

FINAL REPORT

**Financial Inventory and Fiscal Year 2009
Annual Budget**

Region 2000 Services Authority

MARCH 19, 2008



Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

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This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to R. W. Beck, Inc. (R. W. Beck) constitute the opinions of R. W. Beck. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, R. W. Beck has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. R. W. Beck makes no certification and gives no assurances except as explicitly set forth in this report.

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Section 1

Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction

The purpose of this section is to develop a financial inventory of the various assets and liabilities each community with a landfill would contribute to the Region 2000 Services Authority (Authority). To develop this analysis, R. W. Beck met with staff from each facility, toured each facility and received/developed asset and liability lists from each of the landfill communities. The inventory of the value of assets and liabilities focused on the categories in Table 1-1.

Table 1-1
Categories of Assets and Liabilities

Assets	Liabilities
Site Improvements	Debt Service
Landfill Capacity and Land	Leases
Buildings	Closure
Equipment and Rolling Stock	Post-Closure
Closure and Post-Closure Reserve Funds	

Within this section, R. W. Beck provides a discussion of the methodology to value the assets and liabilities for each landfill. R. W. Beck developed a consistent methodology for each class of assets to ensure that all assets within the same class are valued in an equitable manner between the member jurisdictions. All assets and liabilities are estimated values as of July 2008, the anticipated start date of regional landfill operations.

1.2 Use of Financial Inventory

This financial inventory is intended to assist each of the member jurisdictions to determine the value of landfill assets and liabilities based on actual cost, in order to ensure that each entity is compensated in an equitable manner for their expenditures. R. W. Beck would emphasize that this financial inventory should not be used to determine the potential value of these assets to an outside (e.g., private) entity. A valuation or appraisal for an outside entity would need to be completed using different methodologies, which would account for issues such as future income, appreciation and market conditions.

1.3 Assets

1.3.1 Site Improvements

Site improvements are physical changes or additions that have been made at the sites that are not directly associated with landfill capacity (e.g., the physical location where waste is deposited). Examples of site improvements include but are not limited to:

- Drainage and erosion control systems (e.g., storm water ponds, pipes)
- Fencing
- Monitoring systems
- Leachate systems (e.g., pipes, tanks, pumps)
- Roads and concrete work
- Site Preparation (e.g., grading, clearing, re-routing waterways)

R. W. Beck estimated the remaining value for these types of assets relative to the remaining capacity of each landfill.

Table 1-2
Site Improvement Asset Summary by Landfill

Landfill	Data Source	Remaining Value
City of Lynchburg	Detailed asset list	\$1,501,011
Campbell County	Estimates provided by County staff	\$859,847
Total		\$2,360,858

Note: Remaining value based on calculations developed by R. W. Beck using information provided from each landfill community; refer to the Schedule 6 in Appendix A. Remaining values are as of July 2008. The value for Campbell County includes \$350,000 for improvements to Livestock Road.

1.3.2 Landfill Capacity and Land

Landfill capacity and land focuses on the assets directly associated with cell/phase development and waste disposal. Landfill capacity assets include but are not limited to:

- Engineering and construction of cells/phases
- Permits
- Reports (e.g., environmental assessments, surveys)
- Liners

In addition, R. W. Beck inventoried land at each site. Land included in the inventory was based on an estimate of the amount of land that is currently receiving or will receive waste in future. This approach excluded land that has already been filled with waste. The value of the land was based on a combination of estimates provided by

Financial Inventory of Existing Solid Waste Assets and Liabilities

landfill staff from each facility, which ranged from \$3,000 to \$5,000 per acre. The actual value per acre was based on the actual historical acquisition costs incurred by the City of Lynchburg, which have averaged \$3,065 per acre.¹

R. W. Beck estimated the remaining value for the landfill capacity and land assets relative to the remaining capacity of each landfill.

**Table 1-3
Landfill Capacity and Land Asset Summary by Landfill**

Landfill	Data Source	Remaining Value
City of Lynchburg	Detailed asset list	\$4,260,064
Campbell County	County estimates on size and Lynchburg data on land costs	\$1,422,072
Total		\$5,682,136

Note: Remaining value based on calculations developed by R. W. Beck using information provided from each landfill community; refer to the Schedule 6 in Appendix A. Remaining values are as of July 2008.

1.3.3 Buildings

Buildings include physical structures used for purposes such as administrative offices, maintenance shops, storage and scale houses. R. W. Beck estimated the remaining value for these types of assets relative to the remaining capacity of each landfill.

**Table 1-4
Buildings Asset Summary by Landfill**

Landfill	Data Source	Remaining Value
City of Lynchburg	Detailed asset list	\$36,069
Campbell County	Estimates provided by County staff	\$173,209
Total		\$209,278

Note: Remaining value based on calculations developed by R. W. Beck using information provided from each landfill community; refer to the Schedule 6 in Appendix A. Remaining values are as of July 2008.

1.3.4 Equipment and Rolling Stock

Equipment and rolling stock assets include the following types of assets:

- Vehicles (e.g., pick-up trucks, dump trucks, fuel trucks, trailers, cars)
- Heavy equipment (e.g., compactors, dozers, pan scrapers, loaders)
- Auxiliary equipment (e.g., light towers, pressure washers, litter vacuums, mowers)
- Computer equipment (e.g., hardware, waste disposal and billing software)

¹ Campbell County did not have specific records indicating land acquisition costs.

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These types of assets were valued based on the actual life of each asset using straight-line depreciation. In cases where the equipment and rolling stock are older than anticipated useful life, R. W. Beck did value the asset as salvage based on the following percentages of original cost:

- Heavy equipment: 7 percent
- All other equipment: 3 percent

**Table 1-5
Equipment and Rolling Stock Asset Summary by Landfill**

Landfill	Data Source	Remaining Value
City of Lynchburg	Updated inventory list from City	\$1,294,246
Campbell County	Updated inventory list from County	\$359,192
Total		\$1,653,438

Note: Remaining value based on calculations developed by R. W. Beck using information provided from each landfill community; refer to the Schedule 5 in Appendix A. Remaining values are as of July 2008.

Additionally, the Authority will be financing the purchase of one personnel vehicle, with an estimated purchase price of \$27,000. This is taken into account in the debt service as discussed in Section 2.3.5.

1.3.5 Closure and Post-Closure Reserve Funds

R. W. Beck also accounted for any savings from any of the member jurisdictions that are in place to fund future closure and post-closure costs. The City of Lynchburg is the only one of the two landfill communities that has an existing dedicated closure and post-closure fund. Campbell County expects to fund these costs in the future using cash capital outlays or by issuing debt. The reserve fund in place by the City of Lynchburg is an asset that can be used to off-set the current closure and post-closure liabilities, as discussed in Section 1.4.2. R. W. Beck would emphasize that in order for the City to realize a zero net liability, the City would need to transfer the reserve amount to the Authority.

1.3.6 Potential Assets

The City of Lynchburg has a contract with Lynchburg Gas Producers, LLC that will generate revenue for the City provided that a minimum quantity of gas (36,500 BTU) is collected annually. Lynchburg Gas Producers, LLC will pay a gas payment right for a period of 30 years. The annual amount fluctuates, based on the projected quantity of gas that will be extracted.

The value of this asset, from the perspective of the City and the Authority, will change over time. Since the value of this asset will depend on (1) whether the minimum quantity is met and (2) on the allocation of waste between the City and the Authority, R. W. Beck would recommend that the value of this asset be accounted for annually

between the City and the Authority. The basis for the revenue sharing between the City and the Authority is discussed in Section 2.5.

The Authority and the City of Lynchburg will need to proportionally share the revenue generated by the gas payment right based on the contract that the City has with Lynchburg Gas Producers, LLC. The gas payment right should be paid based on the following methodology:

1. Lynchburg Gas Producers, LLC pays the gas payment right based on the landfill meeting the minimum quantity of gas collected annually; and
2. The allocation of the gas payment right between the City and the Authority should be based on the percentage of total waste in place. This percentage will change as the Authority increases the amount of waste in the landfill.

1.3.7 Assets to be Used but not Owned by the Authority

There will be several assets at the landfills that the Authority will use but not own. For example, the Authority would use the administration and maintenance buildings at the City of Lynchburg facility. However, the City also uses these facilities for its collection operations. After the Lynchburg Landfill reaches capacity, the City will continue need and use these buildings for its collection operations. Therefore, R. W. Beck has valued these types of assets by accounting for the following types of issues:

- Assets may continue to be used for landfill and non-landfill (e.g., collection) purposes. In these cases, original values were adjusted based on how the assets are used.
- After the landfill reaches capacity, the city/county will continue to use the asset. In these cases, the Authority would be responsible for depreciation during the period of time when the Authority uses the asset. This is an issue for assets that have a remaining useful life that is significantly longer than the time period when the landfill will need the asset.

Since the city/county will retain ownership of these assets, the Authority would be responsible for compensating the city/county for its proportional use of the asset. R. W. Beck has included these costs in the annual operating budget.

Additionally, Campbell County will lease back from the Authority the maintenance shop at the Campbell County landfill. This lease amount is included in the operating budget (Section 2).

1.4 Liabilities

1.4.1 Existing Debt and Leases

Local governments will frequently purchase assets using cash, leases or debt (e.g., bonds). In cases where any of the member jurisdictions have existing leases or debt for the assets listed in Section 1.3, there is a need to account for the amount

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owed. Based on information provided as a part of this review, the City of Lynchburg has outstanding debt associated with its landfill operation. Campbell County does not have any existing leases or bonds.

The existing debt for the City of Lynchburg includes principal and interest payments on multiple bond issuances totaling \$4,175,123.

1.4.2 Closure and Post-Closure Costs

Once each landfill reaches capacity, there will be a need to fund closure and post-closure care costs. While these costs will be paid in the future, the liability associated with these costs accrues relative to the fill rate of the landfill. Consequently each landfill has an existing liability that is directly proportional to the quantity of waste in place relative to the total capacity of the landfill.² The closure and post-closure care costs are a liability that must be accounted for in this financial inventory.

