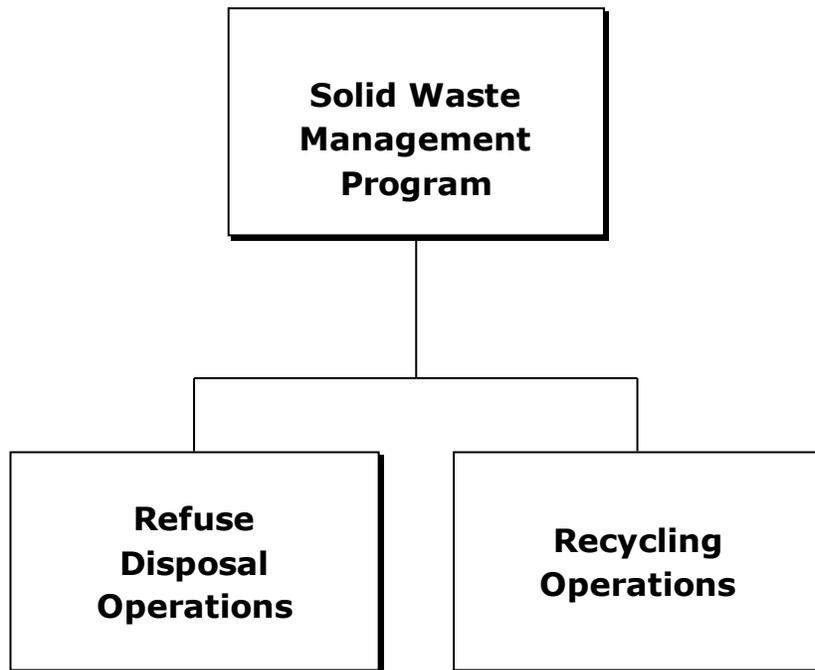


Fund 40150 Refuse Disposal



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.



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- 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 2020, the System Disposal Rate will increase from \$66 to \$68 per ton. The contractual disposal rate for FY 2020 will increase from \$62 to \$64 per ton. Based on the rate increase and the projected slight decrease in tonnage, the total FY 2020 revenue for this fund is projected to be \$55,891,862 an increase of \$4,525,960 over the FY 2019 Adopted Budget Plan total of \$51,365,902.

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

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 2018 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 2020 Adopted Budget Plan](#) for those items.

Budget and Staff Resources

Category	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Advertised	FY 2020 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$12,886,031	\$13,830,201	\$13,830,201	\$14,184,592	\$14,328,468
Operating Expenses	39,110,591	38,925,495	39,257,330	38,925,495	38,925,495
Capital Equipment	158,926	1,500,000	1,778,114	2,795,000	2,795,000
Capital Projects	308,442	0	4,203,140	0	0
Subtotal	\$52,463,990	\$54,255,696	\$59,068,785	\$55,905,087	\$56,048,963
Less:					
Recovered Costs	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)	(\$97,505)
Total Expenditures	\$52,366,485	\$54,158,191	\$58,971,280	\$55,807,582	\$55,951,458
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	155 / 155	155 / 155	155 / 155	155 / 155	155 / 155

Fund 40150 Refuse Disposal

1 Division Director	2 Public Works Env. Svcs. Mgrs.	1 Motor Equipment Operator
3 Public Works Environmental Services Specialists	5 Asst. Refuse Superintendents	5 Senior Maintenance Workers
1 Management Analyst IV	1 Engineer III	14 Maintenance Workers
4 Management Analysts II	1 Trades Supervisor	1 Code Specialist II
1 Network/Telecom. Analyst II	3 Heavy Equipment Supervisors	3 Code Specialists I
2 Financial Specialists III	1 Senior Environmental Specialist	8 Lead Refuse Operators
2 Financial Specialists II	3 Engineering Technicians II	2 Maintenance Trade Helpers II
1 Financial Specialist I	1 Engineering Technician I	1 Safety Analyst
1 Administrative Assistant V	5 Environmental Technicians II	1 Welder II
6 Administrative Assistants IV	54 Heavy Equipment Operators	1 Welder I
16 Administrative Assistants III	1 Maintenance Supervisor	1 Industrial Electrician II
1 Administrative Assistant II		1 Human Resources Generalist I

TOTAL POSITIONS
155 Positions / 155.0 FTE

FY 2020 Funding Adjustments

The following funding adjustments from the FY 2019 Adopted Budget Plan are necessary to support the FY 2020 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, 2019.

- Employee Compensation** **\$460,048**
 An increase of \$460,048 in Personnel Services includes \$274,670 for a 2.10 percent market rate adjustment (MRA) for all employees and \$185,378 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2019.
- Other Post-Employment Benefits** **\$38,219**
 An increase of \$38,219 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 2020 Adopted Budget Plan.
- Capital Equipment** **\$2,795,000**
 Funding of \$2,795,000 in Capital Equipment includes \$100,000 to replace one cargo box truck; \$450,000 for the replacement of three tractors; \$420,000 for the replacement of three trailers; \$275,000 for the replacement of one stationary crane; \$800,000 for the purchase of one shredder/grinder; and \$750,000 for the purchase of one screener. These items have exceeded their useful life and are required to be replaced based on the overall age and condition of the equipment.

