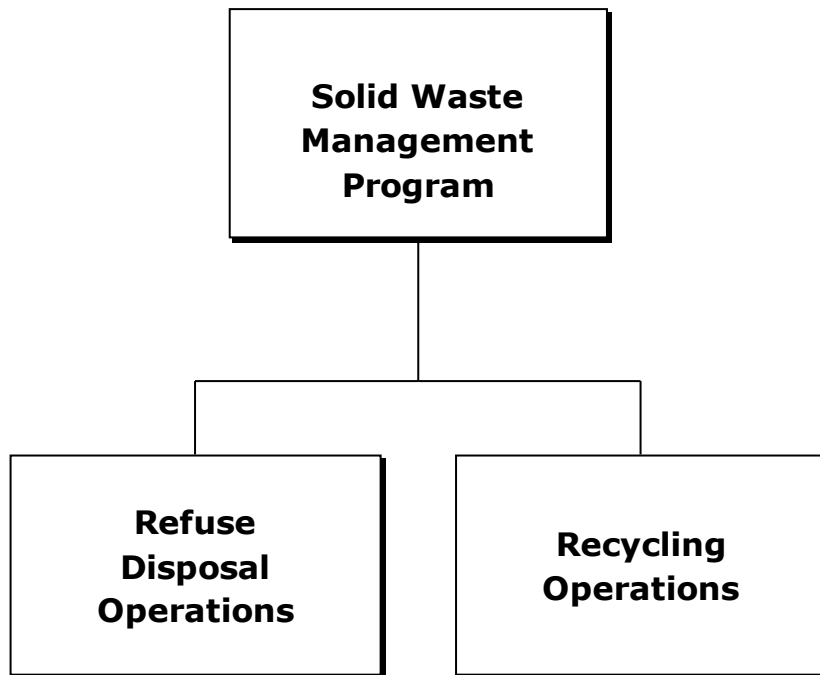


Fund 40150 Refuse Disposal



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 facilities in Prince William and Loudoun Counties where it is processed into a soil amendment. Construction and demolition debris (CDD) is transported to CDD landfills.



Fund 40150

Refuse Disposal

- 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:





- 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 that 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 County to the Covanta Fairfax, Inc. Waste to Energy Facility in Lorton 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 2019, the System Disposal Rate increased from \$64 to \$66 per ton. The contractual disposal rate for FY 2019 increased from \$60 to \$62 per ton. Based on the rate increase and the projected slight decrease in tonnage,

**Refuse Disposal supports
the following County Vision Elements:**

-  **Maintaining Safe and Caring Communities**
-  **Creating a Culture of Engagement**
-  **Practicing Environmental Stewardship**
-  **Connecting People and Places**

Fund 40150 Refuse Disposal

the total FY 2019 revenue for this fund is projected to be \$51,365,902, an increase of \$937,557 over the FY 2018 Adopted Budget Plan total of \$50,428,345.

Fund 40150 pays a disposal fee per ton for all wastes 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 wastes 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, 2021 with two additional 5-year extensions 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, based on Calendar Year 2017 information, is 49 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 2019 Adopted Budget Plan for those items.

Budget and Staff Resources

Category	FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$12,083,474	\$13,256,785	\$13,256,785	\$13,830,201	\$13,830,201
Operating Expenses	11,225,545	38,925,495	39,255,393	38,925,495	38,925,495
Capital Equipment	86,878	1,430,000	1,575,433	1,500,000	1,500,000
Capital Projects	242,042	0	3,436,582	0	0
Subtotal	\$23,637,939	\$53,612,280	\$57,524,193	\$54,255,696	\$54,255,696
Less:					
Recovered Costs	(\$93,994)	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)
Total Expenditures	\$23,543,945	\$53,514,775	\$57,426,688	\$54,158,191	\$54,158,191
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	146 / 146	158 / 158	155 / 155	154 / 154	155 / 155

