,135,498	3,214,000	3,214,000
Capital Projects <sup>1</sup>	1,393,506	967,581	6,796,163	2,050,000	2,050,000
<b>Total Expenditures</b>	<b>\$55,136,227</b>	<b>\$58,152,178</b>	<b>\$69,269,337</b>	<b>\$62,134,597</b>	<b>\$62,595,753</b>
<b>Transfers Out:</b>					
General Fund (10001) <sup>2</sup>	\$626,000	\$707,000	\$707,000	\$707,000	\$707,000
<b>Total Transfers Out</b>	<b>\$626,000</b>	<b>\$707,000</b>	<b>\$707,000</b>	<b>\$707,000</b>	<b>\$707,000</b>
<b>Total Disbursements</b>	<b>\$55,762,227</b>	<b>\$58,859,178</b>	<b>\$69,976,337</b>	<b>\$62,841,597</b>	<b>\$63,302,753</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$61,331,508</b>	<b>\$48,463,419</b>	<b>\$46,687,206</b>	<b>\$45,779,791</b>	<b>\$42,118,635</b>
<b>Reserves:</b>					
Capital Equipment Reserve <sup>4</sup>	\$6,133,151	\$4,846,342	\$4,668,720	\$4,577,979	\$4,211,864
Operating Reserve <sup>5</sup>	9,199,726	7,269,512	7,003,080	6,866,969	6,317,795
Rate Stabilization Reserve <sup>6</sup>	31,892,384	25,200,978	24,277,348	23,805,491	21,901,690
Environmental Reserve <sup>7</sup>	4,906,521	3,877,074	3,734,977	3,662,383	3,369,491
Construction and Infrastructure Reserve <sup>8</sup>	9,199,726	7,269,513	7,003,081	6,866,969	6,317,795
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
System Disposal Rate/Ton	\$66	\$70	\$70	\$72	\$72
Discounted Disposal Rate/Ton <sup>9</sup>	\$66	\$70	\$70	\$72	\$72

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as an increase of \$108,000.00 to FY 2022 revenues in order to record revenue from the waste exchange with Prince William County and an increase of \$700,007.70 to FY 2022 expenditures to record expenditure accruals and accurately reflect expenses associated with the waste exchange with Prince William County. This impacts the amount carried forward resulting in a decrease of \$695,364.16 to the *FY 2023 Revised Budget Plan*. The project affected by these adjustments is SW-000024, I-66 Transport Study/Site Redevelopment. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2022. Details of the audit adjustments were included in the FY 2023 Third Quarter Package.

## Fund 40150: Refuse Disposal

<sup>2</sup> In FY 2023, there was an increase from \$626,000 to \$707,000 in the amount transferred to the General Fund to partially offset central support services supported by the General Fund, which benefits Fund 40150. These indirect costs include support services such as Human Resources, Purchasing, Budgeting and other administrative services.

<sup>3</sup> Ending Balance fluctuations are a result of operating and revenue requirements that change annually. Funding is carried forward each fiscal year to provide flexibility given the uncertainty of market conditions, tipping fee negotiations, and expenditure requirements.

<sup>4</sup> The Capital Equipment Reserve provides for the timely replacement of equipment required to operate the I-66 Transfer Station. Proceeds from the sale of equipment as well as a small portion of Refuse Disposal Revenue are used to fund this reserve. The amount fluctuates based on anticipated replacement schedules of the existing fleet of vehicles.

<sup>5</sup> The Operating Reserve provides funds to react to unanticipated events such as significant changes in waste quantities, increases in contract disposal rates at composting facilities and landfills, increases in fuel costs, significant reductions in revenues. The reserve also acts as a rate stabilization reserve, allowing smooth transition to rate changes minimizing the impact on customers.

<sup>6</sup> The Rate Stabilization Reserve is maintained in order to safeguard against significant increases in tipping fees charged to users of the Fairfax County Solid Waste Management Program.

<sup>7</sup> The Environmental Reserve is a contingency fund, assuring that the County has funds to implement unplanned actions to protect the environment or meet regulatory requirements related to the closed landfill at the I-66 Complex. Specific examples of current and future environmental projects are likely to include landfill gas control, groundwater protective measures, stormwater, and wastewater management.

<sup>8</sup> The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

<sup>9</sup> In August 1998 (FY 1999), Fairfax County implemented a contractual rate discount that was offered to any hauler that guaranteed all of its collected refuse or a specified tonnage amount would be delivered to the Energy/Resource Recovery Facility (E/RRF) or other County disposal sites. In FY 2022, Fund 40150 moved to a single rate for all disposal and eliminated the discounted rate. In FY 2024, the rate increased to \$72 per ton.

**SUMMARY OF CAPITAL PROJECTS**

<b>Project</b>	<b>Total Project Estimate</b>	<b>FY 2022 Actual Expenditures</b>	<b>FY 2023 Revised Budget</b>	<b>FY 2024 Advertised Budget Plan</b>	<b>FY 2024 Adopted Budget Plan</b>
I-66 Administrative Building Renovation (SW-000011)	\$3,620,219	\$92,068.89	\$654,484.92	\$250,000	\$250,000
I-66 Basement Drainage Renovation (SW-000023)	650,000	0.00	191,548.97	400,000	400,000
I-66 Environmental Compliance (SW-000013)	1,750,669	222,318.60	893,061.76	0	0
I-66 Landfill Methane Gas Recovery (SW-000029)	4,350,000	0.00	4,350,000.00	0	0
I-66 Transport Study/Site Redevelopment (SW-000024)	4,703,623	1,079,118.93	707,067.05	1,400,000	1,400,000
<b>Total</b>	<b>\$15,074,511</b>	<b>\$1,393,506.42</b>	<b>\$6,796,162.70</b>	<b>\$2,050,000</b>	<b>\$2,050,000</b>