

**CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MAY 18, 2018
2104 WEST LABURNUM AVENUE
RICHMOND, VIRGINIA**

MEMBERS/ALTERNATES PRESENT

Voting:

J. Allen Lane (M-Henrico), Chairman
Marcia Rygh Phillips (M-Chesterfield), Vice Chairman
Mark Kukoski (M-Richmond), Treasurer
Patricia Paige (M-New Kent), Secretary
Lee Sloppy (M-Ashland)
Scott Zaremba (M-Chesterfield)
Robert L. Dunn (M-Chesterfield)
Doug Smith (M-Colonial Heights)
Leigh Dunn (M-Goochland)
Stephen Chidsey (M-Hanover)
Scott A. Wyatt (M-Hanover)
Chip England (A-Henrico)
Marcia E. Kelley (M-Henrico)
Monique Robertson (M-Hopewell)
William Riggelman (A-Petersburg)
Johnny Melis (A-Powhatan)
David McNeel (M-Richmond)
Miles Jones (M-Richmond)

Non-Voting:

Clay Bowles (A-Chesterfield)
Jeffrey Howard (A-Chesterfield)
Dwayne Jones (A-Goochland)
Michael Flagg (A-Hanover)
Jon Clary (A-Henrico)

Staff:

Kimberly A. Hynes, Executive Director
Richard Nolan, Director of Operations
Nancy Drumheller, Public Affairs Manager
Teresa Eckhout, Accounting and Financial Manager
Reginald D. Thompson, Operations Technician
Mary Beth Mains, Part-time Administrative Assistant

MEMBERS/ALTERNATES NOT PRESENT

Jennifer Schontag (A-Ashland)
Ricky Hicks (M-Charles City)
Michelle Johnson (A-Charles City)
Al Pace (A-Chesterfield)
William E. Henley (A-Colonial Heights)
Randy Hardman (A-Hanover)
Bentley P. Chan (A-Henrico)
Robert Whiteman (M-Henrico)
James H. Burrell (A-New Kent)
Tangela Innis (M-Petersburg)
Cindy Odum Harris (M-Powhatan)
Michael Purvis (M-Prince George)
Rod Compton (A-Prince George)

Guests:

With a quorum in attendance Chairman J. Allen Lane (M-Henrico) called the meeting to order at 9:00 a.m.

CHAIRMAN'S AGENDA

Item No. 1: Public Comment Period

Chairman Lane opened the floor for public comment. Without any requests to address the Board, he closed the public comment period.

Item No. 2: Minutes of the Regular Meeting of April 20, 2018

Chairman Lane opened the floor for a motion to approve the minutes of the regular meeting of March 16, 2018 as submitted. A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. S. Wyatt (M-Hanover), and carried that the minutes of the April 20, 2018 Central Virginia Waste Management Authority (CVWMA) Board of Directors meeting be approved as submitted.

Item No. 3: Chairman's Report

Chairman Lane had nothing to report.

Item No. 4: Nominating Committee Report

Chairman Lane invited Mr. M. Kukoski (M-Richmond), Nominating Committee Chair to report. Mr. Kukoski thanked the committee and staff for their efforts and he introduced the committee members, Mrs. Marcia Phillips (M-Chesterfield), Chairman, Mr. Scott Wyatt (M-Hanover), Vice Chairman, Mrs. Patricia Page (M-New Kent), Secretary, Mr. Mark Kukoski (M-Richmond), Treasurer, Mr. Allen Lane (M-Henrico), past Chairman. Mr. Kukoski noted the Directors position is open and invited the Board members to step forward to join the Executive Committee. If interested please contact Mr. Mark Kukoski or the Nominating committee.