Fund 40150 Refuse Disposal

<u>Administration</u>		<u>Transfer Station Operations</u>	
1	Division Director	2	Public Works Env. Svcs. Mgrs.
2	Public Works Environmental Services Specialists	5	Asst. Refuse Superintendents
1	Management Analyst III	1	Engineer III
2	Management Analysts II	1	Trades Supervisor
1	Network/Telecom. Analyst II	3	Heavy Equipment Supervisors
1	Financial Specialist III	1	Management Analyst IV
1	Financial Specialist II	3	Management Analysts II
3	Administrative Assistants IV	1	Senior Environmental Specialist
2	Administrative Assistants III	7	Engineering Technicians II
1	Human Resources Generalist I	4	Engineering Technicians I
		5	Environmental Technicians II
		11	Weighmasters
		54	Heavy Equipment Operators
		1	Maintenance Supervisor
		1	Motor Equipment Operator
		5	Senior Maintenance Workers
		15	Maintenance Workers
		1	Code Specialist II
		8	Lead Refuse Operators
		2	Maintenance Trade Helpers II
		1	Administrative Assistant III
		3	Administrative Assistants II
		1	Safety Analyst
		1	Welder II
		1	Welder I
		1	Financial Specialist I
		1	Industrial Electrician II
TOTAL POSITIONS			
155 Positions / 155.0 FTE			

FY 2019 Funding Adjustments

The following funding adjustments from the FY 2018 Adopted Budget Plan are necessary to support the FY 2019 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 1, 2018.

- ◆ **Employee Compensation** **\$501,338**
 An increase of \$501,338 in Personnel Services includes \$304,472 for a 2.25 percent market rate adjustment (MRA) for all employees and \$196,866 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2018.
- ◆ **Other Post-Employment Benefits** **\$72,078**
 An increase of \$72,078 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 2019 Adopted Budget Plan.
- ◆ **Capital Equipment** **\$1,500,000**
 Funding of \$1,500,000 in Capital Equipment includes \$300,000 for the replacement of two tractors; \$460,000 for the replacement of four trailers; the purchase of a material handler for \$330,000; the purchase of a roll-off truck for \$160,000; and the purchase of a stationary crane for \$250,000. These replacement items have all exceeded their useful life and are required to be replaced based on age, mileage, frequency of costly repairs, excessive downtime, and overall condition of the equipment/computer software.

Fund 40150 Refuse Disposal

Changes to FY 2018 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2018 Revised Budget Plan since passage of the FY 2018 Adopted Budget Plan. Included are all adjustments made as part of the FY 2017 Carryover Review, FY 2018 Third Quarter Review, and all other approved changes through April 30, 2018.

- ◆ **Carryover Adjustments** **\$3,911,913**
As part of the *FY 2017 Carryover Review*, the Board of Supervisors approved an increase of \$3,911,913, including \$3,436,582 in unexpended Capital Project balances, \$329,898 in encumbered carryover in Operating Expenses, and \$145,433 in encumbered carryover in Capital Equipment.

- ◆ **Position Adjustments** **\$0**
As a result of a review of positions, the County Executive redirected 4/4.0 FTE positions to other departments. In addition, 1/1.0 FTE position was transferred from Fund 40150, Refuse Disposal, to Fund 40170, I-95 Refuse Disposal and 1/1.0 FTE position was transferred from Fund 40170, I-95 Refuse Disposal to Fund 40150 Refuse Disposal, resulting in a net zero impact; and 1/1.0 FTE was transferred from Fund 40140, Refuse Collection and Recycling Operations to Fund 40150, Refuse Disposal.