R. W. Beck also accounted for any savings from any of the member jurisdictions that are in place to fund future closure and post-closure costs, as discussed in Section 1.3.5. The City of Lynchburg is the only one of the two landfill communities that has an existing dedicated closure and post-closure fund. R. W. Beck would emphasize that in order for the City to realize a zero net liability, the City would need to transfer the savings amount to the Authority. R. W. Beck used the latest estimates provided by each jurisdiction and projected the additional closure and post-closure liability accrued through June 30, 2007. Table 1-6 summarizes the estimates.

Table 1-6
Summary of Existing Closure and Post-Closure Liabilities and Savings by Landfill

Landfill	Gross Liability	Savings	Net Liability
City of Lynchburg	\$3,754,961	\$3,754,961	\$0
Campbell County	\$2,500,644	\$0	\$2,500,644
Total	\$6,255,604	\$3,754,961	\$2,500,644

1.4.3 Existing Closed Landfills

Both Campbell County and the City of Lynchburg have closed landfills that are located next to the open landfills. Campbell County and the City of Lynchburg continue to incur monitoring and/or remediation costs associated with these landfills. R. W. Beck has excluded these liabilities and costs from this analysis, which means that each individual member jurisdiction will be responsible for future costs associated with these existing closed landfills.

² R. W. Beck calculated this liability based on the volume of waste in place, and would recommend that this methodology be used in the future if there is a need to update this liability. Furthermore, using a volumetric approach, as opposed to based on surface area, is strongly recommended.

1.5 Asset and Liability Summary

For each of the member jurisdictions with landfills, R. W. Beck developed a summary table that lists each asset and liability based on the categories included in this section or the report.

Table 1-7
Asset and Liability Summary by Landfill

Assets/Liabilities	City of Lynchburg	Campbell County
Assets		
Site Improvements	\$1,501,011	\$859,847
Landfill Capacity and Land	\$4,260,064	\$1,422,072
Buildings	\$36,069	\$173,209
Equipment and Rolling Stock	\$1,294,246	\$359,192
Closure and Post-Closure Reserve Funds	\$3,754,961	\$0
Subtotal	\$10,846,352	\$2,814,321
Liabilities		
Outstanding Debt	(\$4,175,123)	\$0
Closure	(\$2,213,828)	(\$1,716,198)
Post-Closure	(\$1,541,133)	(\$784,445)
Subtotal	(\$7,930,084)	(\$2,500,644)
Net Assets	\$2,916,268	\$313,677

Based on the information presented in Table 1-7, the City of Lynchburg should expect a net benefit of \$2.92 million, while Campbell County should expect a net benefit of \$313,677. Lynchburg has the larger net asset value primarily due to the funding of its closure and post-closure liability. Since Campbell County has chosen to use the local government financial test in the past, it has not funded its liability. In addition to receiving a net \$313,677 for its assets, Campbell County will also transfer to the Authority closure and post-closure liabilities for portions of the landfill that the Authority will utilize. The City of Lynchburg will also benefit from selling some pieces of equipment not needed by the City or the Authority.

Table 1-7 shows the total assets, liabilities, and net assets for the two communities. Theoretically, there would be a series of transactions back and forth between the Authority and the two communities, as follows:

- The Authority would issue debt for the value of the communities':
 - Site improvements;
 - Landfill capacity and land;
 - Buildings; and

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- Equipment and rolling stock.
- The Authority would transfer the proceeds of the asset-related debt issuance to the member jurisdictions.
- The member jurisdictions would pay off all outstanding debt associated with the landfills.
- Each member jurisdiction would then transfer both its closure and post-closure reserve to the Authority for portions of the landfill that the Authority will utilize and that have not been previously closed. However, since Campbell County has no closure and post-closure cash reserve, they would need to transfer an amount equal to the closure and post-closure liability from other funding sources.

After the above transactions, the Authority is left with:

- Debt in the amount of \$9,905,712 associated with the assets in Table 1-7³;
- Ownership of the two landfills, including site improvements; landfill capacity and land; buildings; and equipment and rolling stock;
- Closure and post-closure liability totaling \$6,255,604; and
- Closure and post-closure reserve equal to the closure and post-closure liability.

After the transaction, neither of the communities will have a remaining closure and post-closure liability associated with closure and post-closure of portions of the landfills used by the Authority. However, each community will continue to be responsible for portions of the landfill used prior to formation of the Authority. Additionally, closure and post-closure liability are simply estimates of future cost, based largely on data provided by each jurisdiction. At the time that the Authority closes all or part of a landfill and begins post-closure care, the Authority and the respective member jurisdiction will have to conduct a financial true-up to determine the amount set aside for closure and post-closure is sufficient to cover actual costs incurred for closure and post-closure. For example, assume the closure cost for the portion of the landfill that was used by the member jurisdiction was estimated to be \$2.0 million dollars at the time of closure. If the actual cost for closure equals \$2.2 million when that portion of the landfill is closed, then the member jurisdiction would be responsible for the difference of \$200,000. Similarly, if the actual cost for closure was \$1.8 million, then the member jurisdiction would be provided a refund of \$200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post-closure activities and will be taken into account in the true-up. R. W. Beck recommends that language be added to the Services Authority Use Agreement that requires this future adjustment.

Additionally, each member jurisdiction with a landfill will still be liable for any environmental remediation efforts associated with the closed portions of the landfills.

³ The total debt issuance includes the cost of interim cover at the Campbell County landfill, an additional personnel vehicle, borrowing costs, and a debt service reserve fund. The total initial debt issuance is estimated at \$11,860,000.

1.6 Final Financial True-Up

This analysis was completed in February 2008. Efforts have been made to project the airspace consumption through June 30, 2008. However, R. W. Beck would expect that the actual remaining airspace will vary from the estimates developed in this analysis. For this reason, R. W. Beck recommends that a final true-up be completed after the Authority determines the airspace consumed and remaining airspace when the Authority assumes control of operations at the landfills. This may be accomplished by conducting field surveys of each landfill at the time of the transition. The final volume would need to account for any intermediate cover applied to the Campbell County landfill that may be later removed when it becomes the active Authority landfill. The surveys should also provide an indication of how much excavation Campbell County has completed in future landfill cells. At this time, the Authority and member jurisdictions should also prepare the latest estimate of closure and post-closure costs based on the latest closure and post-closure cost estimates and the airspace consumed.

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Section 2

FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction

The purpose of this section is to describe and estimate the annual budget for the Authority. This section is based on annualized amounts on an accrual basis. A separate pro forma financial projection was developed for the Authority that accounts for the timing of certain cash flows (e.g., accounts payable). Additionally, the Authority has retained a financial advisor that is developing specific debt payment schedules. These debt payment schedules may differ slightly from the amounts shown in this section of the report because of timing of debt payments and fees associated with issuing debt.

The annual budget R. W. Beck developed was divided into the following categories.

- Disposal fee revenues
- Personnel expenses
- Landfill operations and maintenance (O&M) expenses
- Equipment replacement
- Closure and post-closure reserve contributions
- Debt service
- Other reserve funds
- Reimbursable expenses

Sections 2.2 and 2.3 provide detail regarding how R. W. Beck estimated the annual budget for each of the above budget sections. Section 2.4 provides a summary of the annual budget.

This section concludes with a discussion of other related financial issues.

2.2 Authority Revenues for FY 2009

The primary source of revenue for the Authority will be disposal fee revenue collected at the active landfill. There will initially three rates utilized by the Authority to generate revenue, depending on the customer type. Each of these three rates will be greater, to varying degrees, than the cost of service rate. The **cost of service rate** is the minimum per-ton amount the Authority should charge to recover the costs associated with owning and operating the landfills. The three rates utilized by the Authority to generate revenue include:

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- **Member jurisdiction rate** – This rate applies to the Authority’s member jurisdictions. For fiscal year (FY) 2009, this rate will be set at \$25 per ton. Any amount collected that exceeds the cost of service will be allocated to an O&M reserve fund or used to minimize increases to the member jurisdiction rate.
- **Existing contracts rate** – This rate applies to several existing disposal contracts that the City of Lynchburg has with private solid waste hauling companies. At some point in the future this rate may be transitioned to the market rate (see next bullet). Amounts collected in excess of the cost of service rate will be distributed as excess revenue to the City of Lynchburg and Campbell County and allocated based on the amount of airspace contributed.
- **Market rate** – This rate will be the rate charged to private haulers (without existing contract) or non-member tonnage. For FY 2009, this rate will be set at \$35 per ton. Amounts collected in excess of the cost of service rate will be distributed as excess revenue to the City of Lynchburg and Campbell County and allocated based on the amount of airspace contributed to the Authority.

Table 2-1 provides a summary of the estimated disposal revenue generated by the Authority based on these rates and the associated tonnage amounts. Schedule 1 in the Appendix provides a more detailed analysis of revenues.

Table 2-1
Summary of Disposal Fee Revenue

Customer	FY 2009 Rate	Estimated FY 2009 Tonnage	Total Revenue
Member Jurisdictions			
Lynchburg	\$25.00	47,786	\$1,194,650
Campbell	\$25.00	22,800	\$570,000
Nelson	\$25.00	13,059	\$326,475
Appomattox	\$25.00	7,397	\$184,925
Bedford	\$25.00	5,500	\$137,500
Existing Lynchburg Contracts	\$31.32	42,753	\$1,339,024
Market Rate Tonnage	\$35.00	117,628	\$4,116,980
Total		256,923	\$7,869,554

2.3 Authority Expenses for FY 2009

With significant input from the member jurisdictions, R. W. Beck developed an operating budget for the Authority. The budget is for FY 2009 and assumes that the Authority will begin landfill operations approximately July 1, 2008. When necessary, budget estimates provided for previous years were inflated by 2.5 percent annually. Appendix A provides detailed schedules of the operating budget.

