

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 Fairfax LLC 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:



- Waste is 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 for reuse.
- Leaves and grass are transported to a composting facility in Prince William County where they are processed into a soil amendment. Construction and demolition debris (CDD) is transported to out of County landfills.
- Other programs conducted at the I-66 Transfer Station include operation of the Recycling and Disposal Centers (RDCs) for customers; Household Hazardous Waste; electronics recycling; used motor oil, antifreeze, and cooking oil recycling; latex paint recycling; automotive battery recycling; food scraps collection; single stream recycling, glass recycling, and scrap metal/appliance recycling.
- Landfill gas generated at the closed landfill generates methane captured and processed for building heat 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 the 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, 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.

In FY 2025, the disposal rate increased from \$72 to \$79 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 2024. The total FY 2025 revenue for this fund is projected to be \$64,830,654. It is important to note that projected expenditures are greater than projected revenue for FY 2025, as has been the case in prior fiscal years. The SWMP expects to use a portion of the rate stabilization reserve fund to lessen the severity of the rate increase in FY 2025. However, additional rate increases will be necessary in future fiscal years as the rate stabilization reserve continues to be drawn down. A preliminary rate of \$86 is estimated for FY 2026 and is subject to further review with an outside rate consultant.

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.

During FY 2024 and FY 2025, the SWMP will be developing a new 20-year Solid Waste Management Plan for Fairfax County as required by the Virginia Department of Environmental Quality. The plan is required to show long-range planning for all waste including system capacity. The County's Community Wide Energy and Climate Action Plan (CECAP) has prescribed a goal for Fairfax County to divert 90 percent of all waste from landfill and waste to energy by 2040. The new 20-year plan will meet regulatory requirements and include a road map to zero waste by 2040 by establishing a menu of available technologies, strategies, and system improvements with their associated costs. It is anticipated that funding needs will increase significantly as zero waste programs are implemented.

Recycling operations are 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 2022 information, is 47.6 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 2025 Adopted Budget Plan](#) for those items.

Organizational Chart



Budget and Staff Resources

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$15,079,112	\$16,048,746	\$16,048,746	\$16,987,855	\$16,987,855
Operating Expenses	43,720,458	41,380,512	44,780,512	45,611,304	45,611,304
Capital Equipment	2,881,970	3,214,000	4,230,951	3,010,000	3,010,000
Capital Projects	4,195,518	2,050,000	4,650,645	5,050,000	5,050,000
Subtotal	\$65,877,058	\$62,693,258	\$69,710,854	\$70,659,159	\$70,659,159
Less:					
Recovered Costs	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)
Total Expenditures	\$65,779,553	\$62,595,753	\$69,613,349	\$70,561,654	\$70,561,654
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	152 / 152	152 / 152	153 / 153	153 / 153	153 / 153

FY 2025 Funding Adjustments

The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 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 7, 2024.

Employee Compensation \$992,276

An increase of \$992,276 in Personnel Services includes \$296,994 for a 2.00 percent market rate adjustment (MRA) for all employees and \$223,783 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2024. The remaining increase of \$471,499 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.

Operating Expenses \$4,230,792

Funding of \$45,611,304 in Operating Expenses reflects an increase of \$4,230,792 over the FY 2024 Adopted Budget Plan. This is primarily due to increases in refuse disposal expenses, transportation services and fuel expenses.

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Other Post-Employment Benefits **(\$53,167)**

A decrease of \$53,167 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 2025 Adopted Budget Plan.

Capital Equipment **(\$204,000)**

Funding of \$3,010,000 in Capital Equipment reflects a decrease of \$204,000 from the FY 2024 Adopted Budget Plan. In FY 2025, funding for Capital Equipment includes \$656,000 to replace four Transfer Tractors, \$700,000 to replace four Transfer Trailers, \$750,000 to replace one Wheel Loader, \$115,000 to replace two Pickup Trucks, \$395,000 to replace one Stationary Crane, \$250,000 to replace one Roll off Truck, \$55,000 to add four 30-Yard Containers and \$89,000 to add eight 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.

Capital Projects **\$3,000,000**

An increase of \$3,000,000 in Capital Project reflects additional funding required in FY 2025 to support civil work, site renovation and environmental compliance requirements at the I-66 Transfer Station.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments **\$2,967,596**

As part of the *FY 2023 Carryover Review*, the Board of Supervisors approved funding of \$2,967,596 due to \$366,951 in encumbered carryover for the purchase of a crane, and \$2,600,645 in unexpended Capital Projects balances.

Third Quarter Adjustments **\$4,050,000**

As part of the *FY 2024 Third Quarter Review*, the Board of Supervisors approved funding of \$4,050,000 due to higher refuse disposal costs at contracted facilities and an increase in capital equipment costs.

Position Adjustments **\$0**

In order to better support the overall Solid Waste Program, 1/1.0 FTE position was transferred from Fund 40150, Refuse Disposal, to Fund 40170, I-95 Refuse Disposal. In addition, 2/2.0 FTE positions were transferred from 40170, I-95 Refuse Disposal, to Fund 40150, Refuse Disposal.

