



Board of Directors Meeting

August 25, 2020

2:00pm

BOARD OF DIRECTORS

Regular Meeting of the Board of Directors of Rivanna Solid Waste Authority

DATE: August 25, 2020
LOCATION: Virtually via ZOOM
TIME: 2:00 p.m.

AGENDA

1. **CALL TO ORDER**
2. **STATEMENT FROM THE CHAIR**
3. **MINUTES OF PREVIOUS BOARD MEETING**
 - a. *Minutes of the Regular Meeting of the Board on June 23, 2020*
4. **RECOGNITION**
5. **EXECUTIVE DIRECTOR'S REPORT**
6. **ITEMS FROM THE PUBLIC**
7. **RESPONSES TO PUBLIC COMMENTS**
8. **CONSENT AGENDA**
 - a. *Staff Report on Finance*
 - b. *Staff Report on Ivy Material Utilization Center/Recycling Operations Update*
 - c. *Amendment of the Bylaws Regarding Monthly Meetings, Contract Authorization, and Approval of the Board Meeting Schedule for Calendar Year 2021*
 - d. *Approval of Flexible Benefits "Cafeteria Plan"*
 - e. *Award of Professional Services Term Contract for Landfill Engineering And Groundwater Services – Arcadis U.S.*
 - f. *Update on Forestry Management Plan Forester's Report and Prospective Timber Sale, Ivy Material Utilization Center*

g. Employee Handbook Update

9. OTHER BUSINESS

a. Presentation: Book Bin Alternatives at McIntire Recycling Center; Phil McKalips, Director of Solid Waste

(RECESS RSWA)

(JOINT SESSION WITH THE RWSA)

b. Presentation: Strategic Plan Update; Katie McIlwee, Communications Manager/Executive Coordinator

10. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA

11. CLOSED MEETING: *Personnel Review*

12. ADJOURNMENT

GUIDELINES FOR PUBLIC COMMENT AT VIRTUAL RIVANNA BOARD OF DIRECTORS MEETINGS

If you wish to address the Rivanna Board of Directors during the time allocated for public comment, please use the chat feature in the Zoom Meeting interface.

Members of the public who submit comments will be recognized during the specific time designated on the meeting agenda for “Items From The Public.” The comment(s) will be read aloud to the Board of Directors only during this agenda items, so comments must be received prior to the end of this agenda item. The comments will be read by the Rivanna Authority’s Executive Coordinator/Clerk of the Board.

If you would like to submit a comment, please keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. In order to give all who, wish to submit a comment proper respect and courtesy, the Board requests that commenter follow the following guidelines:

- Submit your comment prior to the start of or during the “Items from the Public” section of the Agenda.
- In your comment, state your full name and address and your organizational affiliation if commenting for a group;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Be respectful and civil in all interactions at Board meetings;
- The Board will have the opportunity to address public comments after the public comment session has been closed;
- At the request of the Chairman, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

The agendas of Board meetings, and supporting materials, are available from the RWSA Administration office upon request or can be viewed on the Rivanna website.

Rev. May 20, 2020



CALL TO ORDER

STATEMENT OF CHAIR TO OPEN MEETING

This is Mike Gaffney, Chair of the Rivanna Solid Waste Authority.

I would like to call the August 25, 2020 meeting of the Board of Directors to order.

Notwithstanding any provision in our Bylaws to the contrary, as permitted under the City of Charlottesville's Continuity of Government Ordinance adopted on March 25, 2020, Albemarle County's Continuity of Government Ordinance adopted on April 15th, 2020, and Chapter 1283 of the 2020 Acts of the Virginia Assembly effective April 24, 2020, we are holding this meeting by real time electronic means with no board member physically present at a single, central location.

All board members are participating electronically. This meeting is being held pursuant to the second resolution of the City's Continuity of Government Ordinance and Section 6(e) of the County's Continuity of Government Ordinance. All board members will identify themselves and state their physical location by electronic means during the roll call which we will hold next. I note for the record that the public has real time audio-visual access to this meeting over Zoom as provided in the lawfully posted meeting notice and real time audio access over telephone, which is also contained in the notice. The public is always invited to send questions, comments, and suggestions to the Board through Bill Mawyer, the Authority's Executive Director at any time.

ROLL CALL:

Mr. Oberdorfer: Please state your full name and location.

Dr. Palmer: Please state your full name and location.

Dr. Richardson: Please state your full name and location.

Mr. Richardson: Please state your full name and location.

Mr. Snook: Please state your full name and location.

Mr. Stewart: Please state your full name and location.

And I am Mike Gaffney and I am located at _____.

Joining us today electronically are the follow Authority staff members:

Bill Mawyer, Executive Director

Lonnie Wood, Director of Finance & Administration

Phil McKalips, Director of Solid Waste

Katie McIlwee, Communications Manager & Executive Coordinator

John Hull, Software Analyst

We are also joined electronically by Kurt Krueger, counsel to the Authority.



RSWA BOARD OF DIRECTORS
Minutes of Regular Meeting
June 23, 2020

A regular meeting of the Rivanna Solid Waste Authority (RSWA) Board of Directors was held on Tuesday, June 23, 2020 at 2:00 p.m. via Zoom.

Board Members Present: Mike Gaffney, Dr. Liz Palmer, Jeff Richardson, Lance Stewart, Paul Oberdorfer, Dr. Tarron Richardson (arrived at 2:06 p.m.), Lloyd Snook.

Board Members Absent: None.

Rivanna Staff Present: Bill Mawyer, Katie McIlwee, Lonnie Wood, Jennifer Whitaker, Phil McKalips, David Tungate, Betsy Nemeth.

Attorney(s) Present: Kurt Krueger.

Also Present: Access to the meeting was available via Zoom for members of the public and media representatives.

1. CALL TO ORDER

Mr. Gaffney convened the June 23, 2020 regular meeting of the Board of Directors of the Rivanna Solid Waste Authority at 2:01 p.m.

2. STATEMENT FROM THE CHAIR

Mr. Gaffney stated that this meeting was being held via real-time electronic means, with no board member physically present at a single central location, pursuant to the COVID-19 resolution of the Authority authorizing the adoption of procedures for electronic public meetings, and board and public hearings, adopted by the board on May 26, 2020.

Mr. Gaffney stated that all Board members are participating electronically. He stated that, in addition to the Authority's May 26 COVID-19 resolution, this meeting was being held pursuant to the second resolution of the City's Continuity of Government Ordinance and Section 6(e) of the County's Continuity of Government Ordinance. He stated that all Board members will identify themselves and state their physical location by electronic means during the roll call, which would be held next.

Mr. Gaffney noted, for the record, that the public has real-time audio/visual access to this meeting over Zoom as provided in the lawfully posted meeting notice, and real-time audio access over telephone, which is also contained in the notice. He stated that the public is always invited to send questions, comments, and suggestions to the Board through Mr. Bill Mawyer, the Authority's Executive Director, at any time.

Mr. Gaffney called the roll call.

Mr. Paul Oberdorfer stated that he was located at 112 Crepe Myrtle Drive in Louisa County.

48
49 Dr. Lizbeth Palmer stated that she was located at 2958 Mechum Banks Drive in Albemarle County.
50
51 Dr. Tarron Richardson was not present during the roll call.
52
53 Mr. Jeff Richardson stated that he was attending from his office at the Albemarle County
54 Administrative Building on McIntire Road in Charlottesville.
55
56 Mr. Lloyd Snook stated that he was located at his office, at 408 East Market Street in
57 Charlottesville.

58
59 Mr. Lance Stewart stated that he was also located at the County Office Building located at 401
60 McIntire Road, Charlottesville.

61
62 Mr. Mike Gaffney stated that he was located at 415 Wild Horse Lane in Corolla, North Carolina.

63
64 Mr. Gaffney stated that the following Authority staff members were joining the meeting: Bill
65 Mawyer (Executive Director), Lonnie Wood (Director of Finance and Administration), Phil
66 McKalips (Director of Solid Waste), Jennifer Whitaker (Director of Engineering and Maintenance),
67 Betsy Nemeth (Human Resource Manager), and Katie McIlwee (Communications Manager and
68 Executive Coordinator).

69
70 Mr. Gaffney stated that they were also joined electronically by Mr. Kurt Krueger (Counsel to the
71 Authority).

72
73 **3. MINUTES OF PREVIOUS BOARD MEETING**

74 *Minutes of the Special Meeting of the Board on May 26, 2020*

75 Mr. Gaffney asked board members if they had comments or changes.

76
77 **Mr. Stewart moved that the board approve the minutes of the previous board meeting. The**
78 **motion was seconded by Mr. Oberdorfer, and passed unanimously (6-0). (Dr. Richardson was**
79 **not present for the vote, as he arrived at the meeting later.)**

80
81 **4. RECOGNITIONS**

82 There were no recognitions.

83
84 **5. EXECUTIVE DIRECTOR'S REPORT**

85 Mr. Mawyer stated that there was a good suggestion from a customer that the Authority should start
86 a mail order program for the tag-a-bag stickers, which cost \$2 per sticker. He stated that the
87 Authority has started this, where people can fill out a form online and mail it to them, along with
88 \$24. He stated that the Authority then sends the customer a sheet of \$2 tags so that this way, they do
89 not have to buy the tags at the landfill. He stated that customers can put the stickers on their bags
90 and put them straight into the disposal container.

91
92 Mr. Mawyer stated that the Authority is also pleased that in September, they expect to start
93 accepting credit cards at the Ivy landfill. He stated that they have not been doing this to date, and
94 they are putting in place the technology and security procedures to accept credit cards. He stated
95 that this is expected to be a benefit at the Ivy facility.

96

97 Mr. Mawyer stated that last week, on June 17, they celebrated Waste and Recycling Workers Week,
98 as dedicated by the Solid Waste Association of North America (SWANA). He stated that the
99 Authority thanks all of our solid waste employees for what they do.

100
101 Mr. Mawyer noted that use of the Ivy MUC and MSW facility continues to be strong. He stated that
102 they had over 5,500 vehicles go through the IMUC in May and averaged over 98 tons per day of
103 municipal solid waste and construction debris.

104
105 Mr. Mawyer stated that they are building the new Ivy Convenience Recycling Center, which is
106 almost finished and should open next month. He presented a picture showing a new bypass road that
107 was built that goes around the convenience center. He stated that their MSW trucks, as they park
108 beyond the barn, will travel back and forth on this new road, and then the area where they will have
109 the new recycling center will have a cul-de-sac type of setup where traffic comes in, drops off their
110 recyclables, and leaves by the same road. He stated that this is nearly done, and they expect to get
111 new containers that week. He stated that they will be poised to open, and further poised to have a
112 grand opening when the time is right, later in the summer or in early fall.

113
114 Mr. Mawyer stated that the Household Hazardous Waste and Bulky Waste Amnesty Days are
115 moving forward. He stated that they had over 287 cars come through on E-Waste Day, which took
116 place on Saturday, June 13. He stated that HHW Days will be Thursday, Friday, and Saturday, July
117 9-11; followed by Bulky Waste Days, which will be on June 27 (with June 20 completed).

118
119 Mr. Mawyer stated that the Authority asked the City and County for reimbursement of about \$1,900
120 in COVID-19 costs, if federal funds become available to them through CARES Act funding. He
121 stated that they had purchased Personal Protective Equipment (PPE), for which they were asking
122 reimbursement.

123
124 Dr. Palmer stated that she is always pleased to see the RSWA giving more options to customers.
125 She stated that over the years, both the mail requests for the stickers and for credit card payments
126 have come up before. She stated that she remembered the request for the tag-a-bag stickers by mail
127 and that the issue was that there was not anyone to take care of that and send those out. She stated
128 that up until recently, the credit card issue was that they did not have service out there through
129 Century Link or anyone else. She stated that she was curious as to what has changed for both those
130 things. She asked if there were now more staff to mail out the stickers, and if Mr. Mawyer could
131 comment with respect to the service there and taking credit cards.