2.3.1 Personnel

The personnel portion of the budget is based on the staffing positions included in the Authority Operations Plan. Salaries were estimated by the Solid Waste Director of the Authority based on the local market for each staff position. Estimated costs for benefits and overtime were based on historical costs for the communities, and specific discussions with Virginia Retirement System (VRS) and insurance providers. R. W. Beck would mention that there is a likelihood that these cost structures may change in the future, given volatility in pension and insurance plan costs. The following summarizes costs included:

- Benefits:
 - Pension plan: 12.6 percent of total salaries
 - Health insurance: \$363.38 per employee per month
 - Dental insurance: \$11.50 per employee per month
 - Workers compensation insurance: \$18,928 annually¹
 - FICA: 7.7 percent of total salaries
- Overtime: 2 percent of total salaries

In addition to the Authority personnel costs, R. W. Beck also accounted for the cost of relying on Region 2000 staff for some of the accounting, payroll, management and human resource functions. Estimates of the base salaries, time commitment, and overhead rate for each Region 2000 staff position were provided by Region 2000. The estimates include the use of one new staff position and three existing staff positions. Additionally, R. W. Beck applied the same benefit rates described above. This cost for Region 2000 staff is only an estimate based on the Authority's anticipated need for Region 2000 staff assistance. The amount budgeted for the next fiscal year will need to be adjusted based on the actual costs incurred during the first year of operation.

2.3.2 Landfill Operations and Maintenance

The requested FY 2009 City of Lynchburg budget for landfill operations and maintenance was used as the basis for developing the Authority operations and maintenance budget since the Lynchburg landfill will be the first operated by the Authority. With input from City of Lynchburg staff, R. W. Beck adjusted several budget line items to better reflect operation under the Authority. In addition, the following categories were added to the budget to account for additional expenses of the Authority and for maintenance of the Campbell County landfill while inactive:

- Insurance: Includes liability and property insurance.
- Legal: Regulatory, contractual, and environmental issues; the budget estimate assumes that no major legal services are required. This cost was estimated at

¹ Based on estimates by the Virginia Association of Counties (VAC) using the number and type of employees employed by the Authority and the associated salaries.

\$30,800 annually based on input from multiple attorneys in Virginia that consistently work with regional solid waste entities.

- Consulting: Planning, financial auditing and management/financial services.
- Building and equipment leases: Lynchburg owns two buildings and an above ground fuel tank that it will not transfer to the Authority. While the Authority operates the Lynchburg landfill, the Authority will lease these items from the City of Lynchburg. With input from the Authority and the City of Lynchburg, R. W. Beck estimated the annual cost for these buildings, improvements, and equipment at \$12,300.
- Activities at inactive portions of landfills: The Authority will be performing several functions at the Lynchburg and Campbell landfills (e.g., leachate disposal, environmental monitoring, and site maintenance for closed portions of the landfills) which are the financial responsibility of these jurisdictions. The Authority will initially incur these costs, but be reimbursed by the appropriate member jurisdiction.

2.3.3 Equipment Acquisition and Replacement

R. W. Beck estimated the cost of acquiring the equipment from the participating landfills based on the values discussed in Section 1. R. W. Beck assumed the Authority would purchase only the equipment needed by the Authority. It will be up to the appropriate member jurisdiction to either find an alternate use for or sell any equipment not needed by the Authority.

R. W. Beck estimated the book/salvage value of the equipment to be acquired by the Authority as \$1,653,438, plus an additional \$27,000 for a new personnel vehicle that will be financed with the initial debt issuance. This results in a total debt issuance for equipment of \$1,680,438. R. W. Beck assumed this amount would be financed with debt over a seven year period at five percent interest, which results in a debt service payment of \$272,726 in FY 2009 (see Section 2.3.4).

In addition to the annual payment for vehicle acquisitions, the Authority will also need to set aside annual funds dedicated to servicing new debt associated with new vehicle purchases (i.e., equipment replacement). Based on the estimated cost and schedule of replacing equipment, R. W. Beck estimated the Authority would need to budget \$406,525 in FY 2009 for equipment replacement purposes. The bar graph in Figure 2-1 projects the annual amount the Authority should budget for its equipment replacement fund in the first seven years. Each year the budget for equipment replacement was increased by an inflation rate of five percent. The line graph in Figure 2-1 represents R. W. Beck's estimate of the debt service payments associated with new equipment purchases for the first seven years. The Authority may choose to delay any equipment purchases scheduled for the first year of operations until the second year (FY 2010) to allow money to accumulate in the equipment replacement fund.

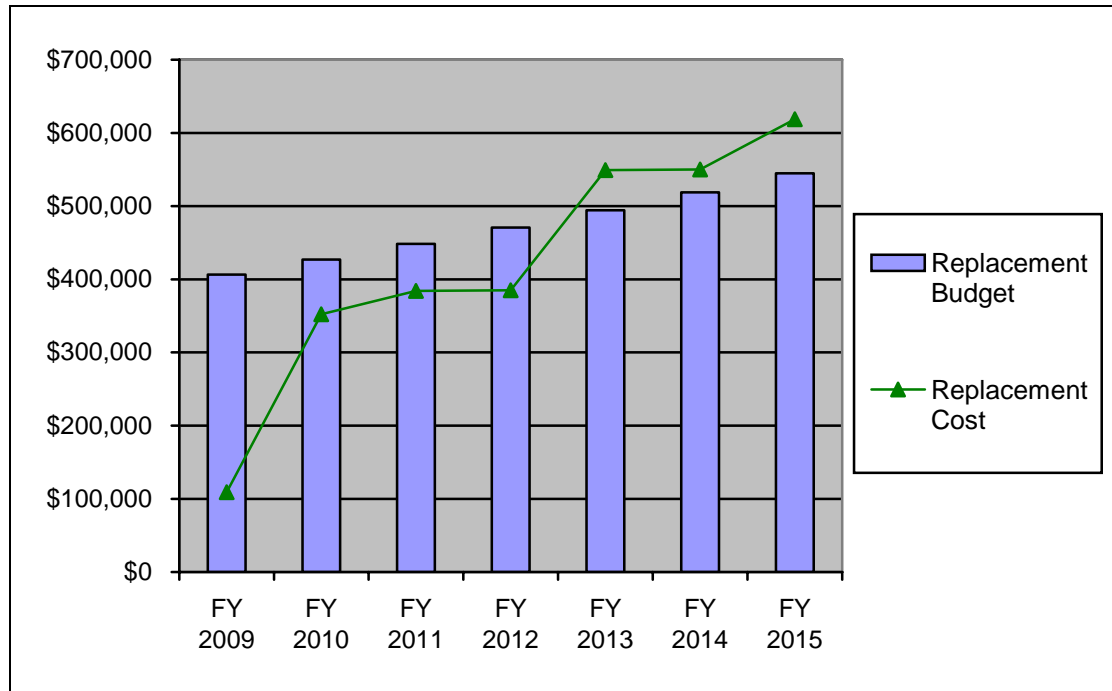


Figure 2-1: Annual Vehicle Replacement

R. W. Beck assumed that when equipment reaches the end of its depreciable life, it will be immediately replaced. However, the Authority may be able to use some pieces of equipment for additional years before purchasing a replacement. Therefore the Authority may experience lower equipment replacement costs than what R. W. Beck estimated or be able to directly fund some equipment purchases with cash rather than rely on debt.

2.3.4 Closure and Post-Closure

The two member jurisdictions with landfills will be responsible for all closure and post-closure liabilities accrued up through July 1, 2008. The Authority will assume all closure and post-closure liabilities accrued from July 1, 2008 until the two landfills reach closure. However, as stated in Section 1.5, the closure and post-closure amounts are only estimates. There will be a need for each landfill community to continue to be responsible for differences between actual closure and post-closure costs versus closure and post-closure estimates.

R. W. Beck assumed the annual budget would include closure and post-closure for the landfill that is accepting waste. For instance, during the first several years when the Authority operates the City of Lynchburg landfill, the budget should include closure and post-closure contributions of \$465,725, which is the estimated annual amount the Authority should save to fully fund the remaining closure and post-closure activities at the Lynchburg landfill. If the Authority accepts 256,923 tons of waste, the closure and post-closure amount equates to \$1.81 for every ton accepted. When the Authority transitions to the Campbell County landfill, the budget will include the closure and post-closure required to fund the remaining Campbell County landfill closure and

post-closure. The Authority should adjust disposal rates to account for the changes in closure and post-closure.

The City of Lynchburg has chosen to fully fund its closure and post-closure liability and will be able to transfer those funds to the Authority. Campbell County has chosen to use the local government financial test to satisfy the closure and post-closure requirements and therefore its liability is unfunded. Campbell County will need to fund this unfunded liability from proceeds from the sale of its assets to the Authority.

2.3.5 Debt Service

The Authority will also have annual debt service associated with all capital acquired from the participating landfills and planned capital improvements. This capital includes:

- Existing capital
 - Existing site improvements
 - Land and landfill capacity
 - Buildings and structures
 - Equipment and rolling stock
- Future landfill development
 - Cell or phase excavation and development
 - Access roads and other site infrastructure
- Other capital improvements for use as regional landfill
 - New scale house or scale house improvements
 - Site entrance improvements
 - Surrounding roadway improvements
 - Other new building or structure improvements
 - Interim protective cap on portions of the landfills that will no longer accept waste and storm water management improvements (“mothballing” costs)

Table 2-2 provides a summary of the anticipated debt for the Authority, excluding equipment replacement, which is accounted for in Section 2.3.3.

**Table 2-2
Summary of Planned Debt Service**

Description	Fiscal Year Needed	PV of Amount Financed ^[1]	Finance Term (Yrs)	Annual Payment
Existing Lynchburg capital assets ^[2]	2009	\$5,797,145	5	\$1,338,994
Lynchburg Equipment ^[3]	2009	\$1,294,246	7	\$223,671
Existing Campbell capital assets ^[2]	2009	\$2,455,129	13	\$261,363
Campbell Equipment ^[3]	2009	\$359,192	7	\$62,076
Campbell mothballing costs ^[4]	2009	\$532,472	13	\$56,685
New Authority Equipment	2009	\$27,000	7	\$4,666
Campbell development costs	2014	\$15,483,876	8	\$2,395,693
Campbell site improvements	2014	\$230,807	8	\$35,711

[1] The amount shown is adjusted for inflation based on the year financed.

