

# 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 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:

- 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 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 2022, Fund 40150 will move to a single rate of \$66 per ton for all disposal and eliminate the discounted contractual disposal rate. This action is intended to simplify the rate structure and billing process as part of the conversion to a new billing system expected to go live in early 2021. The tonnage will remain the same volume as FY 2020. The total revenue for this fund in FY 2022 is projected to be \$52,383,100.

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 County, based on Calendar Year 2019 information, is 49.5 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 2022 Advertised Budget Plan](#) for those items.

### Pandemic Response and Impact

For the Solid Waste Management Program, major challenges include employee safety precautions and efforts to maintain social distancing. Standard operating procedures (SOPs) were revised to include enhanced personal protection equipment (PPE) practices. In FY 2022, the SWMP will continue focusing on employee safety procedures including virtual meetings, temperature screening, frequent disinfection of surfaces and vehicles, providing additional cleaning supplies and PPE for employees. To enhance social distancing, the SWMP will also continue staggering shift schedules to maintain social distancing. Additionally, the SWMP Outreach team has limited the in-person activities and tours in an effort to promote public safety. The action plans by the SWMP will be continuously reevaluated and revised based on the evolving situation with the pandemic.

Organizational Chart



Budget and Staff Resources

| Category   | FY 2020 Actual      | FY 2021 Adopted     | FY 2021 Revised     | FY 2022 Advertised  |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>FUNDING</b>   |                     |                     |                     |                     |
| <b>Expenditures:</b>                                   |                     |                     |                     |                     |
| Personnel Services                                     | \$12,925,989        | \$14,229,735        | \$14,203,735        | \$14,017,009        |
| Operating Expenses                                     | 37,088,225          | 38,925,495          | 41,061,541          | 38,038,276          |
| Capital Equipment                                      | 1,659,599           | 1,720,000           | 2,291,911           | 1,660,000           |
| Capital Projects                                       | 779,524             | 1,750,000           | 5,838,931           | 0                   |
| <b>Subtotal</b>  | <b>\$52,453,337</b> | <b>\$56,625,230</b> | <b>\$63,396,118</b> | <b>\$53,715,285</b> |
| Less:  |                     |                     |                     |                     |
| Recovered Costs  | (\$97,473)          | (\$97,505)          | (\$97,505)          | (\$97,505)          |
| <b>Total Expenditures</b>                              | <b>\$52,355,864</b> | <b>\$56,527,725</b> | <b>\$63,298,613</b> | <b>\$53,617,780</b> |
| <b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b> |                     |                     |                     |                     |
| Regular  | 155 / 155           | 155 / 155           | 154 / 154           | 154 / 154           |

FY 2022 Funding Adjustments

The following funding adjustments from the FY 2021 Adopted Budget Plan are necessary to support the FY 2022 program:

**Personnel Services** **(\$237,221)**

A net decrease of \$237,221 in Personnel Services is due to projected decrease in personnel costs based on prior year actual expenditure.

**Other Post-Employment Benefits** **\$24,495**

An increase of \$24,495 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 2022 Advertised Budget Plan.

**Operating Expenses** **(\$887,219)**

Funding of \$38,038,276 in Operating Expenses reflects a decrease of \$887,219 from the FY 2021 Adopted Budget Plan. This is primarily due to a decrease in refusal disposal expenses.

## Fund 40150: Refuse Disposal

**Capital Equipment** **(\$60,000)**

Funding of \$1,660,000 in Capital Equipment reflects a decrease of \$60,000 from the FY 2021 Adopted Budget Plan. Of this amount, \$465,000 is included for the replacement of three tractors; \$420,000 is for the replacement of three trailers; \$325,000 is for the replacement of one stationary crane; and \$450,000 is for the replacement of one Wheel Loader. 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** **(\$1,750,000)**

A decrease of \$1,750,000 in Capital Project reflects no additional funding required in FY 2022 to support civil work, site renovation and environmental compliance requirements at the I-66 Transfer Station.

### Changes to FY 2021 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, and all other approved changes through December 31, 2020:*

**Carryover Adjustments** **\$6,770,888**

As part of the *FY 2020 Carryover Review*, the Board of Supervisors approved funding of \$6,770,888 including \$2,136,046 in encumbered funding in Operating Expenses, \$545,911 in Capital Equipment, and \$4,088,931 in the carryover of unexpended Capital Project balances.