132
133 Mr. Mawyer replied that they have added nine staff people to solid waste over the last four years.
134 He stated that Mr. McKalips' position as Solid Waste Director has been a key position to help him
135 orchestrate and implement new programs, as well as the staff who are doing the work at the larger
136 transfer station. He stated that the staffing has been a big help and has allowed them to work with
137 the mail-in tag-a-bag program. He stated that Ms. McIlwee has been a big help as his assistant, and
138 that she helps with many of these programs. He stated that staff, as well as a desire to move forward
139 with those programs, have helped.

140
141 Mr. Mawyer stated that the technology group has been working to get the technology and
142 communication lines out to Ivy to provide credit card service, which was made a priority with them.
143 He stated that they have done a good job. He stated that he would guess that as the expansion of
144 communication cables goes on and the growth in the Dick Woods Road area has happened through
145 the years, it has made the technology more available there. He stated that generally, that is now why
146 they are able to provide those new services.

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6. ITEMS FROM THE PUBLIC

Mr. Gaffney opened Items from the Public. He noted that this was not the public hearing for the adoption and approval of the budget, and that this would come later.

Mr. Sean Tubbs (Piedmont Environmental Council, City resident) stated that PEC thanks the board for opening up these meetings under the COVID-19 restrictions. He stated that access to this type of information is crucial to the public. He stated that last week, the Albemarle County Board of Supervisors talked about the Climate Action Plan, and at least two Supervisors talked about the need for solid waste to be prominent among that.

Mr. Tubbs stated that as they go forward through and after COVID-19, he hoped that the board would continue to stream these meetings for the public so that they can all see what is going on. He stated that he appreciated the ability to monitor what is happening as PEC tries to figure out ways to incorporate solid waste and meet their overall regional goals through much of the work the board is already doing. He stated that access to that information for the public is crucial.

Mr. Bob Corey stated that Mr. McKalips sent him an email committing to a replacement for the McIntire Book Exchange for the August meeting, and that he looked forward to that.

7. RESPONSES TO PUBLIC COMMENT

Dr. Palmer stated that she would respond to Mr. Tubbs' comment. She stated that the Board of Supervisors did have a good discussion during the Climate Action Plan update from staff. She stated that there was much talk and support for additional drop-off areas in the County, at some point, when the money is available to do so. She stated that the public is interested in seeing additional options for drop-off of trash and recyclables.

Mr. Gaffney asked if the City and County have talked about whether they will continue Zoom meetings once the public is open to come to Board and Council meetings.

Mr. Richardson stated that he would talk about that first, from the County's vantage point. He stated that there was a brief meeting held that morning to discuss that. He stated that currently, they are running cost analyses to understand budgetarily what the infrastructure commitment would be for the County to do that on a permanent basis. He stated that they have experience with outsourcing through a company to do these meetings, and if they were to do them long-term, it would make sense for the County to make some infrastructure investment to be able to take some of that over without the assistance of a vendor to the degree they are getting now.

Mr. Richardson stated that once that analysis is done, they will look for the opportunity to go back to the Board of Supervisors. He stated that this could be at a Board of Supervisors meeting or at an upcoming retreat, as they were still planning to have a retreat with the Board at some point in time in the later summer or early fall, whenever there is the opportunity. He stated that they will be prepared to speak to the Board of Supervisors about the long-term interest of the Board, coupled with cost implications, and will look for Board guidance at that time.

Dr. Richardson stated that the City was in Phase II on the state level but is still basically in Phase I in terms of City Hall reopening. He stated that they would be taking it slowly in terms of reopening facilities, which will impact the way they have public meetings within City Hall. He stated that they were still working through this, and did not have a definite time in terms of when they will bring

196 people back into City Hall for the meetings, so they will continue to hold Zoom meetings for City
197 Council and other public meetings.

198
199 Dr. Richardson stated that they will be taking a phased approach in terms of their employees
200 coming back, beginning on Monday, July 13. He stated that they would bring their directors back
201 next Monday (June 29) to begin the process of the phased-in approach to prepare their departments
202 for that. He stated that once they get to the point where they think the phases will continue, until
203 they get to Phase III, they will revisit this question, but that this was a conversation that he and the
204 Council were having at that time. He stated that he will keep everyone posted.

205
206 Mr. Mawyer stated that Mr. Corey commented about the book exchange. He stated that they had an
207 old, dilapidated container at McIntire. He stated that it was getting worse, and the books were
208 getting wet. He stated that when they went into the COVID-19 situation, they took the container
209 away from McIntire, so currently, there is no book container there. He stated that this is what
210 spurred Mr. Corey to suggest they get a new one. He stated that Mr. Corey had suggested a custom-
211 made facility with staff to support it.

212
213 Mr. Mawyer stated that the Authority replied to Mr. Corey, and copied the board, noting that they
214 would investigate alternatives. He stated that Mr. McKalips is working on that with a plan to bring
215 some options to the board, likely in August, about what to do with the Book Exchange.

216
217 Mr. Mawyer stated that similarly, with the COVID-19 challenges at the Encore Shop at Ivy, they
218 are trying to find their way and get help from the Health Department on appropriate sanitary
219 procedures for materials that people bring and other people take them away. He stated that they are
220 trying to determine if there are any sanitation requirements and those types of realities under the
221 COVID-19 environment.

222
223 Mr. Mawyer stated that regarding using Zoom for the board meetings, he would be glad to continue
224 that format, but he would echo what Mr. Richardson stated about it being a cost issue. He stated that
225 they use a consultant for every meeting and that there is a Zoom license expense, so the Authority
226 will need to have a longer-range plan if they will continue to have a much longer period in which
227 they will use Zoom. He stated that they would need to determine if they will purchase their own
228 licenses or continue to pay the consultant. He stated that this would have to be something they
229 investigate and get the board's feedback. He stated that when they get to Phase III of the Governor's
230 plan, there is the question of if board members are comfortable coming back to the building for
231 board meetings.

232
233 Mr. Stewart stated that he would like to make two points. He stated that one is related to the heart of
234 Mr. Tubbs' question. He stated that although the City and County are both considering the
235 continuation of virtual meetings as they are now, both agencies have had the ability for citizens to
236 live-stream meetings. He stated that perhaps Mr. Tubbs' suggestion that this be continued for the
237 public might be a simpler solution as opposed to an indefinite continuation of virtual meetings. He
238 stated that it could be as simple as a video or audio feed of meetings.

239
240 Mr. Stewart stated that regarding the Book Exchange, the replacement of that had been in an earlier
241 version of the budget and then was one of the few items that were pulled, other than pay raises for
242 staff. He stated that he did not know if there was a possibility, as the financial situation continues,
243 that they could revisit that during the current fiscal year. He stated that the previous discussion, as it
244 was proposed, did not include staffing or a custom facility.

245

246 Mr. Mawyer stated that they would go over those items in August. He stated that Mr. Stewart was
247 correct that they have never had staffing specifically for the book bin, so this would be a new
248 service.

249

250 **8. CONSENT AGENDA**

251

a. *Staff Report on Finance*

252

b. *Staff Report on Ivy Material Utilization Center/Recycling Operations Update*

253

c. *FY 2021 Personnel Management Plan Revisions*

254

255

d. *Purchasing Manual and Policy Updates*

256

e. *Award of Professional Services Contracts for Landfill Engineering and Groundwater Services–*

257

Draper Aden Associates; Geosyntec Consultants

258

259 **Dr. Palmer moved that the board approve the consent agenda. The motion was seconded by**
260 **Mr. Stewart, and passed unanimously (7-0).**

261

262 **9. OTHER BUSINESS**

263

a. *Presentation and Public Hearing: Rate Resolution Approval and Adoption of FY 2020-2021
264 Budget; Bill Mawyer, Executive Director*

265

266 Mr. Mawyer stated that this is the budget that he reviewed with the board last month. He stated that
267 he would give a brief review again, and they will then have a public hearing.

268

269 Mr. Mawyer stated that the budget for next year is estimated to be \$5.15 million. He stated that the
270 largest element is the transfer station, shown on the slide in light green. He stated that they have
271 added a new purple segment to the chart, which is the convenience center.

272

273 Mr. Mawyer presented the proposed expense budget for next year. He stated that the budget has a
274 net increase of \$442,000 above the current year, which is comprised of an expense increase of about
275 \$910,000 as well as a revenue increase of \$467,000, which nets to a \$442,000 increase to the
276 budget. He stated that this is largely because of the new convenience center that will be staffed and
277 have equipment.

278

279 Mr. Mawyer stated that the cost share allocations are \$2 million to the County (which is a 14%
280 increase over last year), and just over \$446,000 to the City (which was a slight decrease to the City).
281 He stated that UVA has agreed to a 30-year allocation of \$79,982 to the Environmental cost center,
282 and that Rivanna is using reserves of \$200,000 in the Environmental cost center.

283

284 Mr. Mawyer stated that the \$442,000 net increase is driven by the new convenience center, largely.
285 He stated that they also anticipate a decrease in revenue, which creates an increase in net expenses,
286 for recycling. He stated that they have other minor increases, such as wood grinding to make mulch
287 (which is popular). He stated that the more equipment they have at Ivy, the more equipment they
288 must maintain and depreciate.

289

290 Mr. Mawyer stated that the budget this year is above the average line of the 15-year budget history,
291 but just barely. He stated that this is the first year since 2010 that it will be an above-average budget,
292 and this is an outcome of the additional services to provide transfer services and the new services

293 associated with compost, compostable food waste, and a recycling center. He stated that they are
294 expanding services, and the budget is expanding accordingly.

295
296 Mr. Mawyer stated that they provide services through five cost centers, which are formula-driven as
297 far as how they are funded. He stated that there is an agreement that says the City pays 35.5% of the
298 Environmental costs, and the County pays 64.5%. He stated that UVA contributes the fixed fee of
299 \$79,982 per year.

300
301 Mr. Mawyer stated that recycling also has an agreement that says the City funds 30% of the
302 recycling costs, which are substantially the McIntire Recycling Center and the Paper Sort facility.
303 He stated that the County funds 70% of that expense.

304
305 Mr. Mawyer stated that the transfer station is 100% a County-funded service for any deficit. He
306 stated that similarly, the operations at the landfill are County-funded, as well as the new
307 convenience center.

308
309 Mr. Mawyer stated FY 2021 expenses are estimated at \$446,000 for the City, and just over \$2
310 million for the County, and with a fixed cost of \$79,982 for UVA.

311
312 Mr. Mawyer stated that they did not propose significant increases that year, but that their health
313 insurance provider is increasing charges to the Authority. He stated that the Authority has proposed
314 1.5 full-time employees to help staff the new convenience center. He stated that otherwise, there are
315 no changes in the IMUC fee schedule other than adding a compost fee of \$75 per ton.

316
317 Mr. Gaffney stated that he was glad to see that the explanation of \$75 per ton equals 2 cubic yards,
318 as people had questions about why it was so high compared to the other compost stations.

319
320 Mr. Mawyer stated that last month, Dr. Palmer asked about their market assessment, and that in Mr.
321 McKalips' writeup on the operating report, he did a survey of the landfills in the area. He stated that
322 Louisa and Greene were also at \$52, so he feels they are well-situated on that fee of \$52.

323
324 Mr. Gaffney opened the public hearing. Hearing no comments from the public, he closed the public
325 hearing.

326
327 Mr. Mawyer stated that last month, Dr. Palmer had suggested they remove the fees for hauling
328 expenses. He stated since they do not provide that service anymore, these were removed from the
329 proposed rate schedule.