[2] Includes existing site improvement, landfill capacity and land, and buildings.

[3] Amount shown is net of any equipment sold by the Authority.

[4] Estimate provided by Draper Aden Associates.

Additionally, the Authority will incur borrowing costs, currently estimated at \$309,300 by the Authority's financial advisor, and may be required by the lender to fund a debt service reserve fund, which is discussed in Section 2.3.6.

2.3.6 Other Reserve Funds

R. W. Beck recommends the Authority create several reserve funds to ensure it will have funds available to address unexpected expenses or decreases in revenue.

Debt Service Reserve

The lending agency may require a debt service reserve fund. Based on conversations with the Authority and its financial advisor, R. W. Beck has assumed that a reserve fund equally 10 percent of the debt issued will be required. The debt service reserve will be decreased as the debt is paid and the reserve amount is financed over the same time period as the debt. Since the initial debt issuance has multiple time periods, R. W. Beck used a weighted average of the time periods for calculation of the annual reserve amount.

Table 2-3 provides an estimate of the debt service reserve fund and associated annual payment.

**Table 2-3
Summary of Planned Debt Service**

Description	Amount
All existing capital assets - Lynchburg	\$5,797,145
All existing capital assets - Campbell	\$2,455,129
Campbell mothballing costs	\$532,472
Lynchburg Equipment	\$1,294,246
Campbell Equipment	\$359,192
New Authority Equipment	\$27,000
Borrowing Costs	\$309,300
<hr/>	
Total of Initial Debt Issuance (before debt service reserve)	\$10,774,484
Reserve Amount as Percentage of Debt Issuance	10%
Total Debt Service Reserve	\$1,077,448
Weighted Average of Debt Terms (years)	7.6
<hr/>	
Annual Debt Service Reserve Payment	\$173,788

Potential Environmental Remediation

The Authority has responsibility for the unused portions of the landfills once it assumes control in July 2008. At some point over the operating life of the two landfills, the Authority may face an unexpected expense associated with the remediation of an environmental issue.

R. W. Beck recommends the Authority establish a financial policy for addressing any of its potential future environmental remediation responsibilities. R. W. Beck identified two primary options for the Authority:

- The Authority could purchase an environmental insurance policy from the Virginia Municipal League (VML) or the Virginia Association of Counties (VAC). Based on previous conversations with VAC, the estimated annual premium for \$1,000,000 in coverage with a \$50,000 deductible would cost \$50,000 per year. If the Authority were to decide to purchase the environmental insurance policy, it should get a detailed quote for the policy from VML or VAC.
- The Authority could choose to establish a separate reserve fund to address potential environmental remediation issues. The Authority would need to determine the annual contribution to the reserve.

The advantage of the insurance policy is that the Authority would be insured up to the coverage limit regardless of when an environmental issue occurs. However, if no environmental remediation issues occur at the landfills, the Authority would have expensed \$50,000 annually. Assuming the landfills operated for 13 years and the Authority paid \$50,000 per year, this would amount to \$650,000 over the life of the landfills.

The advantage of the reserve fund is that if the Authority experiences no environmental remediation issues, the funds in the reserve would be available for the Authority to use for other purposes or to distribute to the member jurisdictions. However, if an environmental remediation issue occurs and the expense exceeds the balance of the remediation fund, the Authority would have to find other funding sources for addressing the environmental remediation.

R. W. Beck included \$50,000 in the annual budget to account for potential environmental remediation. However, this amount may be to be adjusted by the Authority once it makes a decision on how it would prefer to address this issue.

Future Disposal Planning Reserve

R. W. Beck recommends the Authority contribute \$50,000 annually to a reserve that be used for future planning and feasibility studies related to disposal options once the Lynchburg and Campbell landfills reach capacity. This amount was included in the budget.

Operations and Maintenance Reserve Fund

R. W. Beck would recommend the Authority establish a reserve fund with a balance based on three months of the operating and maintenance (O&M) portion of the annual budget (excluding debt service), net of reimbursable expenses and interest income. Based on the FY 2009 budget, this amount would equal \$904,247. This reserve would be accrued from revenue generated from the member jurisdictions over and above the cost of service rate (see Schedule 1 in the Appendix). Once the reserve fund reaches the target of three months of O&M, which will vary annually, the additional funds will be used to minimize increases to the member jurisdiction disposal fee. This reserve contribution is not included in the calculation of the cost of service rate since the contribution originate from revenues generated from member jurisdictions in excess of the cost of service rate.

2.3.7 Reimbursable Expenses

The Authority will manage the environmental monitoring, leachate disposal and site maintenance at the inactive portions of the landfills. The appropriate member jurisdiction will be financially responsible for the amount attributable to the closed portions of the landfill.² The Authority will be responsible for the amount attributable to undeveloped portions of the landfill. The communities and the Authority will share the costs associated with areas of the landfill that have accepted waste, but have not been closed. The costs will be shared in these intermediate areas based on the percentage of the capacity used by the community when the Authority is created. Table 2-4 summarizes the financial responsibilities related to site maintenance.

² Closed portions of the landfill are those which no longer accept waste and where final cover has been placed.

**Table 2-4
Financial Responsibilities at Inactive Portions of Landfills**

Landfill Phase Status	Responsibility
Closed	Community that previously owned the landfill
Intermediate	Responsibility proportionally shared between community and Authority based on amount of capacity used by when the Authority is created.
Undeveloped	Authority

Additionally, both Campbell County and the City of Lynchburg will utilize several Authority staff, primarily the Recycling Manager and Environmental Compliance and Safety Manager. These jurisdictions will reimburse the Authority for a portion of their salary and benefits.

Lastly, Campbell County will pay the Authority for the use of the maintenance shop at the landfill while the Authority is operating at the Lynchburg landfill since this asset is being transferred to the Authority, but will continue to be used by Campbell County.

2.3.8 Distribution of Excess Revenue

Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed to the Authority. Table 2-5 provides summary of the total excess revenue available for distribution. Further detail is provided in Schedule 1 of the Appendix.

**Table 2-5
Excess Revenue**

Customer Type	Excess Revenue Contribution per Ton	Tonnage	Excess Revenue
Existing Lynchburg Contracts	\$8.79	42,753	\$375,858 ^[1]
Market Rate Tonnage	\$12.47	117,628	\$1,466,984 ^[2]
Total			\$1,842,842

[1] $(\$31.320 - \$22.5286) \times 42,753 \text{ tons} = \$375,858$

[2] $(\$35.000 - \$22.5286) \times 117,628 \text{ tons} = \$1,466,984$

It is important to note that the amount of excess revenue will depend on the cost of service rate each year and therefore will vary based on both the incoming tonnage and disposal rates.

Table 2-6 provides the current estimate of airspace contribution. Before the initiation of Authority operations, final surveys should be completed to determine the total landfill airspace contributed by each landfill community.

Table 2-6
Current Airspace Contribution Estimate (as of July 1, 2008)

Landfill	Remaining Airspace Contribution (CY)	Percent of Remaining Airspace
City Lynchburg	1,621,180	37.1%
Campbell County	2,747,673	62.9%
Total	4,368,853	100.0%

Based on these current estimates, the City of Lynchburg would receive 37.1 percent of the available excess revenue and Campbell County would receive 62.9 percent. In order to provide the City of Lynchburg and Campbell County estimates of the excess revenue that could be used for budgeting purposes, R. W. Beck developed a conservative estimate assuming that 80 percent of the total available excess revenue would be available to the City of Lynchburg and Campbell County. Based on this assumption, and the data provided in Tables 2-5 and 2-6, the City of Lynchburg would receive \$547,069 and Campbell County would receive \$927,205 in excess revenue distributions in FY 2009. If the remaining 20 percent is available at the end of the year, then it too would be distributed as excess revenue to these two member jurisdictions using the same methodology.

R. W. Beck recommends the definition of excess revenue in the member use agreement be revised to reflect the discussion in this section.

2.4 Summary of Annual Budget

This section summarizes the annual budget based on the information presented in Sections 2.2 and 2.3. Table 2-7 contains the FY 2009 expenses included in the calculation of the cost of service rate.

Table 2-7
FY 2009 Operating Expenses and Debt Service

Budget Category	FY 2009 Expenses
Personnel	\$1,311,325
Landfill O&M	\$1,758,200
Equipment Replacement	\$406,525
Closure and Post-Closure	\$465,725
Environmental and Future Planning Reserves	\$100,000
Debt Service	\$2,171,131
Total Annual Expenses	\$6,212,906
Reimbursable Expenses	(\$422,286)
Interest Income	(\$2,500)
Net Operating Expenses	\$5,788,120
Total Tonnage	\$256,923
Disposal Cost per Ton	\$22.53

Based on this estimated operating expenses and debt service, the disposal cost per ton for the member jurisdictions in FY 2009 will be \$22.04.

The revenue generated from disposal fees (Table 2-1) is greater than the net operating expense of \$5,788,120 shown in Table 2-7. Table 2-8 shows how the remaining disposal fee revenue is distributed as excess revenue or used by the Authority for O&M reserves, which results in a total net revenue total of \$0.

Table 2-8
Total Net Revenue

Budget Category	FY 2009 Budget
Disposal Fee Revenue	\$7,869,554
Operating Expenses and Debt Service	(\$5,788,120)
Distribution of Excess Revenue	(\$1,842,842)
O&M Reserve Contribution	(\$238,592)
Total	\$0

2.5 Other Financial Issues

This section provides guidance concerning how the Authority and the member jurisdictions should address other financial issues that may need to be addressed in the future. This section was developed based on discussion with representatives from each participating community, and represents a consensus from those discussions.

