

NORTHERN VIRGINIA WASTE MANAGEMENT BOARD

Summary Minutes

June 3, 2011

10:00 am

Members Present:

Erik Grabowsky, Arlington
Jeff Smithberger, Fairfax County
Joyce Doughty, Fairfax County
Kate Vasquez, Fairfax County
Charlie Forbs, Fairfax County
Kathy Allan, City of Falls Church
Nershel Kirk, Town of Herndon
Thomas Mason, Town of Leesburg
Jane Tatum, Loudoun County
Sue Lhotka, City of Manassas

Scott McDonald, Prince William County
John Snarr, MWCOG

Staff Present:

Debbie Spiliotopoulos, NVRC
Steve Walz, NVRC
Sue Rowland, NVRC Legislative Liason

Invited Guests:

Richard Doucette, DEQ

CALL TO ORDER Chairman Kathy Allan, Falls Church, called the meeting to order at 10:02 a.m. at the offices of the Northern Virginia Regional Commission (NVRC).

APPROVAL OF MINUTES Jeff Smithberger, Fairfax, moved approval of the corrected minutes from the March 4, 2011 meeting. The motion was seconded by Jane Tatum, Loudoun, and unanimously carried.

STATUS OF WASTE-TO-ENERGY AGREEMENTS Charlie Forbes and Joyce Doughty, from Fairfax County, provided an update on County negotiations with Covanta over continued ownership and operation of the Fairfax County waste-to-energy (WTE) plant. The County Board had decided to accept Covanta's best offer for operation of the WTE plant and develop terms of a contract. After initial development of the term sheet, Covanta proposed 29 significant changes. The Board discussed the proposed new terms and directed staff to no longer discuss contract extension with Covanta and explore other options to waste disposal services to the County. The current service agreement had an expiration date in 2011 with an automatic 5-year extension through February 2016. The plant now operates under the extension clause. All options for the future, except the explicit right to purchase the plant (that expired on June 3, 2011), are back on the table.

Eric Grabowsky, from Arlington County, updated the Board on the WTE contract between Arlington/Alexandria and Covanta. Covanta will present new contract terms next month. Arlington and Alexandria will jointly negotiate with Covanta. The County and City may need to look at other options, either jointly or separately, if the contract with Covanta is not continued. Arlington has had some concerns under the current contract with minimum tonnage requirements as the County's tonnage has decreased. This issue must be addressed in any new contract. The current contract ends December 31, 2012. The plant will become a merchant electric generator in 2013. Arlington currently pays \$83/ton for disposal at the plant. Any reduction in costs would be advantageous to Arlington and Alexandria's citizens due to decreased waste disposal costs. The County and City expect the contract negotiations will occur over the next 6-12 months.

VIRGINIA RECYCLING ASSOCIATION UPDATE

Kate Vasquez, from Fairfax County and President of the VRA, updated the Board on the Virginia Recycling Association (VRA) and the Virginia Recycling Markets Development Council (VRMDC). The authorizing legislation for the Council has been repealed (2011 HB 2520/SB1417) and the Council will cease operations by June 2011, the end of the state fiscal year. The Council was one of a number of boards and commissions being sunsetted under the legislation. The legislative recommendations originated out of the Governor's Commission on Government Reform and Restructuring, based on study by the Joint Legislative and Audit Review Commission (JLARC). The JLARC report suggested that DEQ could do the work of the Council and it therefore was no longer needed. The JLARC report also noted that DEQ would need an additional staff position for this work. This additional staff position was not authorized or budgeted with the elimination of the VRMDC.

Kevin Byrnes, VRMDC President and GWPDC representative, testified before the General Assembly to support continuing Council. The VRA, and NVRC at this Board's request, opposed elimination of the Council.

The Council's final meeting is scheduled for June 16, 2011 at the Richmond Regional Planning District Commission offices.

The Council met regularly, and despite its limited budget, had worked on a number of projects, including

- Completing an online survey of local recycling market challenges.
- Researching siting a glass beneficiation plant in Virginia, including market and economic analysis.
- Evaluating a rural materials recovery facility (MRF) project to see how this would support materials recovery from a statewide perspective.
- Expanding participation in the Southeast Recycling Development Council (SERDC), including providing input into a SERDC economic impact assessment.

What can the VRA do now to support the work of the VRMDC? The VRA created a council to support VRMDC work before council elimination. The VRA can provide a small budget to support the Council. There may be value working through the VRA as it has more members and resources than VRMDC had.