STAFF AGENDA

Item No. 5: Residential Recycling Program

Potential Contract Amendment Discussion

5a. CONSIDERATION OF RESOLUTION 18-14 AMENDING THE CONTRACT FOR RESIDENTIAL RECYCLING AND DROP OFF PROCESSING SERVICES CONTRACT

Mrs. Kim Hynes, CVWMA Executive Director, reminded the Board of our ongoing discussion with TFC Recycling, the contractor that processes the majority of the Curbside program, and all materials collected in the Drop Off program. Mrs. Hynes referred to the information she had sent to the members previously concerning issues with the Chinese government, their ban on recycling, and its effects on TFC. Mrs. Hynes updated the Board that China has banned all imports for one month period, and we have to wait until June 4th to see the results. Mrs. Hynes shared the TAC and the Executive committee met twice since the last Board meeting. TFC had petitioned a force majeure in January and CVWMA didn't agree at that time this was a force majeure situation. TFC has petitioned CVWMA again requesting relief under the contract, as this is an unprecedented event that could not be reasonably foreseen when TFC bid on it. TFC has quoted several sections of our contract as a way to gain some relief. If we are willing to negotiate we can amend contract terms, if the intent of the contract remains within the terms of the original procurement. Mrs. Hynes relayed she had briefed Chief Administrative

half (mixed paper coupled with glass and residue) of the volume having no value, those costs are not being covered.

Mrs. Hynes relayed she has briefed Chief Administrative Officers in the seven jurisdictions participating in the curbside portion of the TFC Contract. The TAC and Executive Committee have discussed several options on dealing with the issues going forward and the consensus is to keep recycling going until there is more certainty in the market. Under the current agreement with TFC, CVWMA shares in the revenue receiving a minimum of \$20 per ton. Mixed paper is 36% of the volume collected, and OCC comprises 31%, together fiber comprises two thirds of the volume.

This situation is not unique to our vendors, it is an industry wide issue. Other communities around the county have decided to temporarily landfill and others are paying to process. TFC confirms they are continuing to recycle the material and they are not storing, stock piling or landfilling the material but they are economically challenged in the markets. They have added more labor and incurred additional cost to get a cleaner product at their 2 MRF facilities in Chester and Chesapeake. We had 2 meetings with the TAC and Executive Committee, and the consensus in the short term is to suspend the \$20/ton rebate that we have enjoyed for the last 4 years and to continue discussions and negotiations with TFC. CVWMA is working with participating jurisdictions to ensure consensus on a solution. CVWMA staff recommends the Board approve **Resolution 18-14** to suspend the rebate and to allow staff to negotiate an amendment to the contract with TFC if deemed necessary.

Mr. S. Wyatt (M-Hanover) asked if there was a time frame for the suspension of the rebate, 3 or 6 months? Mr. S. Chidsey (M-Hanover) said he thought that would be better because we would be taking that chip off the table. Mr. Wyatt suggested effective April 1st or until a new contract has been amended.

Mr. D. Smith (M-Colonial Heights) asked if the communities decisions would be done by a formal vote or are you reaching out to the jurisdictions. Mrs. Hynes stated she would be reaching out to the City Managers and County Administrators and it would be up to each locality on how it should be handled and conveyed with City/County/Town leaders.

Mr. Clary (A-Henrico) asked what if we don't amend the contract? Would the rebate still be suspended? Mr. Clary stated we could suspend for 3 or 6 months or until further action of the Board. Mrs. Phillips (M-Chesterfield) stated that further action by the Board would be best because we do not want to talk about this once a quarter if nothing changes. Mrs. M. Kelley (M-Henrico) asked what would happen if out of the 7 jurisdictions 3 decide they do not agree with an amendment. Mrs. Hynes stated we are hoping to come to a consensus.

Mr. R. Dunn (M-Chesterfield) asked if there is a nationwide effort to work with China on reversing this. Mrs. Hynes stated there has been a national and global effort to work with the Chinese government by organizations like Solid Waste Association of North America (SWANA) and National Waste and Recycling Association (NWRA) and other national trade groups. They have written letters and had meetings but the Chinese government has not budged yet. Mr. S. Chidsey stated if anything they are getting more entrenched in their position. Mrs. Hynes added the tariff situation is adding another layer of concern. Mrs. Hynes stated this resolution would allow staff to keep working with our groups, and discussing the issue and a solution with TFC. Mr. S. Chidsey (M-Hanover) stated the \$20 per ton is the minimum, the formula in the contract is variable. Mrs. Hynes responded that is correct and the resolution should be revised to just use the word "rebate."