Position Detail

The FY 2025 Adopted Budget Plan includes the following positions:

REFUSE DISPOSAL – 153 Positions			
1	Division Director	2	Financial Specialists I
1	Management Analyst IV	1	Management Analyst I
2	Project Coordinators	3	Code Specialists I
2	PW Environmental Services Managers	1	Industrial Electrician II
1	Code Specialist III	3	Senior Maintenance Supervisors
1	Engineer III	2	Administrative Assistants V
1	Financial Specialist III	2	Engineering Technicians II
1	Management Analyst III	1	Heavy Equipment Supervisor
	PW Environmental Business Operations		
1	Manager	9	Lead Refuse Operators
1	Project Manager I	1	Welder II
1	Code Specialist II	6	Administrative Assistants IV
3	PW Environmental Services Specialists	7	Environmental Technicians II
1	Safety Analyst II	49	Heavy Equipment Operators
1	Financial Specialist II	1	Welder I
3	Management Analysts II	2	Equipment Repairers
5	Assistant Refuse Superintendents	3	Motor Equipment Operators
1	Engineering Technician III	16	Administrative Assistants III
1	Human Resources Generalist I	4	Senior Maintenance Workers
1	Trades Supervisor	11	Maintenance Workers

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).

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FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	\$61,331,508	\$46,687,206	\$50,389,564	\$42,399,168	\$38,803,397
Revenue:					
Interest on Investments ¹	\$852,275	\$114,932	\$114,932	\$451,564	\$451,564
Refuse Disposal Revenue	52,217,188	57,701,207	57,701,207	62,773,791	62,773,791
Other Revenue:					
White Goods	\$1,016,723	\$523,250	\$523,250	\$523,250	\$523,250
Sale of Equipment	1,007,819	0	0	150,000	150,000
Licensing Fees	86,235	108,000	108,000	108,000	108,000
Miscellaneous ¹	364,369	286,793	286,793	824,049	824,049
Subtotal	\$2,475,146	\$918,043	\$918,043	\$1,605,299	\$1,605,299
Total Revenue	\$55,544,609	\$58,734,182	\$58,734,182	\$64,830,654	\$64,830,654
Total Available	\$116,876,117	\$105,421,388	\$109,123,746	\$107,229,822	\$103,634,051
Expenditures:					
Personnel Services	\$15,079,112	\$16,048,746	\$16,048,746	\$16,987,855	\$16,987,855
Operating Expenses ¹	43,720,458	41,380,512	44,780,512	45,611,304	45,611,304
Recovered Costs	(97,505)	(97,505)	(97,505)	(97,505)	(97,505)
Capital Equipment	2,881,970	3,214,000	4,230,951	3,010,000	3,010,000
Capital Projects	4,195,518	2,050,000	4,650,645	5,050,000	5,050,000
Total Expenditures	\$65,779,553	\$62,595,753	\$69,613,349	\$70,561,654	\$70,561,654
Transfers Out:					
General Fund (10001) ²	\$707,000	\$707,000	\$707,000	\$802,437	\$802,437
Total Transfers Out	\$707,000	\$707,000	\$707,000	\$802,437	\$802,437
Total Disbursements	\$66,486,553	\$63,302,753	\$70,320,349	\$71,364,091	\$71,364,091
Ending Balance³	\$50,389,564	\$42,118,635	\$38,803,397	\$35,865,731	\$32,269,960
Reserves:					
Capital Equipment Reserve ⁴	\$5,038,957	\$4,211,864	\$3,880,340	\$3,586,573	\$3,226,996
Operating Reserve ⁵	7,558,434	6,317,795	5,820,509	5,379,860	4,840,494
Rate Stabilization Reserve ⁶	26,202,574	21,901,690	20,177,767	18,650,180	16,780,379
Environmental Reserve ⁷	4,031,165	3,369,491	3,104,272	2,869,258	2,581,597
Construction and Infrastructure Reserve ⁸	7,558,434	6,317,795	5,820,509	5,379,860	4,840,494
Unreserved Balance	\$0	\$0	\$0	\$0	\$0
System Disposal Rate/Ton	\$70	\$72	\$72	\$79	\$79

¹ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments were reflected as an increase of \$234,150.07 to FY 2023 revenues in order to record revenue from the waste exchange with Prince William County and a decrease of \$220,078.27 to FY 2023 expenditures to record expenditure accruals and accurately reflect expenses associated with the waste exchange with Prince William County. The Annual Comprehensive Financial Report (ACFR) reflected all audit adjustments in FY 2023. Details of the audit adjustments were found in Attachment VI of the FY 2024 Third Quarter Package.

² Funding in the amount of \$802,437 is 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, Budget and other administrative services.

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³ 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.

⁴ 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.

⁵ 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, and significant reductions in revenues. The reserve also acts as a rate stabilization reserve, allowing smooth transition to rate changes minimizing the impact on customers.

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

⁷ 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.

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

SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2023 Actual Expenditures	FY 2024 Revised Budget	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
I-66 Administrative Building Renovation (SW-000011)	\$5,605,219	\$139,333.68	\$765,151.24	\$1,985,000	\$1,985,000
I-66 Basement Drainage Renovation (SW-000023)	3,040,000	0.00	591,548.97	2,390,000	2,390,000
I-66 Environmental Compliance (SW-000013)	1,750,669	29,478.92	863,582.84	0	0
I-66 Landfill Methane Gas Recovery (SW-000029)	4,350,000	3,382,850.28	967,149.72	0	0
I-66 Transport Study/Site Redevelopment (SW-000024)	5,378,623	643,854.78	1,463,212.27	675,000	675,000
Total	\$20,124,511	\$4,195,517.66	\$4,650,645.04	\$5,050,000	\$5,050,000