**Position Realignment** **\$0**

As part of an internal reorganization of positions, a total of 1/1.0 FTE position was transferred from Fund 40150 to Agency 26, Capital Facilities, to support workload requirements.

### Position Detail

*The FY 2022 Advertised Budget Plan includes the following positions:*

| REFUSE DISPOSAL – 154 Positions |                                       |    |                                  |
|---------------------------------|---------------------------------------|----|----------------------------------|
| 1                               | Division Director                     | 5  | Assistant Refuse Superintendents |
| 2                               | PW Environmental Services Managers    | 1  | Trades Supervisor                |
| 3                               | PW Environmental Services Specialists | 3  | Heavy Equipment Supervisors      |
| 1                               | Management Analyst IV                 | 1  | Maintenance Supervisor           |
| 4                               | Management Analysts II                | 8  | Lead Refuse Operators            |
| 2                               | Financial Specialists III             | 54 | Heavy Equipment Operators        |
| 2                               | Financial Specialists II              | 1  | Motor Equipment Operator         |
| 1                               | Financial Specialist I                | 1  | Equipment Repairer               |
| 1                               | Senior Environmental Specialist       | 1  | Welder II                        |
| 5                               | Environmental Technicians II          | 1  | Welder I                         |
| 1                               | Engineer III                          | 1  | Human Resources Generalist I     |
| 3                               | Engineering Technicians II            | 1  | Administrative Assistant V       |
| 1                               | Engineering Technician I              | 6  | Administrative Assistants IV     |
| 1                               | Network/Telecom. Analyst II           | 15 | Administrative Assistants III    |
| 1                               | Safety Analyst                        | 1  | Administrative Assistant II      |
| 1                               | Code Specialist II                    | 5  | Senior Maintenance Workers       |
| 3                               | Code Specialists I                    | 1  | Maintenance Trade Helper II      |
| 1                               | Industrial Electrician II             | 14 | Maintenance Workers              |