VRA is interested in supporting a glass project. Owens-Illinois (O-I) spends millions each year shipping glass cullet to bottle plants in Toano and Danville. The cullet comes mostly from states with bottle bills. O-I is willing to support development of a glass beneficiation plant. Site analysis shows that a central site in King George County may best meet the market needs, although O-I is also looking at sites in North Carolina.

VRA board will meet in the afternoon after the June 15 VRMDC meeting to plan what goes forward. The VRA will consider starting the VRA markets council, identify business development tools and resources available, consider how to continue work on VRMDC research projects, and look at how to promote development of glass or other MRF plants to the state Department of Business Assistance and state economic development officials. VRA members are not interested in becoming a lobbying organization, but will consider a role showing the potential for in-state job growth and other benefits of a new MRF facility.

The June VRMDC meeting will have a public comment period at its June 15 meeting. Jeff Smithberger of Fairfax moved, and the Board approved, that Sue Roland be authorized to speak in support of expanded VRA actions as described above. Sue will prepare a statement/bullet sheet for review before the June 15 meeting.

Kate Vasquez addressed how this Board can be involved in continuing the work of the VRMDC. Members can join the VRA, participate in the markets council, request use of NVRC resources to support some R&D and project development, and work with NVRC to develop a NVRC position paper regarding the project and related issues.

The presentation was followed by a Q&A session.

Q - There is increased demand for some waste materials beyond glass, such as PET. Companies are looking at ways to incentivize markets as they are not getting sufficient material from existing local programs. SERDC did a webinar, available in its web site, with good information on state by state material management and related issues. The Virginia data from SERDC was limited, so SERDC needs info from Virginia to bring their information on the Commonwealth up to date. What can be done?

A - The VRA will help get this data/info together.

Q - Has anyone talked to Lieutenant Governor Bolling on this?

A - Not yet. There has been some outreach to some state officials, but outreach needs to be expanded, including to the Lieutenant Governor.

Q - Is there a way to address the glass cleanliness problem?

A –Technologies are available, but single stream recycling and paper contamination represents the biggest problem O-I can take mixed color glass but cannot sort the glass if it is real dirty. The largest hurdle is that the price of glass had not supported MRF or cleaning technologies.

Q - Has someone looked at incremental cost per ton of shipping glass? Shipping costs may be \$10-15/ton just from Manassas to the Toano plant. Shipping must be high from out of state. Is there an opportunity here?

A – There are many factors affecting the glass market and interest in out-of-state glass. There may be other economic advantages, such as using back-hauling agreements, which allow the glass to continue coming from places such as Michigan.

Sue Roland noted that the Lieutenant Governor should be invited to the June 15 VRA meeting. Additionally, the VRA should consider inviting the two legislators sponsoring the Council repeal bill (Delegate Chris Peace, Senator Steve Newman). They should be approached to support options to the Council. They asked for ideas about options to the Council during the 2011 General Assembly session. Del John Costgrove, who is a recycler, should also be approached. He was opposed to the repeal bill. Sue asked that the VRA let NVRC know there is any push back to alternatives, as NVRC could follow up to address legislators' issues. Sue recommended that any outreach to legislators focus on the job potential.

ROUND TABLE

Each member gave quick updates regarding work within their jurisdictions.

- Arlington County: The County will reduce household solid waste rate by \$18 due to lowered collection costs from reduced waste tonnage. The County has seen a 24% increase in recycling. The new rates will be about \$3.24 per month. The County could see an additional reduction of \$15 if it can lower WTE costs.
- Fairfax County: The disposal budget is being impacted in that the County Board has had to keep property taxes paid for the Covanta WTE plant in the general fund. The loss will be absorbed into the waste collection program. WTE plant tipping fees are expected to stay at \$60/ton for contract customers, and be lowered from \$55 to \$53 for the County due to lower WTE plant debt repayment costs.

County solid waste staff expect to be visited under the EPA's MS4 audit of the County. Staff expect the waste management operations to be in good shape as they have individual VPDES permits.

A new project to have waste water pumped to the WTE plant for cooling tower makeup water in lieu of city water is near completion. Covanta will see a 25% reduction in water costs as compared to city water. Savings should pass through to the waste budget. The waste water will also be used for watering a golf course and other irrigation.

- Loudoun County – The County rebid contracts for hauling transport and marketing of materials. Bids were very close and came down to who had better

rebates. The County is going with Waste Management and away from Conserve.