330
331 **Dr. Palmer moved the board approve the resolution for the adoption of the Rivanna Solid**
332 **Waste Authority rate schedule for FY 20-21. The motion was seconded by Mr. Richardson,**
333 **and passed unanimously (7-0).**

334
335 **Mr. Snook moved the board approve the budget. The motion was seconded by Mr.**
336 **Oberdorfer, and passed unanimously (7-0).**

337
338 **10. OTHER ITEMS FROM BOARD/STAFF NOT ON AGENDA**

339 There were no other items.

340
341 **11. CLOSED MEETING**

342 There was no closed meeting.

343

344 *12. ADJOURNMENT*

345 **At 2:33 p.m., Mr. Richardson moved to adjourn the meeting of the Rivanna Solid Waste**
346 **Authority. The motion was seconded by Dr. Palmer and passed unanimously (7-0).**

DRAFT



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR’S REPORT

DATE: AUGUST 25, 2020

STRATEGIC PLAN GOAL: SOLID WASTE SERVICES

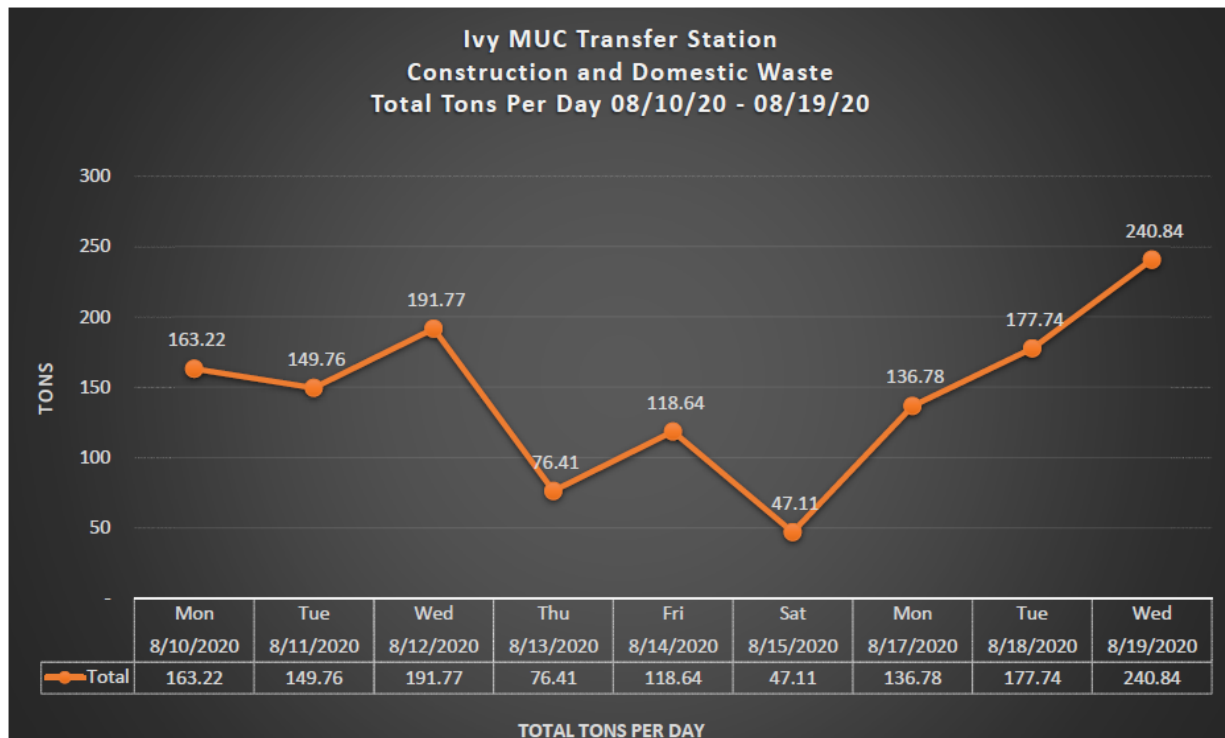
Use of the Ivy Materials Utilization Center:

June 2020

| | |
|-----------------|-----------------------------------|
| <u>Vehicles</u> | <u>AVG MSW & CDD Tons/Day</u> |
| 5,900 | 102.21 |

July 2020

| | |
|-----------------|-----------------------------------|
| <u>Vehicles</u> | <u>AVG MSW & CDD Tons/Day</u> |
| 5,799 | 122.15 |



August 10 – 19, 2020

Steps taken to increase the volume of refuse transferred are working to reach and exceed our transfer goal of 89 tons/day. We recently had a very busy nine-day period, averaging 145 tons/day with a peak day of 240 tons, as shown by the graph below.

Credit Card Payments at IMUC

We have completed installation of the communication infrastructure, software, hardware and security procedures to begin accepting credit card payments at the IMUC scalehouse starting in September.

STRATEGIC PLAN GOAL: ENVIRONMENTAL STEWARDSHIP

Household Hazardous Waste and Bulky Waste Amnesty Days

The Ivy MUC hosted HHW, Bulky Waste and eWaste Days this summer.

| <u>Event</u> | <u>Customers</u> | <u>Amount Collected</u> |
|----------------------|------------------------------------|--------------------------------|
| eWaste | 287 | |
| Tires | 207 (182 County/25 City) | 109.75 tons |
| Furniture/Mattresses | 193 (160 County/33 City) | 16 tons |
| Appliances | 174 (145 County/29 City) | 1.74 tons |
| HHW | 685 (521 County/162 City/2 Nelson) | |

STRATEGIC PLAN GOAL: OPERATIONAL OPTIMIZATION; WORKFORCE DEVELOPMENT

Virginia Risk Sharing Association Grant

Liz Coleman, Safety Manager, applied for a grant through the Virginia Risk Sharing Association (VRSA) and was awarded \$2000. This grant will be used to purchase articulating ladders, and for large equipment training through Caterpillar for 17 RSWA employees.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: LONZY WOOD, DIRECTOR OF FINANCE AND
ADMINISTRATION**

REVIEWED: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: JULY 2020 FINANCIAL SUMMARY

DATE: AUGUST 25, 2020

The results of operations and remediation activities for the first month of fiscal year ending June 30, 2021 are summarized below and in the attached statements.

| | <u>Operating Results</u> | <u>Remediation Results</u> | <u>Total</u> |
|-----------------------|------------------------------|--------------------------------|-------------------|
| Total Revenues | \$ 249,961 | \$ - | \$ 249,961 |
| Total Expenses | <u>(300,668)</u> | <u>(75,953)</u> | <u>(376,621)</u> |
| Net operating results | (50,707) | (75,953) | (126,660) |
| Support - MOU & Local | <u>376,239</u> | <u>205,598</u> | <u>581,837</u> |
| Surplus/(Deficit) | <u>\$ 325,532</u> | <u>\$ 129,645</u> | <u>\$ 455,177</u> |

Total operating revenues in July were \$48,500 over budget and total operating expenses were \$34,000 under budget. The Authority processed 4,764 tons of waste in July. A breakdown of net revenue or cost per ton, including overhead and administrative support costs, is shown below.

| | <u>Ivy MSW</u> | <u>Ivy - All Other</u> | <u>Recycling</u> | <u>Total</u> |
|-------------------------------|----------------|------------------------|------------------|--------------|
| Tonnage | 3,176 | 1,446 | 142 | 4,764 |
| Net operating revenue (costs) | \$ 20,737 | \$ 11,975 | \$ (64,472) | \$ (31,760) |
| Net revenue (cost) per ton | \$ 6.53 | \$ 8.28 | \$ (454.03) | \$ (6.67) |

Attachments

| Operations | Budget | | IVY OPERATIONS | | MSW-IVY TRANSFER | | RECYCLE OPERATIONS | | ADMIN. SERVICES | |
|-----------------------------------------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Budget | Actual Y-T-D | Budget | Actual Y-T-D | Budget | Actual T-D | Budget | Actual Y-T-D |
| REVENUES | | | | | | | | | | |
| Ivy Operations Tipping Fees | \$ 199,400 | 388,144 | \$ 199,400 | 388,144 | | | | | | |
| Ivy MSW Transfer Tipping Fees | 1,290,540 | 1,637,746 | | | 1,290,540 | 1,637,746 | | | | |
| Material & Other Sales-Ivy | 123,500 | 103,277 | 123,500 | 103,277 | | | | | | |
| Recycling Revenues | 200,900 | 108,023 | | | | | 200,900 | 108,023 | | |
| Other Revenues | 93,000 | 105,112 | | | 93,000 | 105,112 | | | | |
| Interest & Fees | 42,600 | 47,047 | | | | | | | 42,600 | 47,047 |
| Total Revenues | \$ 1,949,940 | \$ 2,389,350 | \$ 322,900 | \$ 491,421 | \$ 1,383,540 | \$ 1,742,858 | \$ 200,900 | \$ 108,023 | \$ 42,600 | \$ 47,047 |
| <i>Budget vs. Actual*</i> | | 122.53% | | 152.19% | | 125.97% | | 53.77% | | 110.44% |
| EXPENSES | | | | | | | | | | |
| Ivy Operations | 345,846 | 443,442 | 345,846 | 443,442 | | | | | | |
| Ivy MSW Transfer | 1,772,102 | 2,069,653 | | | 1,772,102 | 2,069,653 | | | | |
| Recycling Operations | 531,656 | 612,597 | | | | | 531,656 | 612,597 | | |
| Administration | 726,629 | 732,796 | | | | | | | 726,629 | 732,796 |
| Total Expenses | 3,376,233 | 3,858,488 | 345,846 | 443,442 | 1,772,102 | 2,069,653 | 531,656 | 612,597 | 726,629 | 732,796 |
| <i>Budget vs. Actual*</i> | | 114.28% | | 128.22% | | 116.79% | | 115.22% | | 100.85% |
| Net Results Before Administrative Allocation | \$ (1,426,293) | \$ (1,469,138) | \$ (22,946) | \$ 47,980 | \$ (388,562) | \$ (326,794) | \$ (330,756) | \$ (504,574) | \$ (684,029) | \$ (685,750) |
| <i>Administrative allocations:</i> | | | | | | | | | | |
| <i>Administrative costs to Envir. MOU (below)</i> | 205,209 | 205,725 | | | | | | | 205,209 | 205,725 |
| <i>Administrative costs to Operations</i> | - | - | (171,007) | (171,437) | (171,007) | (171,437) | (136,806) | (137,150) | 478,820 | 480,025 |
| Net Operating Income (Loss) | \$ (1,221,084) | \$ (1,263,413) | \$ (193,953) | \$ (123,458) | \$ (559,569) | \$ (498,232) | \$ (467,562) | \$ (641,724) | \$ - | \$ - |
| Other Funding Sources | | | | | | | | | | |
| Local Government Contributions | 1,221,084 | 1,221,084 | | | | | | | | |
| County Contribution - Capital Grant | 350,000 | 52,948 | | | | | | | | |
| Transfer to Capital Fund - Ivy Recycling Center | (350,000) | (52,948) | | | | | | | | |
| Surplus (Deficit) - Operations | \$ - | \$ (42,329) | | | | | | | | |

Environmental Programs

| | Budget | Actual Y-T-D |
|------------------------------------------|------------------|-------------------|
| REVENUES | | |
| Remediation Support | 1,070,582 | 1,070,582 |
| Total Revenues | 1,070,582 | 1,070,582 |
| <i>Budget vs. Actual*</i> | | 100.00% |
| EXPENSES | | |
| Ivy Environmental | 865,373 | 588,060 |
| Administrative Allocation | 205,209 | 205,725 |
| Total Expenses | 1,070,582 | 793,785 |
| <i>Budget vs. Actual*</i> | | 74.15% |
| Surplus (Deficit) - Environmental | \$ - | \$ 276,797 |
| Total Surplus (Deficit) | \$ - | \$ 234,468 |