2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill

Based on discussion in Section 1.3.6, the Authority and the City of Lynchburg will need to proportionally share the revenue generated by the gas payment right based on the contract that the City has with Lynchburg Gas Producers, LLC. The gas payment right should be paid based on the following methodology:

1. Lynchburg Gas Producers, LLC pays the gas payment right based on the landfill meeting the minimum quantity of gas collected annually;
2. The allocation of the gas payment right between the City and the Authority should be based on the percentage of total waste in place. This percentage will change as the Authority increases the amount of waste in the landfill.³

2.5.2 Disposal Payments

Local governments currently fund their disposal costs either through their general fund or as a direct fee by customers. In the transition to the regional system, each local government will need to pay for the quantity of waste that will be disposed of in the landfill from its collection vehicles and/or convenience stations.

The member jurisdictions' managers agreed in principal on R. W. Beck's recommendation that each individual jurisdiction pay a fee based on the tonnage brought to the facility and the established member community disposal rate (\$25 for FY 2009). Each local government would need to decide whether it would fund this expense either through rates, assessments or the general fund.

Initially, R. W. Beck recommends the member jurisdictions pre-pay for disposal service. This will ensure the Authority has sufficient working capital during the first year of operations. R. W. Beck recommends the member jurisdictions initially pre-pay six months of disposal fees, which equates to \$1,206,772. On January 1, 2009, the member jurisdictions would pre-pay an additional six months. Table 2-9 provides more detail on the payments. Alternatively, the member jurisdictions could pre-pay for the second six months in two quarterly installments, each totaling \$603,386.

After the first year, when the Authority has sufficient working capital and reserves accumulated, member jurisdictions could be billed on a monthly basis. Depending on the preferences of the member jurisdictions, the Authority could also continue to collect pre-paid disposal fees in quarterly increments.

³ Here is a hypothetical example. Prior to the establishment of the Authority, assume the City has disposed of 2,300,000 cubic yards of waste. During the first year as the regional landfill, assume the Lynchburg landfill receives 400,000 cubic yards. For this first year, the City would receive 85.2% of the revenue (2,300,000/2,700,000) and the Authority would receive 14.8% (400,000/2,700,000). The percentages would change each year as the Authority increases the amount of waste disposed.

**Table 2-9
Pre-Paid Disposal Fees**

Member Jurisdiction	Jul 1 – Dec 30, 2008	Jan 1 – Jun 30, 2009	FY 2009 Total
Lynchburg	\$597,328	\$597,328	\$1,194,656
Campbell	\$285,000	\$285,000	\$570,000
Nelson	\$163,238	\$163,238	\$326,476
Appomattox	\$92,456	\$92,456	\$184,912
Bedford	\$68,750	\$68,750	\$137,500
Total	\$1,206,772	\$1,206,772	2,214,544

2.5.3 Participation by Additional Communities

In the future, there may be other communities that express an interest in joining the Authority. If this occurs, having a policy in place of how to address this would be beneficial. The Authority will require the interested community to fund an analysis that would evaluate the financial and operational feasibility of their participation. The Authority would select the consultant to develop the analysis. The Authority would require the prospective member to pay a pro rata fee of all expenses to date related to the feasibility and establishment of the Authority.

2.5.4 Future Use of Reserve Funds

After the existing landfills reach capacity and the Authority determines that no future liabilities will occur, the need may exist to decide how to use remaining reserve funds (e.g., Environmental Remediation Reserve). Since there will be a need for another disposal option when the two landfills reach capacity, these reserve funds could be used to fund development costs associated with the next solid waste management system (e.g., development of a new landfill and/or transfer station).

FY 2009 Disposal Fee Revenue

Schedule 1

Tonnage	FY 2009
Tonnage from Member Jurisdictions	
Lynchburg	47,786
Campbell	22,800
Nelson	13,059
Appomattox	7,397
Bedford	5,500
Lynchburg Contracts & Other Waste	42,753
Market Rate Tonnage	117,628
Total Tonnage	256,923

Per Ton Disposal Fees	FY 2009
Member Disposal Fee	\$25.00
Cost of Service (COS) Tipping Fee	\$22.53
Avg. Rate - Lynchburg Contracts & Other Waste	\$31.32
Market Rate	\$35.00

FY 2009 Disposal Fee Revenue	COS Contribution	O&M Reserve Contribution	Excess Revenue	Total Revenue
From Member Jurisdictions				
Lynchburg	\$1,076,553	\$118,097	\$0	\$1,194,650
Campbell	\$513,652	\$56,348	\$0	\$570,000
Nelson	\$294,201	\$32,274	\$0	\$326,475
Appomattox	\$166,644	\$18,281	\$0	\$184,925
Bedford	\$123,907	\$13,593	\$0	\$137,500
Lynchburg Contracts & Other Waste	\$963,166	\$0	\$375,858	\$1,339,024
Outside Tonnage	\$2,649,996	\$0	\$1,466,984	\$4,116,980
Total	\$5,788,119	\$238,592	\$1,842,842	\$7,869,554

Expenses

Personnel	Subtotals	Totals
Management		
Salary	(\$272,347)	
Benefits	(\$84,479)	
Overtime	(\$5,447)	
Operations		
Salary	(\$605,515)	
Benefits	(\$220,043)	
Overtime	(\$12,110)	
Region 2000 Staff		
New Staff Salary	(\$33,750)	
Existing Staff Salary	(\$23,591)	
Benefits and Overhead	(\$54,043)	
Personnel Subtotal		(\$1,311,325)
Landfill O&M		
Contractual Services	(\$494,900)	
Supplies & Materials	(\$452,400)	
Gas/Diesel Fuel	(\$262,400)	
Rentals & Leases	(\$23,200)	
Utilities & Natural Gas	(\$20,000)	
Training & Meetings	(\$20,500)	
Misc. Expenses	(\$48,600)	
Payments to Other Entities	(\$82,700)	
Reimbursable Expenses	(\$353,500)	
Landfill O&M Subtotal		(\$1,758,200)
Landfill Equipment Replacement Reserve		
Equipment Replacement Reserve	(\$406,525)	
Landfill Equipment Replacement Subtotal		(\$406,525)
Closure and Post-Closure Reserve		
Closure	(\$274,580)	
Post-Closure	(\$191,146)	
Closure and Post-Closure Reserve Subtotal		(\$465,725)
Other Reserve Fund Contributions		
Environmental Remediation	(\$50,000)	
Future Diposal Planning and Engineering	(\$50,000)	
Other Reserve Fund Subtotal		(\$100,000)
Debt Service		
Existing Landfill Assets		
Lynchburg	(\$1,338,994)	
Campbell	(\$261,363)	
Campbell Interim Cover	(\$56,685)	
Existing Equipment	(\$290,413)	
Borrowing Costs	(\$49,889)	
Debt Service Reserve	(\$173,788)	
Annual Debt Service Subtotal		(\$2,171,131)
Operating Expenses		(\$6,212,906)

Reimbursable Expenses and Interest Income

City of Lynchburg	Subtotals	Totals
Landfill O&M		
Engineering/Monitoring Services	\$25,600	
Environmental Lab Services	\$20,500	
Tire Shredding	\$8,200	
HHW Disposal	\$15,400	
Wood Waste Grinding	\$61,500	
Leachate Treatment	\$60,800	
Lynchburg Landfill O&M Subtotal		\$192,000
Personnel		
Recycling Manager	\$21,693	
Lynchburg Personnel Subtotal		\$21,693
Campbell County		
Landfill O&M		
Engineering/Monitoring/Remediation Services	\$102,500	
Environmental Lab Services	\$51,300	
Leachate Treatment	\$7,700	
Campbell Landfill O&M Subtotal		\$161,500
Personnel		
Recycling Manager	\$21,693	
Environmental Compliance and Safety Manager	\$20,000	
Campbell Personnel Subtotal		\$41,693
Leases		
Building/Shop Lease	\$5,400	
Campbell Leases Subtotal		\$5,400
Interest Income		\$2,500

Net Cost of Service Operating Expense Total **(\$5,788,120)**

Total Tonnage **\$256,923**

Disposal Cost per Ton **\$22.53**

Airspace Reserve		
Authority	(\$368,568)	
Lynchburg	(\$547,069)	
Campbell	(\$927,205)	
Airspace Reserve Subtotal		(\$1,842,842)
O&M Reserve Contribution		(\$238,592)

Total Expenses		(\$7,869,554)
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Personnel

Solid Waste Staff

Position	FTE	Average Annual Salary	FY 2009 Annual Cost
Management			
Solid Waste Director	1	\$96,542	\$96,542
Environmental Compliance and Safety Manager	1	\$48,318	\$48,318
Business Manager	1	\$53,272	\$53,272
Finance Associate	1	\$41,853	\$41,853
Administrative Assistants	1	\$32,362	\$32,362
Subtotal-Management	5		\$272,347
Operations			
Operations Manager	1	\$53,272	\$53,272
Recycling Program Manager	1	\$40,000	\$40,000
Scale Operator	2	\$29,302	\$58,604
Landfill Operator IV	2	\$36,571	\$73,142
Landfill Operator III	5	\$33,502	\$167,510
Landfill Operator II	3	\$28,719	\$86,157
Landfill Operator I	2	\$25,594	\$51,188
Mechanic	2	\$37,821	\$75,642
Subtotal-Operations	18		\$605,515
Total	23		\$877,862

Benefits	Amount	Basis	Management	Operations
Virgina Retirement System	12.6%	Salary	\$34,370	\$76,416
Health Insurance	\$363.38	Per employee, per month	\$21,803	\$78,489
Dental Insurance	\$11.50	Per employee, per month	\$690	\$2,484
Workers Compensation	2.16%	Salary	\$5,872	\$13,056
FICA	7.7%	Salary	\$20,835	\$46,322
Payroll Administration	\$7.00	Per Employee per Check	\$910	\$3,276
Total			\$84,479	\$220,043

Overtime	Amount	Basis	Management	Operations
Overtime	2.0%	Salary	\$5,447	\$12,110
Total			\$5,447	\$12,110

Total Personnel Costs - Services Authority Staff		Management	Operations
Total		\$362,273	\$837,668

Local Government Council Staff

Position	Hours per Year	Annual Base Salary Cost
New Staff Position (1)	1,560	\$33,750
Existing Staff Positions (3)	624	\$23,591
Total	2,184	\$57,341

