

**CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
APRIL 20, 2018  
CRATER PLANNING DISTRICT COMMISSION  
PETERSBURG, VIRGINIA**

**MEMBERS/ALTERNATES PRESENT**

**Voting:**

J. Allen Lane (M-Henrico), Chairman  
Marcia Rygh Phillips (M-Chesterfield), Vice Chairman  
Mark Kukoski (M-Richmond), Treasurer  
Edward Watson (M-Hopewell), Director  
Lee Sloppy (M-Ashland)  
Ricky Hicks (M-Charles City)  
Scott Zaremba (M-Chesterfield)  
Jeffrey Howard (A-Chesterfield)  
Dwayne Jones (A-Goochland)  
Stephen Chidsey (M-Hanover)  
Scott A. Wyatt (M-Hanover)  
Marcia E. Kelley (M-Henrico)  
Robert Whiteman (M-Henrico)  
James H. Burrell (A-New Kent)  
William Riggelman (A-Petersburg)  
Cindy Odum Harris (M-Powhatan)  
Michael Purvis (M-Prince George)  
David McNeel (M-Richmond)

**Non-Voting:**

Clay Bowles (A-Chesterfield)  
Bentley P. Chan (A-Henrico)  
Jon Clary (A-Henrico)  
Monique Robertson (A-Hopewell)  
Johnny Melis (A-Powhatan)

**Staff:**

Kimberly A. Hynes, Executive Director  
Richard Nolan, Director of Operations  
Teresa Eckhout, Accounting and Financial Manager  
Reginald D. Thompson, Operations Technician  
Stephanie Breaker, Customer Service Supervisor  
Mary Beth Mains, Part-time Administrative Assistant

**MEMBERS/ALTERNATES NOT PRESENT**

Patricia Paige (M-New Kent), Secretary  
Jennifer Schontag (A-Ashland)  
Michelle Johnson (A-Charles City)  
Robert L. Dunn (M-Chesterfield)  
Al Pace (A-Chesterfield)  
Doug Smith (M-Colonial Heights)  
William E. Henley (A-Colonial Heights)  
Leigh Dunn (M-Goochland)  
Michael Flagg (A-Hanover)  
Randy Hardman (A-Hanover)  
Chip England (A-Henrico)  
Tangela Innis (M-Petersburg)  
Rod Compton (A-Prince George)  
Miles Jones (M-Richmond)

**Guests:**

Torrence Robinson, City of Richmond Public Works  
Michael Benedetto, President TFC Recycling  
Tad Phillips, General Manager TFC Recycling

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 March 16, 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 Mrs. M. Phillips (M-Chesterfield), Vice-Chairman seconded by Mr. M. Kukoski (M-Richmond), Treasurer, and carried that the minutes of the March 16, 2018 Central Virginia Waste Management Authority (CVWMA) Board of Directors meeting be approved as submitted.

### **Item No. 3: Chairman's Report**

#### *Introductions and Welcome*

Chairman Lane introduced and welcomed Mr. Ricky Hicks (M-Charles City) as a new member to the Board of Directors representing Charles City County. He also mentioned that the City of Petersburg has recently appointed Tangela Innis to represent the City on the CVWMA Board.

#### *Appointment of the Nominating Committee*

Chairman Lane appointed the following to serve on the Nominating Committee: Mr. M. Kukoski (M-Richmond), Chair, Mrs. M. Kelley (M-Henrico) and Mrs. L. Dunn (M-Goochland). The Nominating Committee will recommend a slate of officers at the May Board meeting and elections will take place at the June meeting. Anyone interested in serving in an officer position should contact one of the committee members or Mrs. K. Hynes, Executive Director.

Mr. R. Whiteman, (M-Henrico) asked about the audit committee priority and if they had implemented savings. Mr. M. Kukoski (M-Richmond), Treasurer responded that the audit committee is making recommendations to proceed as they have in the past. In the past, they have had an opinion on the auditing and on the funds.

