



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of December 8, 2012**

DATE: November 29, 2012

SUBJECT: Appropriate funds for Arlington's share of costs for the Waste-to-Energy Facility Monitoring Group (WTE FMG) for the final six months of Fiscal Year (FY) 2013.

C.M. RECOMMENDATION:

Appropriate, effective January 1, 2013, \$78,600 from the Alexandria & Arlington Waste Disposal Trust Fund (101.398110) to the Department of Environmental Services (101.44020) for Fiscal Year 2013 support of the WTE FMG.

ISSUES: There are no issues associated with this appropriation.

SUMMARY: On November 27, 2012, the Arlington Solid Waste Authority authorized the transfer of year-end (as of December 31, 2012) waste-to-energy trust fund monies to the County's general fund. In addition, on November 27, 2012, the County Board authorized the County Manager to execute an Interjurisdictional Joint Action Agreement ("Agreement") with Alexandria for the Arlington/Alexandria Waste-to-Energy Facility.

The Agreement created a WTE FMG composed of staff from Arlington and Alexandria to oversee the jurisdictions' contractual relationship with the service provider (Covanta) and to fulfill other duties. The Agreement also established a new joint WTE Trust Fund to pay for the oversight, finance and procurement activities of the FMG and asked each jurisdiction to appropriate their respective share of Trust Fund costs.

BACKGROUND: At the County Board recessed meeting on January 24, 2012, the County Board authorized the County Manager to execute a new Waste Disposal and Service Agreement between Arlington and Alexandria and Covanta Alexandria/Arlington, Inc. The new Waste Disposal and Service Agreement requires annual actions from the jurisdictions and required modifications and updates to the existing 27-year-old Waste Disposal Trust Fund Cooperative Agreement and the Inter-local Joint Enterprise Agreement prior to January 1, 2013. On November 27, 2012, the County Board authorized the County Manager to execute an Interjurisdictional Joint Action Agreement Regarding the Arlington/Alexandria Waste-to-Energy Facility. Also on November 27, 2012, the Arlington Solid Waste Authority met and authorized

County Manager:

BMD/mjs

County Attorney:

[Signature]

BRC

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Staff: Carl Newby, Department of Environmental Services

the transfer of year-end (as of December 31, 2012) waste-to-energy trust fund balances to the City of Alexandria and to the County’s general fund. The action recommended here in this report only appropriates the funding needed for FY 2013 and leaves the balance of Arlington’s funds in the newly created trust fund. The County Manager will recommend, as a part of the annual budget process, the funding required in FY 2014 (and beyond) to be transferred (drawn down from the trust) for FMG-related expenses.

DISCUSSION: The following outlines key sections of the new Agreement approved by the Board on November 27, 2012. The same terms of the Agreement were approved by the Alexandria City Council on November 27, 2012.

Section 4 – Established a joint WTE Trust Fund to manage WTE-related financial and procurement activities. The Fund will be managed by Arlington for accounting convention reasons because the majority of costs will be attributable to Arlington. A fee will be paid from the fund to Arlington for providing the services. Deposits will be made into the fund and payments to Covanta or other vendors will be made according to the approved operating and capital budgets for the year.

Section 5 – Established requirements for annual operating and capital budgets for routine monitoring and record-keeping. Mandated that the FMG discuss and evaluate major issues and costs. Major project costs will be apportioned between the two jurisdictions on an “ad hoc” basis as agreed to by the jurisdictions’ chief administrative officers based on the regional or local impact of the respective proposed project.

Section 6 – Sets the general allocation of routine costs on a 60% / 40% basis (Arlington 60%, Alexandria 40%), unless otherwise agreed to by the WTE FMG or the chief administrative officers of the jurisdictions.

Arlington and Alexandria staffs have met and developed a proposed WTE FMG budget for the Trust Fund for the second half of FY 2013 (January 1, 2013 through June 30, 2013).

Trust Fund Budget 2 nd half 2013	Total	Arlington 60% share
1. Arlington DMF Trust Administrative Expenses	\$3,500	\$2,100
2. Engineering consultant	\$12,000	\$7,200
3. NVRC Waste Management Board fees	\$10,000	\$6,000
4. WTE Energy Recovery Council Membership dues	\$1,000	\$600
5. Training/Travel/Misc.	\$4,500	\$2,700
6. Contingency	\$100,000	\$60,000
Total	\$131,000	\$78,600

- Item 1 is the estimated Department of Management and Finance expenses expected from January 1, 2013, through June 30, 2013.
- Item 2 is the estimated expense for a periodic engineering inspection of the facility utilizing an existing engineering services contract.

- Items 3 and 4 are shared membership expenses between the two jurisdictions for the Northern Virginia Regional Commission Solid Waste Management Board (which provides support for regional solid waste related issues) and the Energy Recovery Council Membership (which provides a national WTE information exchange for local jurisdictions with WTE facilities).
- Item 5 is to cover out-of-pocket expenses for any training or travel needs of the staff assigned to the WTE FMG.
- Item 6 is for contingency funds to respond to any initial unanticipated expenses associated with the January 2012 contract implementation (such as an unexpected waste tonnage shortfall by the jurisdictions or unexpected changes in the contractor's ash disposal tonnage), unanticipated expenses associated with the current consultant study concerning the January 2012 contract options, and any general unanticipated expenses resulting from any potential disruption of services at the facility.

FISCAL IMPACT: The existing trust fund is projected to have a balance of approximately \$731,809 on December 31, 2012, when the existing contract expires. The Agreement allocated the ownership of the trust fund between the jurisdictions as 60% Arlington and 40% Alexandria. With an appropriation by the Board of \$78,600, a total of \$360,485 will remain from the transfer of year-end (2012) balances in the Alexandria & Arlington Waste Disposal Trust Fund. The County Manager will recommend, as a part of the annual budget process, the funding required in FY 2014 and beyond the monies needed to be transferred (drawn down from the trust) to fund the cost of FMG-related expenses.

	Arlington 60%	Alexandria 40%	Total
Estimated 12/31/12 trust fund balance	\$439,085	\$292,724	\$731,809
WTE FMG funding 1/1/13 – 6/30/13	\$78,600	\$52,400	\$131,000
Remaining balance	\$360,485	\$240,324	\$600,809