Benefits	Amount	Basis	Annual Cost
Virgina Retirement System	10%	Salary	\$5,734
Health Insurance	\$382.50	Per employee, per month	\$4,820
Dental Insurance	\$11.50	Per employee, per month	\$145
Workers Compensation	2.16%	Salary	\$1,236
FICA	7.7%	Salary	\$4,387
Overtime	2.0%	Salary	\$1,147
Total			\$17,468

Overhead	Amount	Basis	Annual Cost
Overhead	48.9%	Salary + Benefits	\$36,574

Total Personnel Costs - Region 2000 Staff	\$111,384
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Total Personnel Costs	\$1,311,325
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Landfill Operating and Maintenance Expenses

Schedule 4

Operations and Maintenance Cost Type	FY 2009 Authority Budget
Contractual Services	
Third Party Software Maintenance Service	\$6,700
Communications M&R Service	\$1,100
Building M&R Services	\$8,000
Site Maintenance - Lynchburg Landfill	\$20,500
Site Maintenance - Campbell Landfill	\$20,500
Sedimentation Basin Cleaning - Lynchburg Landfill	\$35,900
Janitorial Services	\$2,600
Med / Dental / Pharm / Lab Services	\$1,000
Legal Services	\$30,800
Auditing Services	\$13,500
Engineering/Monitoring Services	\$97,400
Professional Consulting Services	\$46,100
Environmental Lab Services	\$5,100
Temporary Personnel Services	\$11,500
Advertising	\$10,300
Software Purchases	\$5,100
Pest Control Services	\$1,200
Investigative Services	\$500
Uniform Rental Services	\$6,700
Tire Shredding Services	\$7,200
Misc. Contractual Service	\$2,600
Equipment Parts Supplier Admin	\$12,800
Vehicle M&R Services	\$111,100
Mechanical M&R Services	\$10,300
City of Lynchburg IT Support	\$5,100
Payroll Support Services	\$20,500
Accounting Software	\$800
Contractual Services Subtotal	\$494,900
Supplies & Materials	
Forms & Stationary	\$4,100
Office Supplies	\$8,200
Custodial Supplies	\$3,800
Apparel / Protective Wear	\$3,400
Books & Publications	\$1,500
Subscriptions	\$200
Safety Supplies	\$7,800
Awards & Recognition	\$100
Grounds Maint. Supplies	\$10,300
Food & Dietary Supplies	\$2,100

Landfill Operating and Maintenance Expenses

Schedule 4

Minor / Equipment	\$15,400
Chemicals / Gases	\$3,100
Office M&R	\$300
Vehicle M&R Materials	\$61,500
Building M&R Materials	\$3,100
Mechanical M&R Materials	\$800
Communications M&R Materials	\$2,700
Haul Road M&R Materials	\$169,100
Daily Cover	\$153,800
Postage	\$800
Mailing Services	\$100
Audiovisual Supplies	\$200
Supplies & Materials Subtotal	\$452,400
Gas/Diesel Fuel	
Gas/Diesel - Internal Services	\$17,700
Gas/Diesel - Other	\$244,700
Gas/Diesel Fuel Subtotal	\$262,400
Rentals & Leases	
Equipment Rental	\$10,900
Building Leases at Lynchburg	\$12,300
Rentals & Leases Subtotal	\$23,200
Utilities & Natural Gas	
Telephone	\$1,500
Electricity	\$9,900
Water & Sewer	\$500
Propane Gas	\$3,100
Cellular Services & Pager	\$1,700
Natural Gas	\$3,300
Utilities & Natural Gas Subtotal	\$20,000
Training & Meetings	
Training	\$15,400
On-site Training	\$5,100
Training & Meetings Subtotal	\$20,500
Misc. Expenses	
Dues and Memberships	\$1,000
Other Miscellaneous Expense	\$3,100
Fleet Services Internal Charges	\$12,700
VDEQ Landfill Fee	\$31,800
Misc. Expenses Subtotal	\$48,600
Payments to Other Entities	
Leachate Treatment	\$21,200
Insurance	\$61,500
Payments to Other Entities Subtotal	\$82,700

Landfill Operating and Maintenance Expenses

Schedule 4

Reimbursable Landfill O&M Expenses	
City of Lynchburg	
Engineering/Monitoring Services	\$25,600
Environmental Lab Services	\$20,500
Tire Shredding	\$8,200
HHW Disposal	\$15,400
Wood Waste Grinding	\$61,500
Leachate Treatment	\$60,800
Campbell County	
Engineering/Monitoring/Remediation Services	\$102,500
Environmental Lab Services	\$51,300
Leachate Treatment	\$7,700
Reimbursable Landfill O&M Expenses Subtotal	\$353,500
Total	\$1,758,200

Equipment

Schedule 5

Lynchburg	Original Cost	Year Acquired	Remaining Life	Acquisition Cost	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Hydro Seeding System with Air Gap Fillwell	\$8,879	1992	0.0	\$266	Y	2009	\$13,510	5
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	\$8,850	1993	0.0	\$266	Y	2009	\$13,138	10
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	\$8,275	1994	0.0	\$248	Y	2009	\$11,984	5
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	\$12,359	1994	5.0	\$4,607	Y	2015	\$20,758	10
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	\$5,045	1995	0.0	\$151	Y	2009	\$7,128	7
Steel Deck Truck Scale	\$60,175	2002	4.0	\$24,070	Y	2013	\$78,955	10
Steel Deck Truck Scale	\$60,175	2002	4.0	\$24,070	Y	2013	\$78,955	10
Portable Radios (18)	\$32,400	1995	0.0	\$972	Y	2009	\$45,780	10
Mobile Radios (20) (mounted on equipment)	\$36,000	1995	2.0	\$4,800	Y	2011	\$53,442	15
J. D. Rubber Tire Loader	\$111,719	2006	10.0	\$93,099	Y	2019	\$154,006	12
Dozer (D8)	\$286,793	1993	0.0	\$20,076	Y	2009	\$425,746	12
Tractor (John Deere 6200)	\$44,872	1994	0.0	\$1,346	N	0	\$0	12
Street Flusher	\$146,217	2006	10.0	\$121,848	Y	2019	\$201,562	12
Dump Truck	\$41,358	1994	0.0	\$1,241	Y	2009	\$59,899	12
Pick-up 4X4	\$22,002	2001	1.0	\$2,750	Y	2010	\$27,477	8
Dump Truck #1 w/Hook-Lift	\$100,359	2002	2.0	\$25,090	Y	2011	\$125,335	8
Dump Truck #2 w/Hook-Lift	\$144,933	2008	8.0	\$144,933	Y	2017	\$181,001	8
Truck	\$25,980	2002	1.0	\$3,711	Y	2010	\$31,654	7
Forklift	\$20,835	1997	1.0	\$1,736	Y	2010	\$28,721	12
Flatbed Trailer	\$2,552	1997	1.0	\$213	Y	2010	\$3,518	12
Flatbed Trailer	\$2,552	1998	2.0	\$425	Y	2011	\$3,518	12
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	\$1,395	1998	2.0	\$233	Y	2011	\$1,923	12
Snow Spreader for 4x4 truck (Western)	\$2,100	1998	0.0	\$63	Y	2009	\$2,755	8
Pan Scraper (Wheel Scraper)	\$319,000	2002	1.0	\$45,571	Y	2010	\$388,671	7
John Deere Riding Mower	\$3,999	2002	2.0	\$1,000	Y	2011	\$4,994	8
Bushhog Mower (attach)	\$5,400	2001	1.0	\$675	Y	2010	\$6,744	8
Compactor (Bomag)	\$486,423	2007	4.5	\$437,781	Y	2013	\$564,102	5
Compactor (BOMAG)	\$311,034	2004	1.0	\$62,207	Y	2010	\$360,704	5
973 Track Loader (CAT)	\$291,624	2004	1.0	\$58,325	Y	2010	\$338,194	5
Open Top Bins (10)	\$30,000	1998	0.0	\$900	Y	2009	\$39,363	10
Lawn Mower (Gravely M12S)	\$5,829	1994	0.0	\$175	Y	2009	\$8,442	6
Chainsaw	\$319	2001	0.0	\$10	Y	2009	\$389	5
Large Generator (KOHLR 2OROZJ61)	\$10,000	1994	0.0	\$300	Y	2009	\$14,483	12
Freon Remover	\$595	2005	2.0	\$238	Y	2011	\$690	5
Dodge Neon	\$11,930	2004	6.0	\$7,158	Y	2015	\$15,653	10
Fuel Truck	\$108,965	2005	9.0	\$81,724	Y	2018	\$150,209	12
Dozer (D3)	\$60,987	1993	0.0	\$4,269	Y	2009	\$90,536	12
Ford Taurus	\$13,484	2006	6.0	\$10,113	Y	2015	\$16,840	8
Hydroseeder (2007 Finn LF120)	\$50,985	2007	4.0	\$40,788	Y	2013	\$59,127	5
Horizontal Silo	\$69,500	2007	9.0	\$62,550	Y	2018	\$91,190	10
Riding Lawn Mower (John Deere)	\$3,600	2004	3.0	\$1,543	Y	2012	\$4,386	7
Riding Lawn Mower (John Deere - LX 280)	\$3,790	2006	5.0	\$2,707	Y	2014	\$4,618	7
Subtotal	\$3,363,290			\$1,294,246				