Fund 40150 Refuse Disposal

Changes to FY 2019 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2019 Revised Budget Plan since passage of the FY 2019 Adopted Budget Plan. Included are all adjustments made as part of the FY 2018 Carryover Review, FY 2019 Third Quarter Review, and all other approved changes through April 30, 2019.

- ◆ **Carryover Adjustments** **\$3,738,089**
As part of the *FY 2018 Carryover Review*, the Board of Supervisors approved funding of \$3,738,089 including \$331,835 in encumbered funding in Operating Expenses, \$278,114 in encumbered funding in Capital Equipment, and \$3,128,140 in unexpended Capital Project balances.

- ◆ **Third Quarter Adjustments** **\$1,075,000**
As part of the *FY 2019 Third Quarter Review*, the Board of Supervisors approved funding of \$1,075,000 in Capital Projects as a result of higher than anticipated costs associated with the I-66 Permit and Receiving Center Renovations Capital Project due to urgent renovations necessary to ensure safe and efficient operations at the Transfer Station.

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 2018 Actual	FY 2019 Adopted Budget Plan	FY 2019 Revised Budget Plan	FY 2020 Advertised Budget Plan	FY 2020 Adopted Budget Plan
Beginning Balance	\$76,567,190	\$68,942,847	\$72,926,504	\$65,770,126	\$64,695,126
Revenue:					
Interest on Investments	\$599,206	\$588,000	\$588,000	\$600,000	\$600,000
Refuse Disposal Revenue	47,298,505	49,054,522	49,054,522	54,116,542	54,116,542
Miscellaneous Revenue:					
White Goods	1,028,672	700,000	700,000	700,000	700,000
Rent of Equipment, Space	0	230,000	230,000	0	0
Sale of Equipment	0	100,000	100,000	93,000	93,000
Licensing Fees	81,795	79,380	79,380	82,320	82,320
Miscellaneous	343,621	614,000	614,000	300,000	300,000
Subtotal	\$1,454,088	\$1,723,380	\$1,723,380	\$1,175,320	\$1,175,320
Total Revenue	\$49,351,799	\$51,365,902	\$51,365,902	\$55,891,862	\$55,891,862
Total Available	\$125,918,989	\$120,308,749	\$124,292,406	\$121,661,988	\$120,586,988
Expenditures:					
Personnel Services	\$12,886,031	\$13,830,201	\$13,830,201	\$14,184,592	\$14,328,468
Operating Expenses	39,110,591	38,925,495	39,257,330	38,925,495	38,925,495
Capital Equipment	158,926	1,500,000	1,778,114	2,795,000	2,795,000
Recovered Costs	(97,505)	(97,505)	(97,505)	(97,505)	(97,505)
Capital Projects	308,442	0	4,203,140	0	0
Total Expenditures	\$52,366,485	\$54,158,191	\$58,971,280	\$55,807,582	\$55,951,458
Transfers Out:					
General Fund (10001) ¹	\$626,000	\$626,000	\$626,000	\$626,000	\$626,000
Total Transfers Out	\$626,000	\$626,000	\$626,000	\$626,000	\$626,000
Total Disbursements	\$52,992,485	\$54,784,191	\$59,597,280	\$56,433,582	\$56,577,458
Ending Balance²	\$72,926,504	\$65,524,558	\$64,695,126	\$65,228,406	\$64,009,530
Reserves:					
Capital Equipment Reserve ³	\$4,983,657	\$1,000,000	\$1,245,568	\$929,396	\$929,396
Operating Reserve ⁴	9,942,847	7,097,974	6,022,974	6,872,426	5,653,550
Rate Stabilization Reserve ⁵	47,000,000	46,426,584	46,426,584	46,426,584	46,426,584
Environmental Reserve ⁶	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Construction and Infrastructure Reserve ⁷	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Unreserved Balance	\$0	\$0	\$0	\$0	\$0
System Disposal Rate/Ton ⁸	\$64	\$66	\$66	\$68	\$68
Discounted Disposal Rate/Ton ⁹	\$60	\$62	\$62	\$64	\$64

Fund 40150

Refuse Disposal

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

⁸ The FY 2020 System Disposal rate is \$68 per ton.

⁹ 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 2020 Contract Disposal rate is \$64 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 2020 Summary of Capital Projects

Fund 40150, Refuse Disposal

Project	Total Project Estimate	FY 2018 Actual Expenditures	FY 2019 Revised Budget	FY 2020 Advertised Budget Plan	FY 2020 Adopted Budget Plan
I-66 Basement Drainage Renovation (SW-000023)	\$350,000	\$0.00	\$350,000.00	\$0	\$0
I-66 Environmental Compliance (SW-000013)	470,669	91,706.74	222,370.34	0	0
I-66 Permit and Receiving Center Renovation (SW-000011)	2,402,638	216,364.70	1,947,146.00	0	0
I-66 Retaining Wall Ramp Rehab (SW-000012)	388,834	370.50	0.00	0	0
I-66 Transport Study/Site Redevelopment (SW-000024)	1,683,623	0.00	1,683,623.39	0	0
Total	\$5,295,764	\$308,441.94	\$4,203,139.73	\$0	\$0