Rivanna Solid Waste Authority
Monthly Financial Status Report
FY 2020

| | July | August | September | October | November | December | January | February | March | April | May | June | Year-to-Date |
|------------------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | | | | |
| Ivy Operations Tipping Fees | \$ 32,267 | \$ 31,531 | \$ 27,841 | \$ 37,051 | \$ 37,172 | \$ 18,663 | \$ 23,274 | \$ 30,794 | \$ 40,561 | \$ 32,124 | \$ 30,585 | \$ 46,281 | \$ 388,144 |
| Ivy MSW Transfer Tipping Fees | 141,391 | 142,721 | 145,387 | 162,254 | 162,545 | 117,798 | 102,801 | 120,998 | 135,258 | 129,169 | 133,419 | 144,005 | 1,637,746 |
| Ivy Material Sales | 9,769 | 11,342 | 10,663 | 6,159 | 6,050 | 4,714 | 5,098 | 7,788 | 17,461 | 15,676 | 3,269 | 5,288 | 103,277 |
| Recycling | 14,209 | 10,578 | 4,469 | 8,462 | 31,729 | 9,429 | 4,787 | 4,533 | 5,873 | 3,423 | 5,855 | 4,674 | 108,023 |
| Other Revenues | 9,624 | 8,407 | 7,372 | 6,900 | 18,828 | 5,966 | 6,062 | 6,682 | 7,738 | 8,130 | 9,348 | 10,055 | 105,112 |
| Interest & Late Fees | 5,751 | 5,861 | 5,711 | 5,620 | 4,796 | 5,229 | 4,436 | 4,267 | 2,668 | 1,059 | 1,065 | 584 | 47,047 |
| Total Revenues | \$ 213,011 | \$ 210,440 | \$ 201,443 | \$ 226,446 | \$ 261,121 | \$ 161,799 | \$ 146,457 | \$ 175,063 | \$ 209,559 | \$ 189,581 | \$ 183,541 | \$ 210,888 | \$ 2,389,350 |
| Expenses | | | | | | | | | | | | | |
| Ivy Operations | \$ 30,686 | \$ 47,887 | \$ 24,521 | \$ 37,873 | \$ 24,738 | \$ 22,999 | \$ 25,791 | \$ 22,288 | \$ 24,074 | \$ 17,190 | \$ 22,478 | \$ 142,918 | \$ 443,442 |
| Ivy Environmental | 23,419 | 33,521 | 58,616 | 57,180 | 161,386 | 35,703 | 31,314 | 23,120 | 27,913 | 62,998 | 34,883 | 38,006 | 588,060 |
| Ivy MSW Transfer | 171,245 | 102,574 | 169,468 | 238,643 | 218,966 | 160,587 | 171,683 | 168,485 | 153,788 | 153,560 | 171,963 | 188,692 | 2,069,653 |
| Recycling Operation | 43,486 | 50,059 | 36,921 | 41,934 | 49,724 | 99,835 | 38,759 | 48,305 | 63,993 | 38,256 | 55,590 | 45,734 | 612,597 |
| Administration | 58,374 | 54,319 | 66,132 | 75,171 | 62,149 | 59,507 | 65,541 | 52,842 | 65,878 | 56,415 | 58,950 | 57,519 | 732,796 |
| Total Expenses | \$ 327,210 | \$ 288,360 | \$ 355,657 | \$ 450,800 | \$ 516,964 | \$ 378,631 | \$ 333,089 | \$ 315,040 | \$ 335,645 | \$ 328,418 | \$ 343,865 | \$ 472,869 | \$ 4,446,548 |
| Net Operating Income (Loss) | \$ (114,200) | \$ (77,920) | \$ (154,214) | \$ (224,354) | \$ (255,843) | \$ (216,832) | \$ (186,631) | \$ (139,977) | \$ (126,086) | \$ (138,838) | \$ (160,324) | \$ (261,981) | \$ (2,057,198) |
| Other Funding Sources | | | | | | | | | | | | | |
| Local Government Contributions | \$ - | \$ 35,067 | \$ 270,204 | \$ 305,271 | \$ - | \$ 35,067 | \$ 270,204 | \$ - | \$ - | \$ 305,271 | \$ - | \$ - | \$ 1,221,084 |
| Remediation Support | 79,982 | 87,916 | 247,650 | 159,734 | - | 87,916 | 159,734 | - | - | 247,650 | - | - | 1,070,582 |
| Surplus (Deficit) | \$ (34,218) | \$ 45,063 | \$ 363,640 | \$ 240,651 | \$ (255,843) | \$ (93,849) | \$ 243,307 | \$ (139,977) | \$ (126,086) | \$ 414,083 | \$ (160,324) | \$ (261,981) | \$ 234,468 |

**Rivanna Solid Waste Authority
Fiscal Year 2020
June 2020
Revenue Detail Report**

| Revenue Line Item | Tonnage | |
|-----------------------------------|-------------------|---------------|
| | Budget FY 2020 | Actual YTD |
| IVY TIPPING FEES | | |
| Clean Fill Material | 6,500 | 11,368 |
| Grindable Vegetative Material | 2,100 | 4,556 |
| Pallets | - | 21 |
| Tires, Whole | 90 | 77 |
| Tires/White Good (per item) | | |
| <i>Subtotal</i> | 8,690 | 16,023 |
| IVY TRANSFER STATION | | |
| Compost Services | 430 | 379 |
| MSW Transfer Station | 23,000 | 29,296 |
| <i>Subtotal</i> | 23,000 | 29,296 |
| MATERIAL SALES - IVY | | |
| Encore | | |
| Metals | | |
| Wood Mulch & Chips | | |
| Hauling Fees | | |
| Other Materials | | |
| <i>Subtotal</i> | | |
| RECYCLING | | |
| Material Sales | | |
| Other Materials & Services | | |
| Grants-Operating | | |
| Hauling Fees | | |
| <i>Subtotal</i> | | |
| OTHER REVENUES | | |
| Service Charge Fees | | |
| Other Revenues | | |
| REMEDICATION SUPPORT | | |
| UVA Contribution | | |
| County Contribution | | |
| City Contribution | | |
| <i>Subtotal</i> | | |
| INTEREST, LATE FEES, OTHER | | |
| Trust Fund Interest | | |
| Finance Charges | | |
| Capital Reserve Fund Interest | | |
| Operating Investment Interest | | |
| <i>Subtotal</i> | | |
| Total | 31,690 | 45,319 |

| Revenue | | | | |
|---------------------|---------------------|---------------------|----------------------|----------------|
| Budget FY 2020 | Budget YTD | Actual YTD | Budget vs. Actual | Variance % |
| \$ 65,000 | \$ 65,000 | \$ 113,290 | \$ 48,290 | 74.29% |
| 100,800 | 100,800 | 221,778 | 120,978 | 120.02% |
| - | - | 991 | 991 | |
| 17,100 | 17,100 | 14,663 | (2,437) | -14.25% |
| 16,500 | 16,500 | 37,422 | 20,922 | 126.80% |
| \$ 199,400 | \$ 199,400 | \$ 388,144 | \$ 188,744 | 94.66% |
| \$ 76,540 | \$ 76,540 | \$ 67,314 | \$ (9,226) | -12.05% |
| 1,214,000 | 1,214,000 | 1,570,432 | 356,432 | 29.36% |
| \$ 1,290,540 | \$ 1,290,540 | \$ 1,637,746 | \$ 347,206 | 26.90% |
| \$ 20,000 | \$ 20,000 | \$ 11,727 | \$ (8,273) | -41.37% |
| 40,000 | 40,000 | 31,649 | (8,351) | -20.88% |
| 23,000 | 23,000 | 44,001 | 21,001 | 91.31% |
| 40,000 | 40,000 | 15,900 | (24,100) | -60.25% |
| 500 | 500 | - | (500) | -100.00% |
| \$ 123,500 | \$ 123,500 | \$ 103,277 | \$ (20,223) | -16.37% |
| \$ 162,000 | \$ 162,000 | \$ 79,126 | \$ (82,874) | -51.16% |
| 6,300 | 6,300 | 4,204 | (2,096) | -33.27% |
| 29,000 | 29,000 | 24,694 | (4,307) | -14.85% |
| 3,600 | 3,600 | - | (3,600) | -100.00% |
| \$ 200,900 | \$ 200,900 | \$ 108,023 | \$ (92,877) | -46.23% |
| \$ 85,000 | \$ 85,000 | \$ 88,143 | \$ 3,143 | 3.70% |
| 8,000 | 8,000 | 16,969 | 8,969 | 112.12% |
| \$ 93,000 | \$ 93,000 | \$ 105,112 | \$ 12,112 | 13.02% |
| \$ 79,982 | \$ 79,982 | \$ 79,982 | \$ - | 0.00% |
| 638,937 | 638,937 | 638,936 | (1) | 0.00% |
| 351,663 | 351,663 | 351,664 | 1 | 0.00% |
| \$ 1,070,582 | \$ 1,070,582 | \$ 1,070,582 | \$ - | 0.00% |
| \$ 2,000 | \$ 2,000 | \$ 2,177 | \$ 177 | 8.83% |
| 600 | 600 | 3,031 | 2,431 | 405.16% |
| 15,000 | 15,000 | 16,714 | 1,714 | 11.42% |
| 25,000 | 25,000 | 25,125 | 125 | 0.50% |
| \$ 42,600 | \$ 42,600 | \$ 47,047 | \$ 4,447 | 10.44% |
| \$ 3,020,522 | \$ 3,020,522 | \$ 3,459,932 | \$ 439,410 | 14.55% |

**Rivanna Solid Waste Authority
 Historical Material Tonnage Report - Recycling
 Fiscal Years 2016-2020**

| Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | Fiscal Year 2020 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|

In U.S. Tons

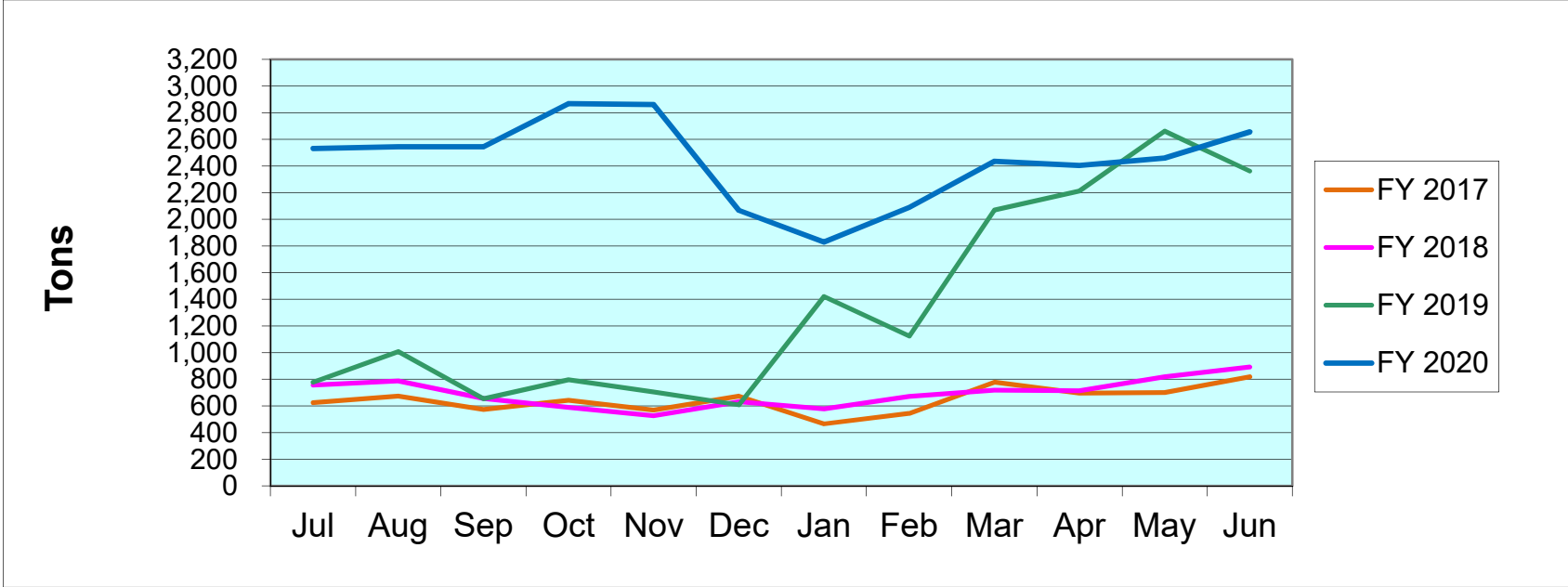
Fiber Products

| | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Newspaper, magazines, catalogs | 512 | 419 | 424 | 427 | 120 |
| Cardboard (corrugated) | 459 | 812 | 763 | 807 | 560 |
| Mixed paper and phone books | 214 | 156 | 187 | 265 | 792 |
| File stock (office paper) | 125 | 122 | 111 | 128 | 77 |
| Total Fiber Products | 1,310 | 1,509 | 1,485 | 1,627 | 1,549 |