Equipment

Schedule 5

	Replacement Schedule (FY)						
Lynchburg	2009	2010	2011	2012	2013	2014	2015
Hydro Seeding System with Air Gap Fillwell	\$3,121	\$3,121	\$3,121	\$3,121	\$3,121	\$3,121	\$3,121
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	\$2,768	\$2,768	\$2,768	\$2,768	\$2,768	\$2,768	\$2,768
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	\$0	\$0	\$0	\$0	\$0	\$0	\$2,688
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	\$1,232	\$1,232	\$1,232	\$1,232	\$1,232	\$1,232	\$1,232
Steel Deck Truck Scale	\$0	\$0	\$0	\$0	\$10,225	\$10,225	\$10,225
Steel Deck Truck Scale	\$0	\$0	\$0	\$0	\$10,225	\$10,225	\$10,225
Portable Radios (18)	\$5,929	\$5,929	\$5,929	\$5,929	\$5,929	\$5,929	\$5,929
Mobile Radios (20) (mounted on equipment)	\$0	\$0	\$5,149	\$5,149	\$5,149	\$5,149	\$5,149
J. D. Rubber Tire Loader	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dozer (D8)	\$48,035	\$48,035	\$48,035	\$48,035	\$48,035	\$48,035	\$48,035
Tractor (John Deere 6200)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Street Flusher	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dump Truck	\$6,758	\$6,758	\$6,758	\$6,758	\$6,758	\$6,758	\$6,758
Pick-up 4X4	\$0	\$4,251	\$4,251	\$4,251	\$4,251	\$4,251	\$4,251
Dump Truck #1 w/Hook-Lift	\$0	\$0	\$19,392	\$19,392	\$19,392	\$19,392	\$19,392
Dump Truck #2 w/Hook-Lift	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Truck	\$0	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470
Forklift	\$0	\$3,240	\$3,240	\$3,240	\$3,240	\$3,240	\$3,240
Flatbed Trailer	\$0	\$397	\$397	\$397	\$397	\$397	\$397
Flatbed Trailer	\$0	\$0	\$397	\$397	\$397	\$397	\$397
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	\$0	\$0	\$217	\$217	\$217	\$217	\$217
Snow Spreader for 4x4 truck (Western)	\$426	\$426	\$426	\$426	\$426	\$426	\$426
Pan Scraper (Wheel Scraper)	\$0	\$67,170	\$67,170	\$67,170	\$67,170	\$67,170	\$67,170
John Deere Riding Mower	\$0	\$0	\$773	\$773	\$773	\$773	\$773
Bushhog Mower (attach)	\$0	\$1,043	\$1,043	\$1,043	\$1,043	\$1,043	\$1,043
Compactor (Bomag)	\$0	\$0	\$0	\$0	\$130,293	\$130,293	\$130,293
Compactor (BOMAG)	\$0	\$83,314	\$83,314	\$83,314	\$83,314	\$83,314	\$83,314
973 Track Loader (CAT)	\$0	\$78,114	\$78,114	\$78,114	\$78,114	\$78,114	\$78,114
Open Top Bins (10)	\$5,098	\$5,098	\$5,098	\$5,098	\$5,098	\$5,098	\$5,098
Lawn Mower (Gravelly M12S)	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$1,663	\$0
Chainsaw	\$90	\$90	\$90	\$90	\$90	\$90	\$90
Large Generator (KOHRLR 2OROZJ61)	\$1,634	\$1,634	\$1,634	\$1,634	\$1,634	\$1,634	\$1,634
Freon Remover	\$0	\$0	\$159	\$159	\$159	\$159	\$159
Dodge Neon	\$0	\$0	\$0	\$0	\$0	\$0	\$2,027
Fuel Truck	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dozer (D3)	\$10,215	\$10,215	\$10,215	\$10,215	\$10,215	\$10,215	\$10,215
Ford Taurus	\$0	\$0	\$0	\$0	\$0	\$0	\$2,605
Hydroseeder (2007 Finn LF120)	\$0	\$0	\$0	\$0	\$13,657	\$13,657	\$13,657
Horizontal Silo	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Riding Lawn Mower (John Deere)	\$0	\$0	\$0	\$758	\$758	\$758	\$758
Riding Lawn Mower (John Deere - LX 280)	\$0	\$0	\$0	\$0	\$0	\$798	\$798
Subtotal	\$88,670	\$331,670	\$357,757	\$358,515	\$522,915	\$523,713	\$529,371
Present Value		\$2,166,011					

Equipment

Schedule 5

Campbell	Original Cost	Year Acquired	Remaining Life	Net Financing Needed	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Scale	\$51,000		0.0	\$1,530	Y	2009	\$65,284	10
Above ground fuel tank	\$18,000		0.0	\$540	Y	2009	\$23,042	10
2003 Pick-up truck	\$20,737		0.5	\$1,728	Y	2009	\$23,754	6
Scalehouse software and hardware (including accounting system)	\$17,000		0.5	\$1,700	Y	2009	\$18,998	5
1973 Fruehauf Tank Trailer	\$5,125		4.5	\$577	Y	2013	\$0	40
2000 Mad Vac Trailer	\$18,607		11.5	\$10,699	Y	2020	\$22,952	20
2002 Lowboy Trailer	\$23,863		8.5	\$13,522	Y	2017	\$28,018	15
2004 Caterpillar 836G-11 Compactor	\$392,970		6.4	\$314,376	Y	2015	\$408,806	8
Waste Oil Furnace	\$5,495		9.0	\$4,946	N	0	\$5,632	10
Leachate truck (8100 International)	\$40,000		2.0	\$6,667	Y	2011	\$51,203	12
Gas Meter and Water Level Indicator	\$4,250		13.0	\$2,908	N	0	\$4,929	19
Subtotal	\$597,047			\$359,192				

New Authority Equipment	Original Cost	Year Acquired	Remaining Life	Net Financing Needed	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Personnel Vehicle	\$27,000	2009	7.0	\$27,000	Y	2016	\$32,095	7
Subtotal	\$27,000			\$27,000			\$32,095	

Total **\$3,987,337** **\$1,680,438**

Equipment

Campbell	2009	2010	2011	2012	2013	2014	2015
Scale	\$8,455	\$8,455	\$8,455	\$8,455	\$8,455	\$8,455	\$8,455
Above ground fuel tank	\$2,984	\$2,984	\$2,984	\$2,984	\$2,984	\$2,984	\$2,984
2003 Pick-up truck	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680
Scalehouse software and hardware (including accounting system)	\$4,388	\$4,388	\$4,388	\$4,388	\$4,388	\$4,388	\$4,388
1973 Fruehauf Tank Trailer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2000 Mad Vac Trailer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2002 Lowboy Trailer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2004 Caterpillar 836G-11 Compactor	\$0	\$0	\$0	\$0	\$0	\$0	\$63,251
Waste Oil Furnace	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leachate truck (8100 International)	\$0	\$0	\$5,777	\$5,777	\$5,777	\$5,777	\$5,777
Gas Meter and Water Level Indicator	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$20,507	\$20,507	\$26,284	\$26,284	\$26,284	\$26,284	\$89,535
Present Value		\$186,296					

New Authority Equipment	2009	2010	2011	2012	2013	2014	2015
Personnel Vehicle	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Present Value		\$0					

Total **\$109,176** **\$352,177** **\$384,040** **\$384,798** **\$549,199** **\$549,997** **\$618,905**

Summary	Total Acquisition Cost	Annual Payment
Vehicle Acquisition	\$1,680,438	\$290,413
Vehicle Replacement Fund		\$406,525
Total		\$696,938

Current Capital Assets	Original Cost	Acquisition Cost	Fiscal Year Acquired	Finance Term
Lynchburg				
Existing Site Improvements	Original Cost	Acquisition Cost		
Land, Site Prep., Grading, Clearing, Access Roads, Fencing	\$194,925	\$72,656	2009	5
Pipe, Sewer 18" Concrete 3993 LF Landfill-Concord Turnpike	\$253,684	\$94,558	2009	5
Landfill Site Preparation, Grading, Clearing, Re-Routing Waterways, Wood Waste Area	\$2,040,762	\$760,668	2009	5
Storm Drainage	\$99,189	\$36,972	2009	5
Pipe, Water, 8" Diameter, Approx. 1.785LF	\$69,614	\$25,948	2009	5
Pipe, Sewer, 8" Diameter, Approx. 1,180LF	\$88,158	\$32,860	2009	5
Concrete Pad	\$58,327	\$21,741	2009	5
Asphalt Paving, Entrance & Access Roads, C&G, Oper. Bldg. Prkng-800SY Appx. \$15000, & Admin Bldg \$2500	\$664,945	\$247,850	2009	5
Guardrail	\$33,531	\$12,498	2009	5
Fencing, Wood & Chain Link	\$23,717	\$8,840	2009	5
Sediment Basin #3	\$6,649	\$2,478	2009	5
Erosion Control System, Straw Bales, Siltation Control Fences, Brush Barriers, Riprap	\$135,354	\$50,451	2009	5
Electrical Wiring	\$45,690	\$17,031	2009	5
Pipe, Water, 1" Copper, 68LF	\$2,985	\$1,113	2009	5
Pipe, Sewer, 12" RCP, W/One Manhole, 30LF	\$4,377	\$1,632	2009	5
Pipe, Water, 1 1/2" Copper, 180LF	\$996	\$371	2009	5
Pipe, Sewer, 24" Di, 60LF	\$4,710	\$1,755	2009	5
Landfill, Earthwork, Pushed Area For Rock Tenn	\$1,039	\$387	2009	5
Pipe, Sewer, 4" PVC, 115LF	\$3,545	\$1,321	2009	5
Pipe, Sewer, 4" PVC, 2 Lines, 130LF(total)	\$3,206	\$1,195	2009	5
Pipe, Sewer, 2" Copper W/Meter Box & Yoke, 90LF	\$1,850	\$689	2009	5
Pipe, Sewer, 8" VC, 128LF	\$7,787	\$2,903	2009	5
Pipe, Sewer, 8" VC, 128LF	\$3,894	\$1,451	2009	5
Pipe, Sewer, 8" Di Cl. 50, 292LF	\$23,027	\$8,583	2009	5
Asphalt & Concrete Paving, Curbs, Gutters, Sidewalk Ditches, & Shoulder Stone	\$31,770	\$11,842	2009	5
Curbs & Gutters, 220LF	\$5,505	\$2,052	2009	5
Curb & Gutter, 211LF	\$2,496	\$930	2009	5
Asphalt Paving, Nickerson Drive	\$4,219	\$1,573	2009	5
Asphalt Paving, Industrial Dump Site, Access Road, Turnaround Area	\$36,978	\$13,783	2009	5
Lighting System, Roadway, 41 Poles w/400W Mounted Lights, Aerial Cables, Remote Control Wiring, 24Hr.	\$126,932	\$47,312	2009	5
Gate, Rear Entry to Landfill, 30'	\$13,758	\$5,128	2009	5
Pipe-Leachate 2,500 LF	\$84,435	\$9,091	2009	5
Land Improvements	\$5,797	\$624	2009	5
Pipe	\$9,275	\$999	2009	5
Landfill Monitoring System (Infrared Analyzer for Methane & Carbon Dioxide)	\$3,456	\$1,728	2009	5
	\$4,096,580	\$1,501,011		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Construction and Components of Phase III Landfill Development	\$1,898,134	\$754,265	2009	5
Land, Sanitary Landfill Concord Turnpike - 9.80 Acres Tax Map	\$9,760	\$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.02 Acres Tax Map	\$9,760	\$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.75 Acres Tax Map	\$9,760	\$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 8.13 Acres Tax Map	\$9,760	\$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 0.40 Acres Tax Map	\$1,998	\$745	2009	5
Land, Sanitary Landfill Concord Turnpike - 22.84 Acres Tax Map	\$38,985	\$14,531	2009	5
Land, Sanitary Landfill Concord Turnpike - 28.70 Acres Tax Map	\$52,176	\$19,448	2009	5
Land, Sanitary Landfill Concord Turnpike - 2.67 Acres Tax Map	\$74,475	\$27,760	2009	5
Land, Sanitary Landfill Concord Turnpike - Approx. 2 Acres Tax Map	\$71,751	\$26,744	2009	5
Land, Sanitary Landfill, Property Fronting Concord Turnpike Tax Map	\$10,148	\$3,783	2009	5
Land, Sanitary Landfill, Tyreeanna Rd., Tax Maps	\$45,803	\$17,072	2009	5
Landfill Liner System, Clay Liner	\$505,261	\$188,330	2009	5
Landfill Liner System, Leachate Collection 6" Perforated PVC Pipe in 1 1/2' VDOT #3 Stone	\$120,887	\$45,059	2009	5
Landfill Liner System, HDPE Liner, 60 Mils. Dense, GEONET Liner, Non-Woven, GEOT Extile Heat Bonded	\$844,507	\$314,779	2009	5
Landfill Liner System, Cushion Layers, Soil and Stone	\$728,874	\$271,678	2009	5
Landfill, Design & Engineering	\$458,198	\$170,787	2009	5
Environmental Assessments, Tyreeanna Land Purchase	\$53,405	\$19,906	2009	5