### **Item No. 4: Treasurer and Audit Committee Reports**

#### *Audit Committee Report Consideration of Resolution 18-12 Awarding the Contract for Financial Auditing Services*

Mr. Mark Kukoski reported that the CVWMA contract for audit services expired after last year's audit and a Request for Proposals (RFP) was issued on February 2, 2018 for the audit of the 2018, 2019, 2020 and 2021 fiscal years. Eight proposals were received and the Committee and Staff interviewed five firms. The Audit Committee recommends entering into a contract with Brown and Edwards for another 4-year term. A motion was made by Mr. J. Burrell (A-New Kent), seconded by Mrs. M. Phillips (M-Chesterfield), Vice-Chairman and carried that **Resolution 18-12: Awarding the Contract for Financial Auditing Services** be approved as submitted.

#### *Treasurer's Report*

Mr. M. Kukoski (M-Richmond), Treasurer deferred to Mrs. T. Eckhout, CVWMA Accounting and Financial Manager to provide the monthly report. Mrs. Eckhout relayed that the financial activity for March is consistent with previous months and the Authority continues to remain within total budget in all funds as of March 31, 2018. CVWMA has a combined Net Income of \$176,779 year to date. The net income will continue to decrease as we continue to incur additional expenses in the last quarter of the fiscal year. The accounts receivable schedule reflects the details of the amounts due to the Authority. All accounts are current.

Mrs. Eckhout continued reporting that next month CVWMA staff will evaluate revenues and expenses as compared to budget and will bring back any necessary budget transfers exceeding \$2,500 for the Board's approval.

Chairman J. Lane (M-Henrico), opened the floor for a motion to accept the Financial Report for March 2018. A motion was made by Mr. S. Chidsey (M-Hanover), seconded by Mr. J. Burrell (A-New Kent) and carried that the Financial Report for March 31, 2018 be approved and filed as submitted.

**Item No. 5: Presentation by Michael Benedetto, President and Owner of TFC Recycling**

Mrs. K. Hynes, Executive Director of CVWMA introduced Mr. Michael Benedetto, President and CEO of TFC Recycling and Mr. Tad Phillips, TFC General Manager. Mr. Benedetto asked to address the Board regarding the effects of the Chinese recycling import ban and restrictions are having on their business.

Mr. Benedetto gave a brief history of TFC's partnership with CVWMA and explained that TFC has been a contractor for curbside recycling since 1999. In July 2017 China announced an import ban on 24 items, including Mixed Paper and in November 2017, announced a new quality standard of .5% for cardboard and other paper versus previous standards of 5%.

In March of 2018 China announced "Blue Sky 2018" project and China Council for International Cooperation on Environment and Development announced additional plans to further restrict imports in 2019. Chinese Government Inspectors are opening containers in China and rejecting containers at the docks. Rejection is arbitrary and subjective and testing is done by inspectors. If rejected in China, the expense to have the shipment returned is extremely expensive.

According to Mr. Benedetto, there is a tremendous over supply of mixed paper in the market. Chinese mills are not buying from companies that process single-stream, post-consumer mixed paper due to the risks of rejection by the inspectors at the port. TFC is not selling to China for that reason. Mr. Benedetto stated that there is not 10,000,000-ton capacity elsewhere in the world. India's 2018 volume was only 1,930,720 and they are not equipped to handle this new volume. There is still a risk of quality of standards with other buyers. Freight rates are up as well stated Mr. Benedetto.

Mr. Benedetto explained that the renewal of the Residential Recycling Contract between CVWMA and TFC was in 2014 and extends to the end of June 2023. TFC pays a rebate to CVWMA of \$20 per ton. TFC had no Consumer Price Index (CPI) in 2014, 2015, or 2016; CPI increase in 2017 was ½ and there was a cap of 2 1/2 %. About 35,500 tons are collected annually from residents in central Virginia (~2,960 tons per month) and TFC is paying a rebate on that volume.

Mr. Benedetto further explained that China's ban has resulted in lower prices for mixed paper and TFC is trying to improve the quality of the product.

Mr. Benedetto asked for help and quickly. Mr. J. Clary (A-Henrico) asked if there is no help, will other people pick up the excess and what is the future of the excess materials. Even if relief is given by CVWMA there will still be excess material, Mr. Benedetto stated. We can sell, even if sold at a loss Mr. Benedetto stated.