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

Fund 40150, Refuse Disposal

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Beginning Balance¹	\$13,427,450	\$65,248,548	\$76,567,190	\$68,942,847	\$68,942,847
Revenue:					
Interest on Investments	\$86,626	\$135,105	\$135,105	\$588,000	\$588,000
Charges for Services	33,339,459	48,468,000	48,468,000	49,054,522	49,054,522
Miscellaneous Revenue:					
White Goods	616,141	700,000	700,000	700,000	700,000
Rent of Equipment, Space	0	232,400	232,400	230,000	230,000
Sale of Equipment	296,845	200,000	200,000	100,000	100,000
Licensing Fees	86,895	78,840	78,840	79,380	79,380
Miscellaneous	437,409	614,000	614,000	614,000	614,000
Subtotal Miscellaneous Revenue	\$1,437,290	\$1,825,240	\$1,825,240	\$1,723,380	\$1,723,380
Total Revenue	\$34,863,375	\$50,428,345	\$50,428,345	\$51,365,902	\$51,365,902
Total Available	\$48,290,825	\$115,676,893	\$126,995,535	\$120,308,749	\$120,308,749
Expenditures:					
Personnel Services	\$12,083,474	\$13,256,785	\$13,256,785	\$13,830,201	\$13,830,201
Operating Expenses	11,225,545	38,925,495	39,255,393	38,925,495	38,925,495
Capital Equipment	86,878	1,430,000	1,575,433	1,500,000	1,500,000
Recovered Costs	(93,994)	(97,505)	(97,505)	(97,505)	(97,505)
Capital Projects	242,042	0	3,436,582	0	0
Total Expenditures	\$23,543,945	\$53,514,775	\$57,426,688	\$54,158,191	\$54,158,191
Transfers Out:					
General Fund (10001) ²	\$577,000	\$626,000	\$626,000	\$626,000	\$626,000
Total Transfers Out	\$577,000	\$626,000	\$626,000	\$626,000	\$626,000
Total Disbursements	\$24,120,945	\$54,140,775	\$58,052,688	\$54,784,191	\$54,784,191
Ending Balance³	\$24,169,880	\$61,536,118	\$68,942,847	\$65,524,558	\$65,524,558
Reserves:					
Capital Equipment Reserve ⁴	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Operating Reserve ⁵	12,169,880	8,536,118	9,942,847	7,097,974	7,097,974
Rate Stabilization Reserve ⁶	0	47,000,000	47,000,000	46,426,584	46,426,584
Environmental Reserve ⁷	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Construction and Infrastructure Reserve ⁸	10,000,000	4,000,000	10,000,000	10,000,000	10,000,000
Unreserved Balance	\$0	\$0	\$0	\$0	\$0
System Disposal Rate/Ton ⁹	\$62	\$64	\$64	\$66	\$66
Discounted Disposal Rate/Ton ¹⁰	\$58	\$60	\$60	\$62	\$62

Fund 40150

Refuse Disposal

¹ As part of the FY 2018 Adopted Budget Plan, Fund 40160, Energy/Resource Recovery Facility, was consolidated into Fund 40150, Refuse Disposal. As a result, the FY 2018 Revised Budget Plan Beginning Balance reflects the \$52,397,310 FY 2017 Actual Ending Balance from Fund 40160.

² Funding of \$626,000 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, Budgeting and other administrative services.

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, significant reductions in revenues, etc. 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 in order to safeguard against significant increases in tipping fees charged to users of the Fairfax County Solid Waste Management Program. Starting in FY 2018, this reserve was moved from Fund 40160, Energy/Resource Recovery Facility (E/RRF), to Fund 40150, Refuse Disposal, due to the consolidation of these funds.

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.

⁹ The FY 2019 System Disposal rate is \$66 per ton.

¹⁰ 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. The FY 2019 Contract Disposal rate is \$62 per ton in order to meet program requirements, maintain identified reserves and avoid significant increases in rates in the future.

Fund 40150 Refuse Disposal

FY 2019 Summary of Capital Projects

Fund 40150, Refuse Disposal

Project	Total Project Estimate	FY 2017 Actual Expenditures	FY 2018 Revised Budget	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
I-66 Basement Drainage Renovation (SW-000023)	\$750,000	\$0.00	\$750,000.00	\$0	\$0
I-66 Environmental Compliance (SW-000013)	1,000,000	7,304.94	843,408.63	0	0
I-66 Permit and Receiving Center Renovation (SW-000011)	398,307	12,679.01	159,179.15	0	0
I-66 Retaining Wall Ramp Rehab (SW-000012)	388,834	222,058.48	370.50	0	0
I-66 Transport Study/Site Redevelopment (SW-000024)	1,683,623	0.00	1,683,623.39	0	0
Total	\$4,220,764	\$242,042.43	\$3,436,581.67	\$0	\$0