Landfill Capital

Schedule 6

Landfill Permit	\$20,559	\$7,663	2009	5
Landfill, Design & Engineering	\$418,314	\$166,226	2009	5
Environmental Assessments, Tyreeanna Land Purchase	\$49,106	\$18,304	2009	5
Environmental Assessments, Tyreeanna Land Purchase	\$2,619	\$976	2009	5
Landfill Survey, Property Exchange Between City & Tyreeanna Church	\$1,218	\$454	2009	5
Landfill Liner System, 24" Soil Liner, 14845 CY	\$288,294	\$31,039	2009	5
Landfill Liner System, 18" Soil Cushion, 11,135 CY	\$163,367	\$17,589	2009	5
Landfill Liner System, HDPE Liner, 22,264 SY	\$242,774	\$26,138	2009	5
Geotextile Fabric	\$40,462	\$4,356	2009	5
Geocomposite Liner	\$202,312	\$21,782	2009	5
Landfill Liner System	\$27,128	\$2,921	2009	5
Landfill Liner System	\$33,710	\$3,629	2009	5
Landfill Liner System	\$99,991	\$10,765	2009	5
Landfill Liner System	\$10,434	\$1,123	2009	5
Phase IV Landfill Cell	\$2,057,659	\$2,057,659	2009	5
	\$8,601,589	\$4,260,064		
Buildings	Original Cost	Acquisition Cost		
Building, Scale House	\$51,432	\$19,171	2009	5
Building, Hazardous Drop-Off, Prefabricated Steel Ext. Relocatable, Apx. 33'4" x 8'8" W/Waste Oil Tk	\$45,337	\$16,899	2009	5
	\$96,769	\$36,069		
Campbell				
Existing Site Improvements	Original Cost	Acquisition Cost		
Paved roads within the landfill	\$105,000	\$72,357	2009	13
Stormwater pond	\$242,000	\$166,766	2009	13
Clear 30 acres, Phase III	\$60,000	\$29,672	2009	13
Riprap soil erosion features	\$25,000	\$17,228	2009	13
Fire break, 4 acres, Phase IV	\$8,000	\$5,513	2009	13
Seeding intermediate cover, Phase III	\$12,000	\$8,269	2009	13
Clear 4 acres, Phase IV	\$8,000	\$5,513	2009	13
Piping between Phase III and Phase IV	\$12,000	\$8,269	2009	13
Leachate tank and pumping station	\$239,800	\$165,250	2009	13
Fencing	\$45,000	\$31,010	2009	13
Livestock Road improvements	\$350,000	\$350,000	2009	13
	\$1,106,800	\$859,847		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Phase III, Cell 5 - Engineering, Design, Construction	\$1,292,500	\$490,034	2009	13
Phase III, Cell 5 - Land (4.07 acres)	\$12,475	\$4,730	2009	13
Phase III, Cell 5 - Excavation of 160,000 cubic yards	\$240,000	\$90,993	2009	13
Phase III, Cell 6 - Land (4.30 acres)	\$13,180	\$13,180	2009	13
Phase III, Cell 6 - Partial Excavation (85%)	\$200,391	\$200,391	2009	13
Phase III, Cell 7 - Land (4.70 acres)	\$14,406	\$14,406	2009	13
Phase III, Cell 7 - Partial Excavation (75%)	\$280,356	\$280,356	2009	13
Phase IV, Cell 1 - Land (5.82 acres)	\$17,838	\$17,838	2009	13
Phase IV, Cell 2 - Land (5.08 acres)	\$15,570	\$15,570	2009	13
Phase IV, Cell 3 - Land (4.44 acres)	\$13,609	\$13,609	2009	13
Phase IV, Cell 4 - Land (3.65 acres)	\$11,187	\$11,187	2009	13
Phase IV, Cell 5 - Land (1.49 acres)	\$4,567	\$4,567	2009	13
Other Land in Phases III and IV	\$134,860	\$92,934	2009	13
Permit for Parts A and B	\$250,000	\$172,279	2009	13
	\$2,500,938	\$1,422,072		
Buildings	Original Cost	Acquisition Cost		
Landfill Administration Office/Scalehouse	\$110,000	\$75,803	2009	13
Maintenance building/shop	\$101,200	\$69,738	2009	13
Storage building located between Phases III and IV	\$18,700	\$12,886	2009	13
Recycling Building in Phase I	\$21,450	\$14,782	2009	13
	\$251,350	\$173,209		

Future Capital Expenditures Needed for Regional Use	Average Cost Estimate	Year Needed	Adjusted Cost	Finance Term
Lynchburg				
None	\$0	---		
Total	\$0			
Campbell				
Mothballing Costs	\$532,472	2009	\$532,472	13
Transition of equipment, scales, supplies etc.	\$25,000	2014	\$28,285	8
Scale House Improvements	\$179,000	2014	\$202,522	8
Reconfigure Livestock Rd - Calohan Rd Intersection	\$0	2014	\$0	8
Total	\$736,472		\$763,279	
Landfill Development Expenses	Total Remaining Development Costs	Year Needed	Adjusted Cost	Finance Term
Campbell	\$13,026,047	2014	\$15,483,876	8

Closure and Post-Closure

Schedule 7

Regional Entity Start Date 7/1/2008

Lynchburg	Total Liability Starting FY 2009	Filled	Remaining	Needed	Inflation Period	Inflation Adjusted	Remaining Life	Annual Closure and Post-Closure
Closure Cost	\$3,529,347	\$2,213,828	\$1,315,519	9/1/2013	5.2	\$1,494,527	5.2	\$274,580
Total Post-Closure Cost	\$2,456,917	\$1,541,133	\$915,784	9/1/2013	5.2	\$1,040,399	5.2	\$191,146
	\$5,986,264	\$3,754,961	\$2,231,303			\$2,534,925		\$465,725
Campbell								
Closure Cost	\$3,395,316	\$1,716,198	\$1,679,117	4/1/2022	13.8	\$2,357,948	8.6	\$249,698
Post-Closure Cost	\$1,551,941	\$784,445	\$767,496	4/1/2022	13.8	\$1,077,778	8.6	\$114,133
	\$4,947,257	\$2,500,644	\$2,446,613			\$3,435,726		\$363,831
Regional Total		\$6,255,604	\$4,677,916				13.8	

Notes:

Assumes 2.5% inflation rate and 2.5% savings rate on reserve amounts.

Borrowing Costs and Debt Service Reserve**Schedule 8**

Borrowing Costs	
Estimated Borrowing Cost	\$309,300
Weighted Average of Debt Terms	7.6
Annual Payment	\$49,889

Debt Service Reserve	
All existing capital assets - Lynchburg	\$5,797,145
All existing capital assets - Campbell	\$2,455,129
Campbell mothballing costs	\$532,472
Lynchburg Equipment	\$1,294,246
Campbell Equipment	\$359,192
New Authority Equipment	\$27,000
Borrowing Costs	\$309,300
Total of Initial Debt Issuance	\$10,774,484
Reserve Amount as Percentage of Debt Issuance	10%
Total Debt Service Reserve	\$1,077,448
Weighted Average of Debt Terms	7.6
Annual Payment	\$173,788

Interest Earned on Reserve Accounts

Schedule 9

Reserve Account	Amount	FY 2009 Interest
Environmental Remediation	\$50,000	\$1,250
Future Dposal Planning and Engineering	\$50,000	\$1,250
Total	\$100,000	\$2,500

Notes:

Assumes 2.5% interest paid at the end of the year.