Other Products

| | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Glass | 191 | 252 | 252 | 411 | 467 |
| Metal Cans | 32 | 31 | 41 | 58 | 54 |
| Plastic | 82 | 86 | 103 | 127 | 114 |
| Total Other Products | 305 | 369 | 396 | 596 | 635 |
| Total | 1,615 | 1,878 | 1,881 | 2,223 | 2,184 |

Rivanna Solid Waste Authority
Ivy MSW Transfer Tonnages
FY 2017 - 2020



Target Rate: 8.33%

| Operations | Budget | Actual Y-T-D | IVY OPERATIONS | | MSW-IVY TRANSFER | | IVY CONVENIENCE CENTER | | RECYCLE OPERATIONS | | ADMIN. SERVICES | |
|-----------------------------------------------------|-----------------------|--------------------|---------------------|------------------|---------------------|-------------------|------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| | | | Budget | Actual Y-T-D | Budget | Actual Y-T-D | Budget | Actual Y-T-D | Budget | Actual Y-T-D | Budget | Actual Y-T-D |
| REVENUES | | | | | | | | | | | | |
| Ivy Operations Tipping Fees | \$ 236,000 | 56,569 | \$ 236,000 | 56,569 | | | | | | | | |
| Ivy MSW Transfer Tipping Fees | 1,771,000 | 171,354 | | | 1,771,000 | 171,354 | | | | | | |
| Material & Other Sales-Ivy | 110,000 | 7,074 | 110,000 | 7,074 | | | | | | | | |
| Recycling Revenues | 156,300 | 4,294 | | | | | 20,000 | - | 136,300 | 4,294 | | |
| Other Revenues | 93,000 | 9,136 | | | 93,000 | 9,136 | | | | | | |
| Interest & Fees | 51,400 | 1,534 | | | | | | | | | 51,400 | 1,534 |
| Total Revenues | \$ 2,417,700 | \$ 249,961 | \$ 346,000 | \$ 63,643 | \$ 1,864,000 | \$ 180,490 | \$ 20,000 | \$ - | \$ 136,300 | \$ 4,294 | \$ 51,400 | \$ 1,534 |
| <i>Budget vs. Actual*</i> | | 10.34% | | 18.39% | | 9.68% | | 0.00% | | 3.15% | | 2.99% |
| EXPENSES | | | | | | | | | | | | |
| Ivy Operations | 402,666 | 35,831 | 402,666 | 35,831 | | | | | | | | |
| Ivy MSW Transfer | 2,262,393 | 143,916 | | | 2,262,393 | 143,916 | | | | | | |
| Ivy Convenience Center | 300,682 | 18,947 | | | | | 300,682 | 18,947 | | | | |
| Recycling Operations | 553,158 | 56,096 | | | | | | | 553,158 | 56,096 | | |
| Administration | 797,358 | 64,883 | | | | | | | | | 797,358 | 64,883 |
| Total Expenses | \$ 4,316,257 | \$ 319,673 | 402,666 | 35,831 | 2,262,393 | 143,916 | 300,682 | 18,947 | 553,158 | 56,096 | 797,358 | 64,883 |
| <i>Budget vs. Actual*</i> | | 7.41% | | 8.90% | | 6.36% | | 6.30% | | 10.14% | | 8.14% |
| Net Results Before Administrative Allocation | \$ (1,898,557) | \$ (69,711) | \$ (56,666) | \$ 27,812 | \$ (398,393) | \$ 36,574 | \$ (280,682) | \$ (18,947) | \$ (416,858) | \$ (51,802) | \$ (745,958) | \$ (63,349) |
| <i>Administrative allocations:</i> | | | | | | | | | | | | |
| <i>Administrative costs to Envir. MOU (below)</i> | 223,787 | 19,005 | | | | | | | | | 223,787 | 19,005 |
| <i>Administrative costs to Operations</i> | - | - | (186,490) | (15,837) | (186,490) | (15,837) | - | - | (149,192) | (12,670) | 522,171 | 44,344 |
| Net Operating Income (Loss) | \$ (1,674,770) | \$ (50,707) | \$ (243,156) | \$ 11,975 | \$ (584,883) | \$ 20,737 | \$ (280,682) | \$ (18,947) | \$ (566,050) | \$ (64,472) | \$ - | \$ - |
| Other Funding Sources | | | | | | | | | | | | |
| Local Government Contributions | 1,674,770 | 376,239 | | | | | | | | | | |
| County Contribution - Capital Grant | - | - | | | | | | | | | | |
| Transfer to Capital Fund - Ivy Recycling Center | - | - | | | | | | | | | | |
| Surplus (Deficit) - Operations | \$ - | \$ 325,532 | | | | | | | | | | |

| Environmental Programs | | Budget | Actual Y-T-D |
|------------------------------------------|--|------------------|-------------------|
| REVENUES | | | |
| Remediation Support | | 858,998 | 205,598 |
| Total Revenues | | 858,998 | 205,598 |
| <i>Budget vs. Actual*</i> | | | 23.93% |
| EXPENSES | | | |
| Ivy Environmental | | 835,211 | 56,949 |
| Administrative Allocation | | 223,787 | 19,005 |
| Total Expenses | | 1,058,998 | 75,953 |
| <i>Budget vs. Actual*</i> | | | 7.17% |
| Cash Reserves Used | | 200,000 | - |
| Surplus (Deficit) - Environmental | | \$ - | \$ 129,645 |
| Total Surplus (Deficit) | | \$ - | \$ 455,177 |

**Rivanna Solid Waste Authority
 Monthly Financial Status Report
 FY 2021**

| | July | Year-to-Date |
|-------------------------------------|---------------------|---------------------|
| <u>Revenues</u> | | |
| Ivy Operations Tipping Fees | \$ 56,569 | \$ 56,569 |
| Ivy MSW Transfer Tipping Fees | 171,354 | 171,354 |
| Ivy Material Sales | 7,074 | 7,074 |
| Ivy Convenience Center | - | - |
| Recycling | 4,294 | 4,294 |
| Other Revenues | 9,136 | 9,136 |
| Interest & Late Fees | 1,534 | 1,534 |
| Total Revenues | \$ 249,961 | \$ 249,961 |
| <u>Expenses</u> | | |
| Ivy Operations | \$ 35,831 | \$ 35,831 |
| Ivy Environmental | 56,949 | 56,949 |
| Ivy MSW Transfer | 143,916 | 143,916 |
| Ivy Convenience Center | 18,947 | 18,947 |
| Recycling Operation | 56,096 | 56,096 |
| Administration | 64,883 | 64,883 |
| Total Expenses | \$ 376,621 | \$ 376,621 |
| Net Operating Income (Loss) | \$ (126,660) | \$ (126,660) |
| <u>Other Funding Sources</u> | | |
| Local Government Contributions | \$ 376,239 | \$ 376,239 |
| Remediation Support | 205,598 | 205,598 |
| Surplus (Deficit) | \$ 455,177 | \$ 455,177 |

**Rivanna Solid Waste Authority
Fiscal Year 2021
July 2020**

Revenue Detail Report

| Revenue Line Item | Tonnage | |
|-----------------------------------|----------------|------------|
| | Budget FY 2021 | Actual YTD |
| IVY TIPPING FEES | | |
| Clean Fill Material | 6,800 | 940 |
| Grindable Vegetative Material | 2,400 | 382 |
| Tires, Whole | 120 | 114 |
| Tires/White Good (per item) | | |
| <i>Subtotal</i> | 9,320 | 1,436 |
| IVY TRANSFER STATION | | |
| Compost Services | 500 | 2 |
| MSW Transfer Station | 32,000 | 3,176 |
| <i>Subtotal</i> | 32,000 | 3,176 |
| MATERIAL SALES - IVY | | |
| Encore | | |
| Metals | | |
| Wood Mulch & Chips | | |
| Hauling Fees | | |
| Other Materials | | |
| <i>Subtotal</i> | | |
| IVY CONVENIENCE CENTER | | |
| Material Sales | | |
| <i>Subtotal</i> | | |
| RECYCLING | | |
| Material Sales | | |
| Other Materials & Services | | |
| Grants-Operating | | |
| <i>Subtotal</i> | | |
| OTHER REVENUES | | |
| Service Charge Fees | | |
| Other Revenues | | |
| <i>Subtotal</i> | | |
| INTEREST, LATE FEES, OTHER | | |
| Trust Fund Interest | | |
| Finance Charges | | |
| Capital Reserve Fund Interest | | |
| Operating Investment Interest | | |
| <i>Subtotal</i> | | |
| Total Revenues | | |

| | | |
|----------------------------------------|--|--|
| REMEDATION SUPPORT | | |
| UVA Contribution | | |
| County Contribution | | |
| City Contribution | | |
| Total Remediation Local Support | | |