Mr. D. Smith (M-Colonial Heights) asked Mrs. Hynes to reread the final wording of the resolution as amended. Mrs. Hynes stated **Resolution 18-14** was amended to read *WHEREAS, the report included*

as Staff Agenda Item No. 5a of the May 2018 Board Agenda outlined the proposed Addendum to the Residential Recycling and Drop Off Processing Services Contract to include suspension of the rebate effective April 1, 2018 for a six month period or until the contract is amended.

Mrs. Hynes asked if there were any more questions. Mr. R. Dunn (M-Chesterfield), moved the Board adopt **Resolution 18-14, as amended: Amending the Contract for Residential Recycling and Drop Off Processing Services Contract.** Mr. J. Clary (A-Henrico) seconded, and motion carried to approve **Resolution 18-14** as amended. Mrs. Hynes thanked everyone for their help, support, and ideas.

Residential Recycling Program

Mr. R. Nolan, CVWMA Director of Operations, reported that year to date through April 30, 2018, 30,371 tons of recyclable materials were collected in the Residential Recycling Program versus 31,325 for the same period last year, a difference of 954 tons. He reported 2,957 tons were collected in April 2018 vs. 2,881 in April 2017. Mr. Nolan noted that Petersburg is the most notably down from last year and CVWMA is looking into the reason.

Mr. Nolan noted there were 398 misses reported in April versus 304 in April a year ago. Mr. Nolan noted TFC has beefed up their communication about contamination and the Call Center has been getting more calls about their containers not being collected up because of the contamination problems including tangles and plastic bags in TFC jurisdictions.

Item No. 6: Municipal Solid Waste (MSW) Program

Mr. Thompson, CVWMA Operations Technician reported that in the month of April there were 52 misses reported in Ashland, and 52 in Chesterfield for County Waste. In addition, 49 misses were recorded in Colonial Heights, 53 in Hopewell, and 69 in Petersburg.

Item No. 7: Operations and Program Statistics

Mr. R. Nolan, stated that April program revenues are up by about \$61,000 year to date over the same period last fiscal year due to used oil and metals. There will be an update to the Safe Garage and Rebate numbers posted on the website once completed.

Mr. Nolan noted the following recycling events: April 21 Prince George and Hanover both held successful household hazardous waste collection events and Powhatan had a tire amnesty and electronics recycling event; Electronics recycling and document shredding happened on May 5th in Henrico County and the City of Richmond, both very successful; Chesterfield will host an electronics recycling event on June 2nd at the Chesterfield Fair Grounds which will include hard drive shredding; and on June 9th, Goochland County will host a household hazardous waste and document shredding event.

Item No. 8: Technical Advisory Committee (TAC) Report

Mr. Nolan reported that the TAC met on May 2 in Henrico and the only discussion was the residential recycling contracts as discussed earlier in the agenda. The next TAC meeting will be Tuesday June 5, 2018 at 9:00 am.

Item No. 9: Earth Day 2018

Mrs. N. Drumheller, Public Affairs Manager stated staff survived Earth Day and earth month. Mrs. Drumheller shared a handout listing the outreach for the month. Staff responded to many requests including: 30 presentations, 19 requests for educational materials, 10 requests to have CVWMA booth

at local grassroots events, and 1 media event request. Mrs. Drumheller stated CVWMA staff has been in 11 of our 13 localities this month. As part of our Education Focus for Earth Day, CVWMA staff provided over 4,000 plastic bag keepers this month of which 3,300 were given to member localities for educational purposes and 717 distributed at local events.

In addition to school and childcare requests, Ms. K. Carney, Recycling Education and Outreach Specialist did several programs for Colonial Heights Parks and Recreation which included two Therapeutic Recreation (TR) groups as well as two programs for the Goochland County 4H Trailblazers & Cloverbuds. Ms. Carney had an education/craft table at three Children's Museum of Richmond (CMOR) locations and worked an education table at Henrico's Holman Middle School Documentary Night, attended Chesterfield County STEAM workshop and the Friends of the Lower Appomattox River (FOLAR) regional RiverFest event.