Mr. J. Clary (A-Henrico) asked what TFC would do with the material if they did get relief from CVWMA. Mr. Benedetto explained there will still be a market but not at the volume and it will be below cost. Mr. J. Burrell (A-New Kent) asked what percentage is going to waste energy? Mr. Benedetto stated none and that the 10% residue that is collected is going to the landfill.

Mr. S. Chidsey (M-Hanover) asked what the balance of the fiber is and Mr. Benedetto explained about 36% of the total collected is mixed paper and 31% is cardboard. Mr. Benedetto explained they are sorting and selling the cardboard, and are pulling out newspaper for a higher value, but there isn't a lot of newsprint anymore and the rest of the mixed paper has a negative value. With 36% of the stream being mixed paper, glass is 16%, and residue is about 10% resulting in 62% of the commodities collected in the program now having a negative value.

Mrs. Hynes asked about the availability of domestic markets and Mr. Benedetto stated there are papermills in the United States. They are overwhelmed now with the oversupply. They do buy cardboard and mixed paper but their prices are much lower.

Mr. J. Melis (A-Powhatan) asked about China's needs, will they be looking for this again sometime in the future. Mr. Benedetto explained that China is buying virgin paper rolls to make into new boxes. Mr. Benedetto stated that Green Fence and now National Sword are China's way to reduce the oversupply of paper and trash. Finished product prices are going through the roof. Mr. Benedetto further indicated that the future of the Chinese market is uncertain.

Mrs. Hynes asked Mr. Benedetto to share the dollars and the impact to TFC. Mr. Benedetto stated that TFC has lost a considerable amount of revenue in the first quarter of 2018, about 40 % of that coming from the Chester facility. Mr. S. Chidsey (M-Hanover) asked where TFC is shipping and Mr. Benedetto stated that material is going to various locations including India, Vietnam, Korea and they are marketing some domestically. The market price is now \$10 per ton.

Mr. Clary (A-Henrico) asked about if TFCs profit of \$10/ton excluded rebate and Mr. Benedetto stated it did. Mr. Clary asked what his negative was and Mr. Benedetto explained it cost about \$75 - \$80 to process plus \$20/ton rebate and \$25/tons in freight. Mr. Benedetto finished by stating that he is asking for relief and that they need decisions as soon as possible. There is industry in China that want the product, however the government is being unreasonable and preventing Chinese mills from buying their material. This all started with the Chinese perception of the environment. This has nothing to do with tariffs. Mr. Benedetto stated he was uncertain with how long this would continue. He concluded that this is a tough time dealing with a foreign government.

Mrs. Hynes thanked Mr. Benedetto for sharing with the Board and thanked him for his partnership.

## **STAFF AGENDA**

### **Item No. 6: 2017 Recycling Rate Report**

Mr. Reggie Thompson, CVWMA Operations Technician, presented the calculation of the regional 2017 Recycling Rate report. He reminded the Board of the Solid Waste Management Plan regulations requiring regions such as the CVWMA and towns, cities and counties not part of a designated region

and that have a population more than 100,000 to submit a recycling rate report to the Department of Environmental Quality (DEQ) annually by April 30th for the previous calendar year that documents the recycling efforts of the area. He noted that Virginia has a two-tier recycling rate which requires a 25 percent recycling rate or a 15 percent rate if qualified. He asserted that the solid waste planning unit must have a population density of less than 100 persons per square mile or an unemployment rate of 50 percent greater than the statewide average to qualify for a 15 percent recycling rate. Further, Mr. R. Thompson reminded the Board that under the 2012 legislation, those with a population less than 100,000 are now required to submit a report every 4 years. The CVWMA region is required to report every year and is required to meet the 25% mandate.

Mr. Thompson reported the Recycling Rate is calculated by dividing the amount of recycling by the amount of MSW generated within the region. He added that the amount of MSW is estimated by multiplying the population (obtained from the Weldon Copper Center for Public Service) by the Environmental Protection Agency's (EPA's) waste generation estimate. The most recent estimate is 4.44 pounds per person per day.

Mr. Thompson reported that Staff surveyed several recycling processors to determine the amount by weight of material recycled in the region in 2017. CVWMA surveyed more than 40 recycling processors and received responses from 30 for about a 75% response rate.