| Revenue | | | | |
|---------------------|-------------------|-------------------|-------------------|-----------------|
| Budget FY 2021 | Budget YTD | Actual YTD | Budget vs. Actual | Variance % |
| \$ 68,000 | \$ 5,667 | \$ 9,381 | \$ 3,714 | 65.55% |
| 115,200 | 9,600 | 18,709 | 9,109 | 94.89% |
| 22,800 | 1,900 | 21,626 | 19,726 | 1038.21% |
| 30,000 | 2,500 | 6,853 | 4,353 | 174.12% |
| \$ 236,000 | \$ 19,667 | \$ 56,569 | \$ 36,902 | 187.64% |
| \$ 89,000 | \$ 7,417 | \$ 279 | \$ (7,138) | -96.24% |
| 1,682,000 | 140,167 | 171,075 | 30,908 | 22.05% |
| \$ 1,771,000 | \$ 147,583 | \$ 171,354 | \$ 23,771 | 16.11% |
| \$ 20,000 | \$ 1,667 | \$ - | \$ (1,667) | -100.00% |
| 40,000 | 3,333 | 2,936 | (398) | -11.93% |
| 30,000 | 2,500 | 3,138 | 638 | 25.52% |
| 20,000 | 1,667 | 1,000 | (667) | -40.00% |
| - | - | - | - | |
| \$ 110,000 | \$ 9,167 | \$ 7,074 | \$ (2,093) | -22.83% |
| \$ 20,000 | \$ 1,667 | \$ - | \$ (1,667) | -100.00% |
| \$ 20,000 | \$ 1,667 | \$ - | \$ (1,667) | -100.00% |
| \$ 105,300 | \$ 8,775 | \$ 4,294 | \$ (4,481) | -51.07% |
| 6,000 | 500 | - | (500) | -100.00% |
| 25,000 | 2,083 | - | (2,083) | -100.00% |
| \$ 136,300 | \$ 11,358 | \$ 4,294 | \$ (7,064) | -62.20% |
| \$ 85,000 | \$ 7,083 | \$ 9,109 | \$ 2,026 | 28.60% |
| 8,000 | 667 | 27 | (640) | -95.95% |
| \$ 93,000 | \$ 7,750 | \$ 9,136 | \$ 1,386 | 17.88% |
| \$ 2,200 | \$ 183 | \$ 117 | \$ (67) | -36.43% |
| 1,200 | 100 | 752 | 652 | 652.26% |
| 18,000 | 1,500 | 245 | (1,255) | -83.65% |
| 30,000 | 2,500 | 420 | (2,080) | -83.19% |
| \$ 51,400 | \$ 4,283 | \$ 1,534 | \$ (2,749) | -64.18% |
| \$ 2,417,700 | \$ 201,475 | \$ 249,961 | \$ 48,486 | 24.07% |
| \$ 79,982 | \$ 6,665 | \$ 79,982 | \$ 73,317 | 1100.00% |
| 502,465 | 41,872 | 125,616 | 83,744 | 200.00% |
| 276,551 | 23,046 | - | (23,046) | -100.00% |
| \$ 858,998 | \$ 71,583 | \$ 205,598 | \$ 134,015 | 187.22% |

**Rivanna Solid Waste Authority
 Historical Material Tonnage Report - Recycling
 Fiscal Years 2017-2021**

| Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 (July) |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------------------|
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------------------|

In U.S. Tons

Fiber Products

| | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Newspaper, magazines, catalogs | 419 | 424 | 427 | 120 | 120 |
| Cardboard (corrugated) | 812 | 763 | 807 | 560 | 560 |
| Mixed paper and phone books | 156 | 187 | 265 | 792 | 792 |
| File stock (office paper) | 122 | 111 | 128 | 77 | 77 |
| Total Fiber Products | 1,509 | 1,485 | 1,627 | 1,549 | 1,549 |

Other Products

| | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Glass | 252 | 252 | 411 | 467 | 467 |
| Metal Cans | 31 | 41 | 58 | 54 | 54 |
| Plastic | 86 | 103 | 127 | 114 | 114 |
| Total Other Products | 369 | 396 | 596 | 635 | 635 |
| Total | 1,878 | 1,881 | 2,223 | 2,184 | 2,184 |



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

**FROM: DAVID RHOADES, SOLID WASTE MANAGER;
PHILLIP MCKALIPS, DIRECTOR OF SOLID WASTE**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: IVY MATERIAL UTILIZATION CENTER REPORT/
RECYCLING OPERATIONS UPDATE**

DATE: AUGUST 25, 2020

Ivy Material Utilization Center (IMUC) : DEQ Permit 132: 300 tons/day MSW limit

June 2020

- **5,900 vehicles crossed the scales**
- The IMUC transfer station operated 26 days and received a total of 2,657.44 tons of municipal solid waste (MSW), an average of 102.21 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 2,120.58 tons of non-MSW materials were received
- 4,778.02 tons were received as a combined total tonnage (MSW + non-MSW)

July 2020

- **5,799 vehicles crossed the scales**
- The IMUC transfer station operated 26 days and received a total of 3,175.91 tons of municipal solid waste (MSW), an average of 122.15 tons per day of operation. The monthly transfer station tonnage figures are attached to this report.
- 1,322.27 tons of non-MSW materials were received
- 4,498.18 tons were received as a combined total tonnage (MSW + non-MSW)

Spring HHW and Bulky Waste Totals:

eWaste Collection Event:

On June 13, 2020, the Spring 2020 eWaste collection event was held at Ivy MUC. MXI Environmental was the contractor for the event. Of the 350 appointments reserved by the public, 287 customers showed up on the collection day. This is about a 3 percent increase in customers than previous events. Exact tonnages/quantities of materials collected are not available yet from MXI.

Saturday, June 20, 2020: *Tires*

A total of 207 vehicles participated, including 182 from the County and 25 from the City. A total of 109.75 tons of tires were received, separated, and trucked to end user for recycling.

Saturday, June 27, 2020: *Furniture / Mattresses*

A total of 193 vehicles participated, including 160 from the County and 33 from the City. 26,600 lbs. of furniture and mattresses were collected from the county. 5,440 lbs. of furniture and mattresses were collected from the City.

Thursday, July 9, Friday, July 10, and Saturday, July 11, 2020: *Special Collections*

The Conditionally Exempt Small Quantity Generator (CESQG) Special Collection for business hazardous waste was held on Thursday, July 9, 2020. CESQG collection program is a pre-registration, fee-based program with sign-up information and instructions on the Rivanna.org website.

Household Hazardous Waste Day was a two-day event this Spring. Hours were from 9am-2pm on both Friday, July 10 and Saturday, July 11, 2019. Wait times were less than 10 minutes both days. The total customer count for the two-day event was 685 City/County residents. Friday: the split was 276 County, and 65 City. Saturday: the split was 245 County and 97 City. 2 Nelson county residents participated.

Saturday, July 18, 2020: *Appliances*

A total of 174 vehicles participated, including 145 from the County and 29 from the City. 6.98 tons of appliances and 119 freon units were collected from the County. 1.74 tons of appliances and 27 freon units were collected from the City.

Paint Collection:

On July 14, 2020, the Ivy MUC shipped out the 32nd container of paint cans since the program began in August 2016. Each container holds about 4,200 one-gallon paint cans; therefore, we have shipped about 134,400 paint cans. This program continues to make paint disposal more convenient for residents and alleviates some of the congestion during our fall and spring Household Hazardous Waste Days.

The oil-based paints that are collected are beneficially used as fuel for heat recovery and the latex paints are re-processed back into commercial paints (www.latexpaintrecycling.com).

Compostable Food Waste Collection:

This program continues to operate smoothly at the IMUC. This service is free to County residents. A similar bin has been placed at the Transfer Station for the receipt of compostable food wastes from commercial customers. Commercial customers are charged the established disposal fee of \$178 per ton.

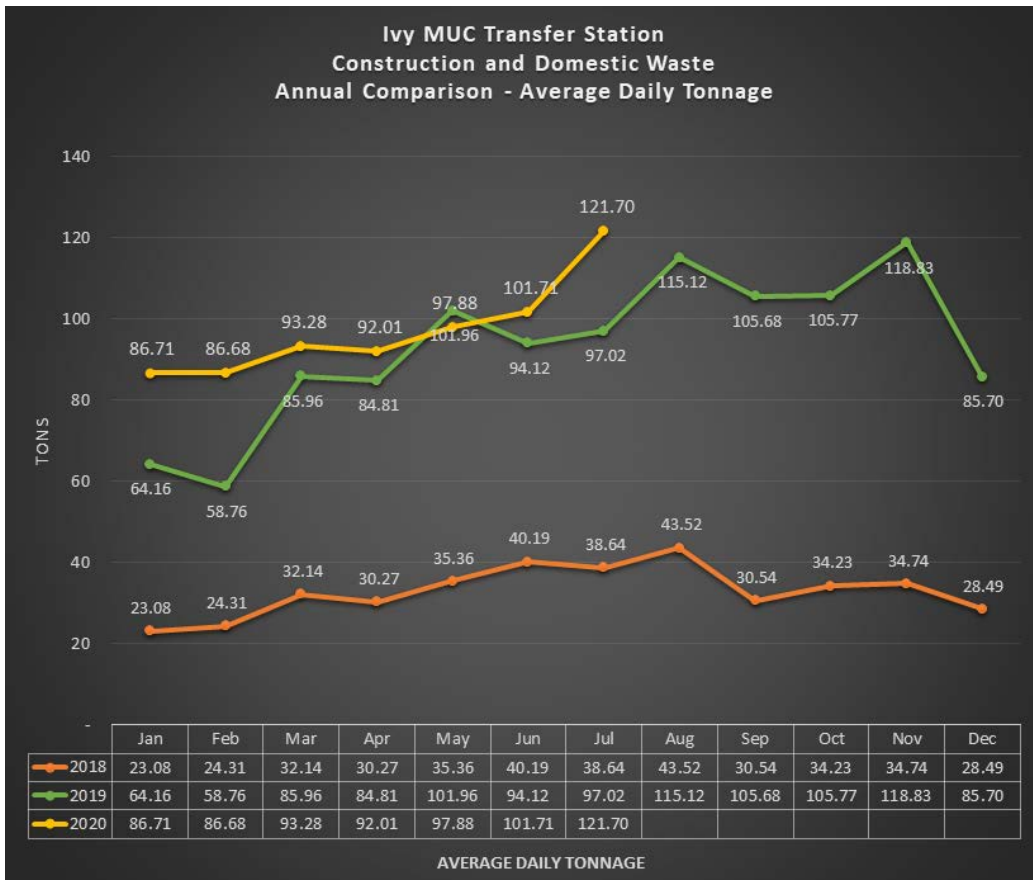
The McIntire Recycle Center received 9.01 tons of compostable materials from residents in June. The McIntire Recycle Center received 8.95 tons of compostable materials from residents in July.

Compost Sales at Ivy:

On April 17, 2020, compost sales (McGill Composting SoilBuilder®) began at Ivy. As of August 3, 2020, 19.28 tons of material have been sold. The sales price for compost has been set at \$75 per ton (Note, there are approximately 2 cubic yards in a ton of compost. Therefore \$75.00 a ton is approximately \$37.50 per cubic yard). This price was intended to cover the direct costs of compost purchase and delivery of \$49.50 per ton, as well as defray other costs like administration, equipment, fuel, labor, etc.

Transfer Station Update

As shown on the following figure, we can see that waste disposal tonnages are similar to tonnages from this time last year.



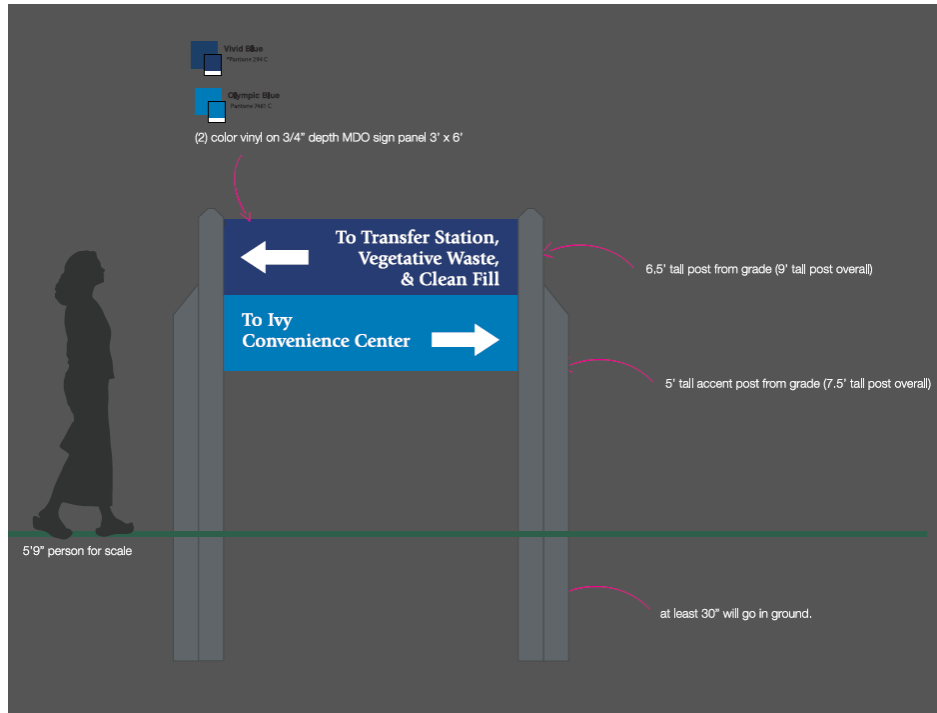
In order to prevent a recurrence of the fire that damaged the transfer station structure in August 2018, a fire detection system has been installed within the building and associated Attendant's shed. The system consists of over thirty heat detectors that tie to an automated reporting system as well as alarms and strobe lights within the building.