Mrs. N. Drumheller presented and attended at the following events: Hanover County Parks and Recreation "Prime Timers", two Henrico Recreation and Parks WOW (Weekend on Wednesdays) events at the eastern Henrico Recreation Center, Henrico's Holman Middle School Documentary Night, Chesterfield County STEAM Workshop, Pfizer Earth Day and the Bank of America Employee Appreciation Earth Day Extravaganza.

Item No. 10: Public Information

Plastic Bags and Plastic Bagged Recyclables Regionwide Education and Messaging Update

Mrs. Drumheller asked the Board to have their jurisdictions help in getting the plastic bag contamination message out by creating short educational videos explaining why we do not accept plastic bags and bagged recyclables and how these contaminants damage sorting and processing facilities as well as impact the cost of recycling programs. Mrs. Drumheller stated that three staff on the phones and two staff providing outreach and education are doing their best to reach the offenders but need help from localities who have more reach. Mrs. Drumheller shared she had reached out to Public Information and Public Affairs staff in member localities because consistent messages throughout the region is key to educating local recyclers about these problems where they live.

Staff continues to include plastic bags and other contaminants in all outreach programs and at local events. In addition, the Customer Service Team continues to provide daily education during inbound calls. Total inbound calls for the month of April was 3,979, which is up from April of 2017. Anyone calling to report a missed collection are asked about possible contamination such as plastic bags, food items, pizza boxes, etc. The Call Center is averaging 900 calls per month related to contamination. Starting on May 1, anyone asking for extra container stickers will also get a plastic bag keeper included with the mailing to help educate them about unaccepted items. The Curbside Recycling Email reminder has ongoing messaging regarding plastic bag information/education to everyone receiving this reminder.

Mrs. Drumheller thanked Goochland, Ashland and other localities that shared the CVWMA PSA and other information on this issue. Effective June 1, Henrico County utility bill insert will include messaging about plastic bag contamination. Mrs. Drumheller also noted that CVWMA Contractors will need to update their contamination stickers to help with the education.

CVWMA May Waste Reduction News, Website, Social Media and Collection Day Email Reminder

Mrs. Drumheller stated the May 2018 electronic newsletter was distributed to 1,333 email subscribers and included Contamination Impacting CVWMA Recycling Programs, Special Recycling Collections Planned for May & June, Memorial Day Holiday to Delay CVWMA Collections, and CVWMA is Very Social.

Curbside Education and Advisory Committee Quarterly Meeting

The next quarterly meeting will be held on Thursday, June 28, 2018 at 10 am in the Town of Ashland Council Chambers and Ashland will be our Member Focus.

Item No. 11: Financial Reports for May 2018

Mrs. T. Eckhout reported that the financial activity is consistent with previous months and the Authority continues to remain within total budget in all funds as of April 30, 2018. The CVWMA has a combined Net Income of \$137,723 year to date. The Net Income will continue to decrease as we incur additional expenses in the last two months of the fiscal year. The accounts receivable schedule reflects that all jurisdictions are current.

Chairman Lane opened the floor for a motion to accept and file the Financial Reports for April 2018 as submitted. A motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. S. Wyatt (M-Hanover), and carried that the Financial Reports for April 2018 be approved and filed as submitted.

Item No. 12: 2018 Budgetary Transfers Report

Mrs. Hynes stated that CVWMA staff evaluated revenues and expenses as compared to budget and found no budgetary transfers between categories exceeding \$2,500 that would require Board consideration. Anything less than \$2,500, will be reviewed with the Audit Committee at the end of the fiscal year at the conclusion of the audit.