Mr. Thompson reported that the recycling rate including the base rate 54.0% plus the credit tonnage percentage 5% results in a total recycling rate for the region of 59.3%. He indicated that the 2017 recycling rate of 59.3% is slightly higher than the 2016 rate of 58.9%. In conclusion, there was more material recycled in 2017, the waste generation rate is up, the population is up, and the amount of MSW generated within our region is up.

Mr. S. Chidsey (M-Hanover) asked if we can assume that yard waste has the largest tonnage and Mr. Thompson verified that yard waste and paper make up the majority by weight of the volume of recycling.

#### **Item No. 7: Residential Recycling Program**

Mr. Rich Nolan, CVWMA Director of Operations, reported that year to date through March 31, 2018, 27,789 tons of recyclable materials were collected in the Residential Recycling Program versus 28,444 for the same period last year, a difference of 655 tons. He reported 2,952 tons were collected in March 2018 vs. 3,331 in March 2017. Mr. Nolan noted that Petersburg is the most notably down from last year and CVWMA and Staff is looking into the reason.

Mr. Nolan noted there were 429 misses reported in March versus 308 in March a year ago.

#### **Item No. 8: Municipal Solid Waste (MSW) Program**

Mr. Thompson reported that in the month of March there were 12 misses reported in Ashland, and 37 in Chesterfield for County Waste. In addition, 47 misses were recorded in Colonial Heights, 62 in Hopewell, and 80 in Petersburg. Mr. Thompson noted the City of Hopewell is having a Clean Up event April 14<sup>th</sup> through the 21<sup>st</sup> and the City of Petersburg is having a Clean Up event on Saturday May 5<sup>th</sup>. Mr. Thompson stated there were no penalties assessed in the month of March for CFS or County Waste.

#### **Item No. 9: Operations and Program Statistics**

Mr. R. Nolan, stated that program revenues, other than revenue from the Residential Recycling Program are up by about \$50,000 year to date over the same period last fiscal year.

Mr. R. Nolan, referred the Board to the April 2018 Program Statistics reporting that commodity prices for Mixed Paper and OCC are down \$10 per ton from last month; Mixed Paper is now \$15 per ton, and Old Corrugated Cardboard (OCC) is \$ 85 per ton. Steel is up to \$240 per ton from \$150 per ton last year in April. Both steel and oil prices are going up.

Mr. Nolan reminded the Board of the following recycling events. On April 21 Prince George and Hanover are holding household hazardous waste collection events and Powhatan is having a tire amnesty and electronics recycling event. Electronics recycling and document shredding is happening on May 5<sup>th</sup> in Henrico County and the City of Richmond. Chesterfield is hosting an electronics recycling event on June 2<sup>nd</sup> at the Chesterfield Fair Grounds including hard drive shredding. June 9<sup>th</sup>, Goochland County will host a household hazardous waste and document shredding event.

MR. S. Chidsey (M-Hanover) asked if steel prices were based on Philadelphia #2 bundle to which Mr. Nolan responded affirmatively and indicated that the revenue received is based off of the export prices, which the steel prices continue to increase.

Mr. M. Kukoski (M-Richmond), Treasurer asked if we are ensuring that the materials collected at events, particularly electronics are being handled properly, to which Mr. Nolan responded that staff has ensured and is able to track each piece through the system and that a trip to Securis is planned in the next couple of weeks to further ensure compliance.

#### **Item No. 10: Technical Advisory Committee (TAC) Report**

Mr. Nolan reported that the TAC met on April 5 and Mr. Chip Hall, owner of Natural Organics Process Enterprise (NOPE) provided a presentation on their company and composting of food waste. Mr. Nolan mentioned that the group is also conducting facility audits and as part of those audits will be visiting processing, storage and other facilities of our vendors, the first being Securis on May 1<sup>st</sup> as mentioned earlier. Mr. J. Howard (A-Chesterfield) asked about CVWMA's other ewaste contractor, GEEP who is dismantling the television and destroying everything and Mr. R. Nolan responded that the material is completely destroyed in GEEP's process by grinding it until virtually nothing is left. Mr. Nolan explained GEEP will not do events, they only pick up material.