Ivy Convenience Center (ICC)

The Ivy Convenience Center (ICC) reached substantial completion on July 8, 2020 and was open for the public. We are currently awaiting some final site directional signage which includes a new facility sign on Dick Woods Road as well as on-site directional signage as shown in the following mock-ups.







McIntire Recycling Center

The Goodwill collection box that has been hosted on the McIntire Site has been removed from the site. Signage has been placed at the site directing customers interested in donating clothing and housewares to the Goodwill facility on Route 29 North. Unfortunately, this collection box had become a magnet for attracting unauthorized dumping of a variety of materials that were unacceptable to Goodwill and that RSWA staff had to remove. Since removal of the Goodwill box and posting of a sign, dumping has greatly diminished.





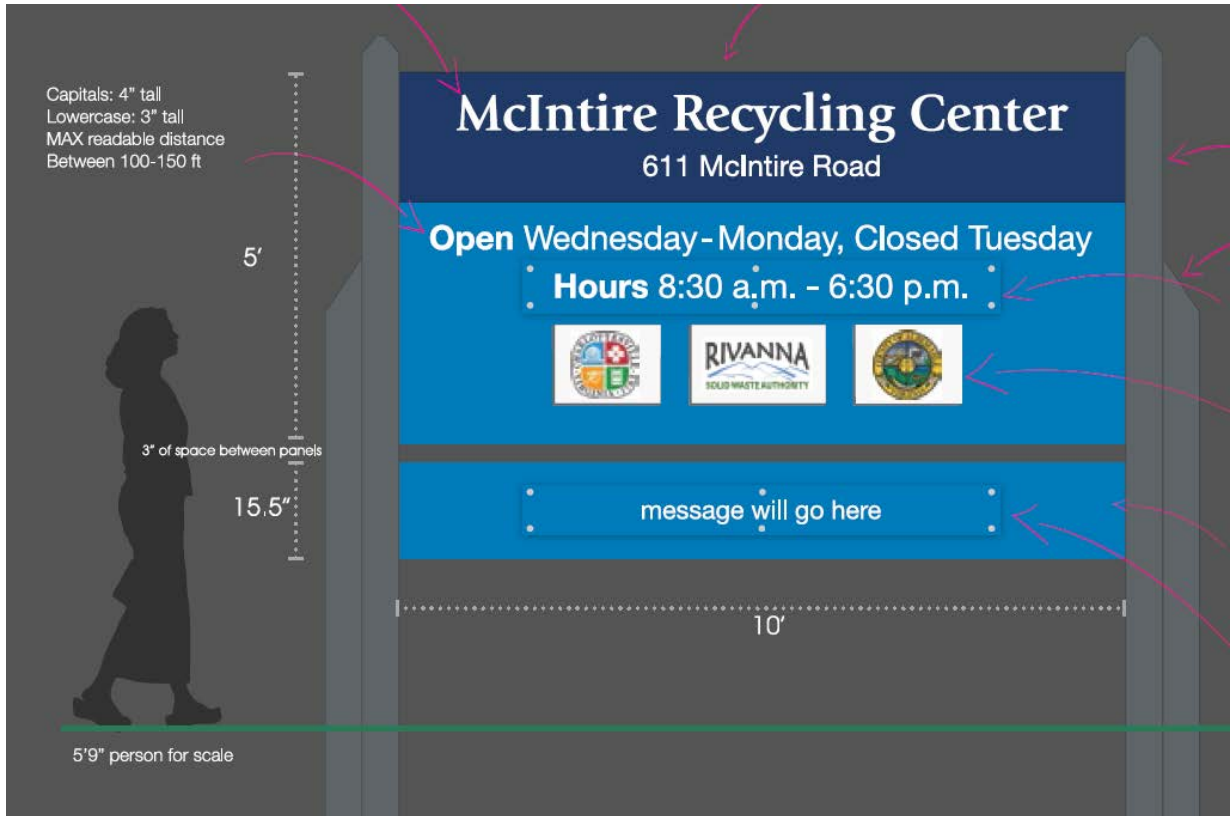
Oyster Shell Reuse Program

In September 2019, RSWA joined with Virginia Commonwealth University's Rice Rivers Center to host an Oyster Shell Collection container. We are nearing a year and the container is approximately 70% full. In talking with the Oyster Shell Program team, staff inquired whether it was feasible to support the program through any of the future steps of the operation. To put it briefly, the process is to collect the shells (like we're doing at MRC), cure them outside for a year, then package them and return them to the Rice Center. This is where the shells will be seeded with larvae and placed into the Bay. RSWA inquired with the Virginia Department of Environmental Quality whether it would be allowable for us to participate in the curing and packaging phase of the program and has been given the go-ahead.

The current plan is to place the shells on the trailer parking area at the IMUC and allow them to cure for the year. Then next spring, we'd like to pull together some volunteers (hopefully from within the Rivanna Authorities) to undertake the packaging operation. This seems like a great opportunity for both Authorities to give back to the greater watershed which serves us all.

New Street Signage

In response to numerous public comments, and in conjunction with new signage at the Ivy MUC, RSWA is replacing the street signage at the McIntire Recycling Center (MRC). This new sign is designed to be more visible to passing traffic and will also incorporate messaging to denote facility closures (due to holidays and inclement weather) as well as changes in operating hours (Winter hours versus Summer hours). The new signage is expected to be installed within the next few weeks. Following are mock-ups of the new sign and street view.



Ivy Material Utilization Center
Daily Scale Crossing Data



June 1-30, 2020

Days of
Operation: 26

| | | MSW collected at Transfer Station (tons) | | | | Non-MSW | | |
|----------------|--------------|------------------------------------------|--------------|-----------------|-----------------|-----------------|-----------------|--------|
| | Vehicles | Count | Citizen-Can | Construction | Domestic | MSW Total | Total Tons | |
| 06/01/20 | Monday | 219 | 253 | 0.52 | 45.07 | 106.79 | 152.38 | 36.05 |
| 06/02/20 | Tuesday | 228 | 290 | 0.42 | 30.64 | 69.13 | 100.19 | 47.60 |
| 06/03/20 | Wednesday | 214 | 275 | 0.46 | 40.11 | 51.99 | 92.56 | 45.01 |
| 06/04/20 | Thursday | 179 | 201 | 0.34 | 16.72 | 50.51 | 67.57 | 119.74 |
| 06/05/20 | Friday | 233 | 278 | 0.47 | 34.94 | 85.03 | 120.44 | 83.28 |
| 06/06/20 | Saturday | 297 | 395 | 1.00 | 8.89 | 46.71 | 56.60 | 13.53 |
| 06/07/20 | Sunday | - | - | - | - | - | - | - |
| 06/08/20 | Monday | 216 | 259 | 0.44 | 40.92 | 96.93 | 138.29 | 76.07 |
| 06/09/20 | Tuesday | 248 | 269 | 0.31 | 39.27 | 55.75 | 95.33 | 116.18 |
| 06/10/20 | Wednesday | 222 | 257 | 0.35 | 54.87 | 52.47 | 107.69 | 196.20 |
| 06/11/20 | Thursday | 203 | 260 | 0.46 | 55.03 | 23.79 | 79.28 | 762.97 |
| 06/12/20 | Friday | 215 | 257 | 0.30 | 39.83 | 84.77 | 124.90 | 62.34 |
| 06/13/20 | Saturday | 321 | 408 | 0.84 | 22.29 | 39.02 | 62.15 | 11.51 |
| 06/14/20 | Sunday | - | - | - | - | - | - | - |
| 06/15/20 | Monday | 203 | 237 | 0.37 | 42.75 | 84.73 | 127.85 | 21.80 |
| 06/16/20 | Tuesday | 222 | 263 | 0.50 | 51.86 | 64.91 | 117.27 | 98.65 |
| 06/17/20 | Wednesday | 183 | 209 | 0.50 | 39.58 | 60.56 | 100.64 | 21.59 |
| 06/18/20 | Thursday | 145 | 196 | 0.44 | 34.74 | 40.40 | 75.58 | 6.63 |
| 06/19/20 | Friday | 217 | 279 | 0.64 | 38.63 | 96.35 | 135.62 | 95.87 |
| 06/20/20 | Saturday | 289 | 377 | 0.87 | 18.65 | 34.88 | 54.40 | 3.92 |
| 06/21/20 | Sunday | - | - | - | - | - | - | - |
| 06/22/20 | Monday | 202 | 242 | 0.31 | 51.83 | 76.91 | 129.05 | 24.47 |
| 06/23/20 | Tuesday | 207 | 251 | 0.62 | 61.19 | 54.72 | 116.53 | 33.35 |
| 06/24/20 | Wednesday | 210 | 218 | 0.44 | 30.28 | 46.05 | 76.77 | 32.82 |
| 06/25/20 | Thursday | 197 | 212 | 0.38 | 44.23 | 63.51 | 108.12 | 33.77 |
| 06/26/20 | Friday | 265 | 310 | 0.55 | 42.09 | 83.50 | 126.14 | 33.12 |
| 06/27/20 | Saturday | 304 | 357 | 0.53 | 14.00 | 31.53 | 46.06 | 11.77 |
| 06/28/20 | Sunday | - | - | - | - | - | - | - |
| 06/29/20 | Monday | 196 | 269 | 0.36 | 51.01 | 71.33 | 122.70 | 49.50 |
| 06/30/20 | Tuesday | 265 | 318 | 0.56 | 53.62 | 69.15 | 123.33 | 82.84 |
| Total | 5,900 | 7,140 | 12.98 | 1,003.04 | 1,641.42 | 2,657.44 | 2,120.58 | |
| <i>Average</i> | 227 | 275 | 0.50 | 38.58 | 63.13 | 102.21 | 81.56 | |
| <i>Median</i> | 217 | 262 | 0.46 | 39.97 | 62.04 | 107.91 | 40.53 | |
| <i>Maximum</i> | 321 | 408 | 1.00 | 61.19 | 106.79 | 152.38 | 762.97 | |
| <i>Minimum</i> | 145 | 196 | 0.30 | 8.89 | 23.79 | 46.06 | 3.92 | |

Material Type & Description

Citizen-Can: Roll-off container at the Ivy MUC Convenience Center-citizens dispose of prepaid trashbags

Construction: Construction/demolition debris (shingles, sheetrock, treated lumber, etc.)