The county entered into a deal with Fauquier County to take latex paint. They use it for their daily cover mix. This reduces program costs and allows a way for the County to meet increased public demand for HHW and ewaste services.

The County also rebid its landfill management contract, moving away from a flat \$40/ton to a variable rate if there is more tonnage brought in. The gate rate is \$60/ton. It is the County's policy to not take out of county waste, so it won't look to out of county waste to increase volume.

- Town of Leesburg: The waste budget for next year is being reduced, so there will be some staff reductions, leaving fewer people to manage the Town's waste activities.
- Town of Herndon: A condo association requested Town waste collection in mid-term of their current budget. Taking on the condo will increase costs by over 20% so the Town will have to rebid its waste management contract to account for the additional load.
- City of Falls Church: The Falls Church City Council will have a working session Monday on fees for excess trash. A proposal should go to final vote on June 13 for a \$1/bag fee for any waste that does not fit in residents' 65 gal cart. The City Council appears to support the idea; the community seems indifferent. This does not impact budget much as only about 5% of customers have extra trash out in any week. The extra bag fee will be expensive to administer but is seen as a way to evaluate pay as you throw service. Bulk item collection is separate (no free bulk pickup). This will be a good test for the wider region as the City waste collection only has 3100 customers.
- DEQ: Governor McDonnell's office has approved refilling the regional office's solid waste permit writer position. The region has been using staff from other regions, but has multiple major permit modifications so needs the staff.

The Waste Management Board just passed a cleaned up Amendment 7 to the Waste Management Regulations. The new action is labeled as amendment 8, so there may be some confusion. DEQ will share a new clean version when it is available. More info is available on DEQ web site.

- Prince William County: There will be no change to waste fees next year. The waste department did get a little capital money to redesign the County's household hazardous and electronics waste facility. It will be a covered facility. Funds for a new cell liner and closure of existing cells is also funded.
- City of Manassas: Solid waste fees have been level for the last three years. The City expects a slight increase this year with their transfer station contract.

There was general discussion whether any company besides Waste Management can provide materials management services. Prince William has a contract with CSI. The company has a new building in Loudoun, but the facility still lacks processing equipment. The new facility will probably hand sort. One locality has heard of interest by Green Star, which has operations in Northeast and south of Virginia to Texas.

NVRC PROJECT UPDATES

Debbie Spiliotopoulos reported on NVRC business.

- NVRC has received tables for the updated waste report from many localities. NVRC is putting the data in a master Excel table and will look at enhancing the report with new census data.

- Know Toxics – NVRC put in a proposal into EPA to do a market study. NVRC has not yet heard back from EPA. The market study would look at what are the most effective ways to reach out to industry. If it gets the grant, NVRC will share info on the survey with this Board before going out with the survey.
- Next meeting, scheduled for September 9, 2011. Debbie will invite Ken Billingsley from NVRC to update the group on new census information. At the request of Board members, Debbie also will invite Waste Management to talk about the company's recent MRF activities. There was discussion about inviting additional MRF companies to different future meetings.
- There also was discussion about asking Waste Management about helping with outreach on Know toxics, possibly pursuing the effort as a public private partnership.

Steve Walz described new NVRC actions to complete a regional energy strategy. He said he will bring WTE and related issues back to this Board for members' input.

NEW BUSINESS Kathy Allen opened the floor to new business.

Arlington asked whether there any interest in use of a common hauler recycling waste report across the region so that haulers can have a uniform Northern Virginia report? Use of a uniform report can help address issues such as double counting. DEQ is interested in seeing a single report and in hearing from the Board about this. NVRC is gathering hauler forms used by localities. Fairfax County noted that it has issues with facility and collector data that would need to be addressed in a common regional form. The Board expressed an interest in pursuing this idea. They asked all localities to send their forms to NVRC, who then will propose a common approach. NVRC will convene a meeting to address this issue when the information is together. It was noted that this is for haulers and not businesses.

Prince William County's new landfill cell construction going well. The first cell opened in January, with the second cell is under construction. The County has been having some issues with getting the right clay for the cap on the old cells.

Prince William County's contract with SP will go out to bid soon. The Care Environmental contract will go out to bid in the fall. If anyone is riding these contracts, be aware of the possible changes. The County is willing to do a regional contract.

ADJOURNMENT Jeff Smithberger motioned to adjourn the meeting and all present were in favor. Adjourned at 11:38 a.m.