Mr. Nolan reminded the Board that the TAC is also working on the update to the regional solid waste management plan due to DEQ in August 2019. The next TAC meeting is scheduled for May 3 and tentatively there will be a representative from the DEQ speaking to the group about hazardous waste.

#### **Item No. 11: Earth Day 2018**

Mrs. K. Hynes, stated she was filling in for Mrs. N. Drumheller, Public Affairs Manager, who was out in the community at this busy time of year for education and outreach. At this time, Staff has responded to many requests including 30 presentation requests, 15 requests for educational materials, 11 requests to have CVWMA booth at local grassroot events, and 1 media request. Mrs. Hynes stated CVWMA staff has been in 11 of our 13 localities this month.

With plastic bag contamination the regional focus of this Earth Day, we have had public service announcements, local newspapers advertisements, and worked with local media and shared on social media, and made this the focus at all of the Earth Day events we are attending. Mrs. Hynes thanked the jurisdictions for their help in getting the plastic bag keepers out to the public and for helping relay

this important message about plastic bag contamination and the damage that it does. The biggest problem seems to be people using plastic bags to keep their recyclables and instead of dumping the recycling out into the bin, they are throwing the recycling, bag and all into their cart, bin or especially a drop off bin.

Educating our customers is how we are trying to help our contractors. The purpose of the contamination meeting we held on March 27 was to ensure our contractors are doing their part on the curb and to determine how we could help each other tackle this problem. Mrs. Hynes relayed that there are challenges between the vendors. TFC are largest contractor serves over 250,000, County Waste 9,000 homes in Hopewell, and CFS in Petersburg. With the manual bin (TFC program) it is easier to catch the contamination on the curb and leave it behind. However, in other areas, recycling is collected via carts using automation, thus limiting the ability to actually see what's in the cart before emptying to the truck.

Member localities are encouraged to create 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 impacting costs of their programs. Mrs. Hynes relayed that we are up to 30,000 email subscribers for email reminders. Contamination issues are addressed there as well. TFC is doing their own on the ground effort with their drivers with rejection sticker. CVWMA is helping out with messaging and our staff is talking to people one on one.

#### **Item No. 12: Public Information**

Mrs. Hynes noted our email reminder goes out to 30,000 people and CVWMA is also utilizing that to educate recyclers about plastic bags. Educating about the potential long-term effects and the effect contamination will have on future costs is a communication issue CVWMA staff is working on.

CVWMA is once again the Community Partner in the April 2018 Richmond Family Magazine Kids-Can-Do feature. Staff is promoting locality special collection events as well as National Prescription Drug Take Back Day on April 28. Staff will provide a complete recap at the May Board meeting.

#### **Item No. 13: Administrative**

Mrs. Hynes reminded Board members to complete the Financial Disclosure (Conflict of Interest) Form required annually by the State. It has become a new requirement in recent years that the Authority is required to ensure our Board members are filing this form with their respective Clerk's office. She thanked the Board for their help in getting these forms.

Mrs. K. Hynes reminded the Board of the upcoming TAC meeting on May 3, at 9 am and that there will be a DEQ representative attending to talk about hazardous waste guidelines. The Executive Committee meets at 2 p.m. on Wednesday May 9 and all are invited. May 18th is the next CVWMA Board meeting in Richmond.

Mrs. Hynes reminded the Board that Staff is working on the Solid Waste Management Plan update and many contracts are coming up for renewal or will be expiring and staff will be coming back to the Board in future meetings for renewal amendments and to award contracts.

Mr. J. Clary (A-Henrico) asked Mrs. Hynes when the MSW surveys are due and Mrs. Hynes responded May 15<sup>th</sup>.

***Old/New Business***

Chairman Lane asked if there was any old or new business to come before the Board. Chairman Lane asked if Mr. M. Kukoski (M-Richmond), Treasurer to talk about the upcoming work of the nominating committee. Mr. Kukoski mentioned there are a few vacancies and if anyone is interested to please contact him, a member of the Committee or Mrs. Hynes.

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. Whiteman (M-Henrico), seconded by Mr. S. Chidsey (M-Hanover) and carried that the April 20, 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 April 20, 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., May 18, 2018. Given under my hand and seal of the CVWMA this 18<sup>th</sup> day of May 2018.

  
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**J. Allen Lane, Chairman**