Item No. 13: Consideration of Resolution 18-13: Reaffirming the Pay and Classification Plan for Fiscal Year 2018-2019

Mrs. Hynes reminded the Board that they approved the FY19 Budget in December and as typically in May the Board reaffirms the 3% salary increase that was included in the balanced budget. Mrs. Hynes stated she believes the 3% is sustainable and it is comparable to the 13 localities and their compensation scales. Mrs. Hynes noted CVWMA receives 100% of the published market price for mixed paper and at least \$20/ton for each ton of commingled material collected in the drop off program. CVWMA keeps 25% of the revenue to help balance the budget. Although the market price for mixed paper is currently at \$0 and the Authority is weighing its options, this potential loss in revenue will be made up in other areas. For instance, investment income has improved significantly with the improving economy. In addition, we have some opportunities coming up to reduce costs including a renegotiation of the office lease, new computers and vehicles have resulted in less maintenance costs, etc. Thus, the 3% wage increase budgeted for fiscal year 2018-2019 is deemed sustainable. A motion was made by Mr. S. Wyatt (M-Hanover), seconded by Mrs. M. Phillips (M-Chesterfield), Vice-Chairman, and carried that **Resolution 18-13: Reaffirming the Pay and Classification Plan for Fiscal Year 2018-2019** be approved and filed as submitted.

Item No. 14: Administrative

Mrs. K. Hynes reported that CVWMA and Henrico County are hosting the annual Regional Debris Management Disaster Training on June 7th at Deep Run Park Recreation building on Ridgefield Parkway. Email notifications have been sent out and all are welcome to forward to anyone they think will benefit from attending. All 4 of our contractors for debris management and monitoring will conduct most of the training along with representatives from the Department of Environmental Quality

(DEQ) and Virginia Department of Emergency Management (VDEM). This has been a well-attended event in the past, with 60-70 attendees Mrs. Hynes noted.

Mrs. K. Hynes reminded the Board of the upcoming TAC meeting moved to Tuesday June 5 at 9 am as the Authority is holding the Debris Management Disaster Training on June 7th. The Executive Committee will also meet on Tuesday, June 5, 2018 at 2:00 p.m.; Curbside Education Advisory Committee Meeting is on June 28, 2018 at 10:00 a.m. in Ashland, and the Board of Directors Meeting is in Richmond on Friday, June 15, 2018 at 9:00 a.m. which will include electing officers and providing a Strategic Plan update.

Mrs. Hynes reminded the Board that anyone interested in becoming a member of the Executive Committee should contact Mr. M. Kukoski (M-Richmond), Treasurer or herself.

Old/New Business

Chairman Lane asked if there was any old or new business to come before the Board and Mr. D. McNeel (M-Richmond) brought to the Boards attention that the City of Richmond loses about 100 super cans a year, costing the city about \$70,000. He noted there are some homes that have 4 or 5 super cans and he asked if this was an average or if there were any suggestions from the group. Mrs. Hynes stated CVWMA does see that more in Richmond and more urban communities.

Mr. J. Clary (A-Henrico) stated Henrico has barcodes to identify the address it belongs to and they take it back to the rightful owner. Mr. R. Nolan, Director of Operations, stated CVWMA gets calls from Richmond often and by checking the database, they can tell them what address the cart belongs to. Chairman Lane stated while visiting a friend in the city he noted one house had as many as 6 carts.

With no further business to come before the Board, Chairman Lane opened the floor for a motion to adjourn the CVWMA Board of Directors meeting at 10:00 a.m. The motion was made by Mr. R. Dunn (M-Chesterfield), seconded by Mr. M. Kukoski (M-Richmond), Treasurer and carried that the May 18, 2018 Board of Directors' meeting be adjourned.



CERTIFICATE

I, J. Allen Lane, Chairman of the CVWMA, certify that the foregoing minutes are a true and correct copy of the minutes of the May 18, 2018 regular meeting of the Central Virginia Waste Management Authority (CVWMA) Board of Directors. These minutes were adopted at a CVWMA Board meeting held at 9:00 a.m., June 15, 2018. Given under my hand and seal of the CVWMA this 15th day of June 2018.



J. Allen Lane, Chairman