## **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

| Category   | FY 2020 Actual       | FY 2021 Adopted Budget Plan | FY 2021 Revised Budget Plan | FY 2022 Advertised Budget Plan |
|--|----------------------|-----------------------------|-----------------------------|--------------------------------|
| <b>Beginning Balance</b>                             | <b>\$73,874,451</b>  | <b>\$66,899,776</b>         | <b>\$71,444,668</b>         | <b>\$63,356,793</b>            |
| <b>Revenue:</b>                                      |                      |                             |                             |                                |
| Interest on Investments                              | \$799,642            | \$600,000                   | \$600,000                   | \$700,000                      |
| Refuse Disposal Revenue                              | 48,657,813           | 54,101,318                  | 54,101,318                  | 50,560,780                     |
| Other Revenue:                                       |                      |                             |                             |                                |
| White Goods  | \$621,447            | \$650,000                   | \$650,000                   | \$625,000                      |
| Sale of Equipment                                    | 10,827               | 153,100                     | 153,100                     | 145,000                        |
| Licensing Fees                                       | 114,693              | 82,320                      | 82,320                      | 82,320                         |
| Miscellaneous  | 347,659              | 250,000                     | 250,000                     | 270,000                        |
| Subtotal   | \$1,094,626          | \$1,135,420                 | \$1,135,420                 | \$1,122,320                    |
| <b>Total Revenue</b>                                 | <b>\$50,552,081</b>  | <b>\$55,836,738</b>         | <b>\$55,836,738</b>         | <b>\$52,383,100</b>            |
| <b>Total Available</b>                               | <b>\$124,426,532</b> | <b>\$122,736,514</b>        | <b>\$127,281,406</b>        | <b>\$115,739,893</b>           |
| <b>Expenditures:</b>                                 |                      |                             |                             |                                |
| Personnel Services <sup>1</sup>                      | \$12,925,989         | \$14,229,735                | \$14,203,735                | \$14,017,009                   |
| Operating Expenses <sup>1</sup>                      | 37,088,225           | 38,925,495                  | 41,061,541                  | 38,038,276                     |
| Recovered Costs                                      | (97,473)             | (97,505)                    | (97,505)                    | (97,505)                       |
| Capital Equipment                                    | 1,659,599            | 1,720,000                   | 2,291,911                   | 1,660,000                      |
| Capital Projects                                     | 779,524              | 1,750,000                   | 5,838,931                   | 0                              |
| <b>Total Expenditures</b>                            | <b>\$52,355,864</b>  | <b>\$56,527,725</b>         | <b>\$63,298,613</b>         | <b>\$53,617,780</b>            |
| <b>Transfers Out:</b>                                |                      |                             |                             |                                |
| General Fund (10001) <sup>2</sup>                    | \$626,000            | \$626,000                   | \$626,000                   | \$626,000                      |
| <b>Total Transfers Out</b>                           | <b>\$626,000</b>     | <b>\$626,000</b>            | <b>\$626,000</b>            | <b>\$626,000</b>               |
| <b>Total Disbursements</b>                           | <b>\$52,981,864</b>  | <b>\$57,153,725</b>         | <b>\$63,924,613</b>         | <b>\$54,243,780</b>            |
| <b>Ending Balance<sup>3</sup></b>                    | <b>\$71,444,668</b>  | <b>\$65,582,789</b>         | <b>\$63,356,793</b>         | <b>\$61,496,113</b>            |
| <b>Reserves:</b>                                     |                      |                             |                             |                                |
| Capital Equipment Reserve <sup>4</sup>               | \$7,144,467          | \$6,558,279                 | \$6,335,679                 | \$6,149,611                    |
| Operating Reserve <sup>5</sup>                       | 10,716,701           | 9,837,419                   | 9,503,519                   | 9,224,417                      |
| Rate Stabilization Reserve <sup>6</sup>              | 37,151,227           | 34,103,050                  | 31,678,397                  | 31,977,979                     |
| Environmental Reserve <sup>7</sup>                   | 5,715,573            | 5,246,623                   | 6,335,679                   | 4,919,689                      |
| Construction and Infrastructure Reserve <sup>8</sup> | 10,716,700           | 9,837,418                   | 9,503,519                   | 9,224,417                      |
| <b>Unreserved Balance</b>                            | <b>\$0</b>           | <b>\$0</b>                  | <b>\$0</b>                  | <b>\$0</b>                     |
| System Disposal Rate/Ton                             | \$68                 | \$68                        | \$68                        | \$66                           |
| Discounted Disposal Rate/Ton <sup>9</sup>            | \$64                 | \$64                        | \$64                        | \$66                           |

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as a decrease of \$27,658.72 to FY 2020 expenditures to record expenditures in the appropriate fiscal year. This audit adjustment was included in the FY 2020 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2021 Mid-Year Package.

<sup>2</sup> 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.

<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.

## Fund 40150: Refuse Disposal

---

<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, etc. 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 proposes to move to a single rate of \$66 per ton for all disposal and eliminate the discounted rate.

**SUMMARY OF CAPITAL PROJECTS**

| <b>Project</b>                                      | <b>Total Project Estimate</b> | <b>FY 2020 Actual Expenditures</b> | <b>FY 2021 Revised Budget</b> | <b>FY 2022 Advertised Budget Plan</b> |
|---|-------------------------------|------------------------------------|-------------------------------|---------------------------------------|
| I-66 Administrative Building Renovation (SW-000011) | \$2,902,638                   | \$521,371.87                       | \$782,469.83                  | \$0                                   |
| I-66 Basement Drainage Renovation (SW-000023)       | 650,000                       | 25,560.00                          | 591,548.97                    | 0                                     |
| I-66 Environmental Compliance (SW-000013)           | 1,250,669                     | 219,800.03                         | 775,817.36                    | 0                                     |
| I-66 Landfill Methane Gas Recovery (SW-000029)      | 1,000,000                     | 0.00                               | 1,000,000.00                  | 0                                     |
| I-66 Transport Study/Site Redevelopment (SW-000024) | 2,903,623                     | 12,791.83                          | 2,689,094.61                  | 0                                     |
| <b>Total</b>  | <b>\$8,706,930</b>            | <b>\$779,523.73</b>                | <b>\$5,838,930.77</b>         | <b>\$0</b>                            |