Count: Transactions per item (appliances, hauling fees, service fees, tag-bag stickers, tires)

Domestic: Business/residential general or household waste

MSW: Materials processed/handled at the Transfer Station

Non-MSW: Materials processed/handled on-site

Vehicle: Transactions or vehicles processed in a day

Ivy Material Utilization Center
Daily Scale Crossing Data



July 1-31, 2020

Days of
Operation: 26

| | | MSW collected at Transfer Station (tons) | | | | | | Non-MSW |
|----------------|--------------|------------------------------------------|--------------|-----------------|-----------------|-----------------|-----------------|---------|
| | Vehicles | Count | Citizen-Can | Construction | Domestic | MSW Total | Total Tons | |
| 07/01/20 | Wednesday | 207 | 256 | 0.69 | 50.97 | 39.85 | 91.51 | 41.45 |
| 07/02/20 | Thursday | 237 | 315 | 0.57 | 78.33 | 68.28 | 147.18 | 29.69 |
| 07/03/20 | Friday | 238 | 266 | 0.64 | 25.61 | 76.73 | 102.98 | 30.11 |
| 07/04/20 | Saturday | - | - | - | - | - | - | - |
| 07/05/20 | Sunday | - | - | - | - | - | - | - |
| 07/06/20 | Monday | 239 | 311 | 0.72 | 56.22 | 88.38 | 145.32 | 57.06 |
| 07/07/20 | Tuesday | 212 | 265 | 0.59 | 53.33 | 62.41 | 116.33 | 74.78 |
| 07/08/20 | Wednesday | 217 | 249 | 0.39 | 66.01 | 48.96 | 115.36 | 27.22 |
| 07/09/20 | Thursday | 221 | 310 | 0.50 | 79.16 | 47.95 | 127.61 | 17.41 |
| 07/10/20 | Friday | 251 | 291 | 0.34 | 51.62 | 63.66 | 115.62 | 27.91 |
| 07/11/20 | Saturday | 326 | 456 | 0.77 | 22.01 | 41.27 | 64.05 | 14.29 |
| 07/12/20 | Sunday | - | - | - | - | - | - | - |
| 07/13/20 | Monday | 192 | 217 | 0.82 | 46.23 | 90.55 | 137.60 | 77.37 |
| 07/14/20 | Tuesday | 206 | 256 | 0.22 | 47.32 | 56.95 | 104.49 | 66.67 |
| 07/15/20 | Wednesday | 204 | 241 | 0.41 | 64.66 | 68.19 | 133.26 | 104.04 |
| 07/16/20 | Thursday | 181 | 240 | 0.25 | 35.59 | 30.50 | 66.34 | 81.98 |
| 07/17/20 | Friday | 233 | 248 | 0.40 | 63.52 | 85.12 | 149.04 | 39.93 |
| 07/18/20 | Saturday | 303 | 346 | 0.51 | 19.76 | 40.93 | 61.20 | 7.83 |
| 07/19/20 | Sunday | - | - | - | - | - | - | - |
| 07/20/20 | Monday | 207 | 270 | 0.26 | 41.45 | 96.10 | 137.81 | 63.64 |
| 07/21/20 | Tuesday | 184 | 200 | 0.45 | 39.29 | 54.75 | 94.49 | 16.99 |
| 07/22/20 | Wednesday | 193 | 364 | 0.31 | 47.02 | 126.02 | 173.35 | 27.74 |
| 07/23/20 | Thursday | 179 | 224 | 0.32 | 39.41 | 48.40 | 88.13 | 42.59 |
| 07/24/20 | Friday | 238 | 287 | 0.36 | 72.02 | 77.82 | 150.20 | 59.93 |
| 07/25/20 | Saturday | 270 | 366 | 0.57 | 40.95 | 38.49 | 80.01 | 4.56 |
| 07/26/20 | Sunday | - | - | - | - | - | - | - |
| 07/27/20 | Monday | 221 | 282 | 0.16 | 70.41 | 92.86 | 163.43 | 90.78 |
| 07/28/20 | Tuesday | 233 | 270 | 0.25 | 46.93 | 82.26 | 129.44 | 199.76 |
| 07/29/20 | Wednesday | 184 | 258 | 0.48 | 70.78 | 134.36 | 205.62 | 35.39 |
| 07/30/20 | Thursday | 193 | 220 | 0.34 | 72.16 | 68.39 | 140.89 | 58.37 |
| 07/31/20 | Friday | 230 | 248 | 0.35 | 49.49 | 84.81 | 134.65 | 24.78 |
| Total | 5,799 | 7,256 | 11.67 | 1,350.25 | 1,813.99 | 3,175.91 | 1,322.27 | |
| <i>Average</i> | 223 | 279 | 0.45 | 51.93 | 69.77 | 122.15 | 50.86 | |
| <i>Median</i> | 219 | 266 | 0.41 | 50.23 | 68.24 | 128.53 | 40.69 | |
| <i>Maximum</i> | 326 | 456 | 0.82 | 79.16 | 134.36 | 205.62 | 199.76 | |
| <i>Minimum</i> | 179 | 200 | 0.16 | 19.76 | 30.50 | 61.20 | 4.56 | |

Material Type & Description

Citizen-Can: Roll-off container at the Ivy MUC Convenience Center-citizens dispose of prepaid trashbags

Construction: Construction/demolition debris (shingles, sheetrock, treated lumber, etc.)

Count: Transactions per item (appliances, hauling fees, service fees, tag-bag stickers, tires)

Domestic: Business/residential general or household waste

MSW: Materials processed/handled at the Transfer Station

Non-MSW: Materials processed/handled on-site

Vehicle: Transactions or vehicles processed in a day



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: AMENDMENT OF BYLAWS TO MODIFY THE MONTHLY
BOARD MEETING SCHEDULE, CONTRACT AUTHORIZATION
AND APPROVAL OF THE BOARD MEETING SCHEDULE FOR
CALENDAR YEAR 2020**

DATE: AUGUST 25, 2020

This proposal is to modify the Solid Waste Board meeting schedule, and propose meeting dates for calendar year 2021, and update the Executive Director's authorization to execute contracts. In view of the expanded and improved services being offered and planned for our Solid Waste programs, staff are recommending modifications to the Board meeting schedule.

The current Bylaws, adopted in April 2016, require regular meetings of the Board on the fourth Tuesday of February, April, May, June, August and November (6 meetings/calendar year). The proposed amendment of the Bylaws would establish regular meetings of the Board every other month, (January, March, May, July, September, November; also 6 meetings/year) starting immediately. The proposed meeting schedule offers the following benefits:

1. Creates a more consistent schedule to address operational and Capital Improvement business needs, such as timely award of contracts and authorizations for necessary budget amendments, as well as other program and service discussions with the Board.
2. Eliminates the 90-day gaps in Board meetings from August to November, and from November to February, which can impact business efficiencies. May minimize the need for Special Meetings in the second half of the calendar year.
3. Creates a more consistent meeting schedule for Board members and the public.

Additionally, it is requested that the Bylaws be updated to reflect updates made to the Purchasing Manual, which was approved by the Board on June 23, 2020. The update included an increase to the aggregate amount of a contract that the Executive Director can approve; the total increased from \$100,000 to \$200,000.

In accordance with the Bylaws, Article VI, the Board may amend the Bylaws provided that the notice of the proposed amendment is given in the notice of the meeting, and all members of the Board are present at the meeting.

Board Action Requested:

We recommend approval of:

1. An amendment to the RSWA Bylaws to establish regular meetings of the Board of Directors on the fourth Tuesday in January, March, May, July, September and November, to be effective immediately.
2. The Board meeting schedule for calendar 2021 shown by the attachment.
3. An amendment to the RSWA Bylaws to increase the aggregate amount of a contract the Executive Director is authorized to execute from \$100,000 to \$200,000, to bring it in compliance with the current Purchasing Manual.

Attachments: RSWA By-Laws, Proposed Effective August 25, 2020
RSWA By-Laws, Proposed Effective August 25, 2020 – Redline Version
RSWA Board Meeting Schedule for Calendar Year 2021

BY-LAWS OF
RIVANNA SOLID WASTE AUTHORITY
(Effective August 25, 2020)

ARTICLE I

OFFICES

1. The principal office of the Rivanna Solid Waste Authority (the “Authority”) shall be in Charlottesville or Albemarle County, Virginia, at 695 Moores Creek Lane, Charlottesville, Virginia 22902 or at such particular place as shall be fixed from time to time by resolution of the Board of Directors (the “Board”).

2. Except as otherwise required by resolution of the Board, or as business of the Authority may require, all of the books and records of the Authority shall be kept at the office as designated above.

ARTICLE II

DIRECTORS

1. The Authority shall have a Board of Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Authority managed under the direction of, its Board of Directors, pursuant to the provisions of the Articles of Incorporation and Sections 15.2-5113 and 5114 of the Code of Virginia. Directors shall be appointed or elected in the manner and for the term set forth in the Articles of Incorporation.

ARTICLE III

OFFICERS

1. The officers of the Authority shall be a Chair, a Vice-Chair, and a Secretary-Treasurer. An election will be held at the regular March Board meeting in even-numbered years

with the duly elected officers assuming office as of May 1 for a term of two years and such officers may succeed themselves indefinitely.

2. The Chair shall be the presiding officer of the Authority. Unless some other person is specifically authorized by procedures or instructions adopted by vote of the Board, and except as otherwise provided in Article III, Section 5 below; the Chair shall sign all contracts and other instruments to be executed on behalf of the Authority. The Chair shall perform all the duties and have such other powers as the Board may from time to time designate. The Chair shall be a member of the Board.

3. The Vice-Chair shall perform all the duties of the Chair in the event of the Chair's absence or incapacitation or in the event of the Chair's office falling vacant and also perform such tasks as the Chair or the Board may assign from time to time. The Vice-Chair shall be a member of the Board.

4. The Secretary-Treasurer or his or her designee shall attend all meetings of the Board and act as secretary or clerk thereof; such person shall record all votes and keep accurate records of all proceedings at such meetings in a minute book to be kept for that purpose, which shall be open at all reasonable times to the inspection of any member or any other person authorized by law. The Secretary-Treasurer or his or her designee shall keep in safe custody the official seal of the Authority and shall have authority to affix such seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. The Secretary-Treasurer shall have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

The Secretary-Treasurer or his or her designee shall perform all the duties commonly incident to the office of secretary or clerk and shall perform such other duties and have such powers as the Board may from time to time designate. In the absence of the Secretary-Treasurer and/or his or her designee from any meeting of the Board, a temporary secretary may be chosen who shall record the proceedings thereof.

Subject to the provisions of any trust agreement securing revenue bonds, bond anticipation notes, or other financial obligation of the Authority, the Secretary-Treasurer or his or her designee shall have the care and custody of the funds of the Authority and shall have and exercise, under the supervision of the Board, all the powers and duties commonly incident to the office of treasurer. The Secretary-Treasurer shall be selected by the Board and may or may not be a member of the Board.

5. There shall be an Executive Director who shall be the chief administrative officer of the Authority and shall be selected from a list of qualified individuals by vote of the Board. The Executive Director, acting on request of the Chair, shall cause notice to be given of all meetings of the Authority as required by law or by these By-Laws. The Executive Director is authorized to sign contracts to be executed on behalf of the Authority provided: (i) the aggregate amount of the contract is \$200,000 or less; (ii) the term of the contract is one year or less; and (iii) funds required for payment terms of the contract have been authorized by the Board through adoption or amendment of the annual operating budget.

6. In addition to the officers above mentioned, the Board may provide for such deputies, assistants and other officers as it may deem necessary from time to time, who shall perform such duties and have powers as the Board may designate.

ARTICLE IV

MEETINGS OF THE AUTHORITY

1. Meetings of the Board may be called by the Chair, or in the event of the Chair's absence from the Commonwealth or incapacity, by the Vice-Chair, for such time and at such place in the Commonwealth as may be specified in the call.

2. Regular meetings of the Board will be held at the Authority's Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia, at 2:00 p.m. on the fourth Tuesday of January, March, May, July, September and November of each year or at such other place as the Board may designate from time to time. Public notice of such meetings will be required only if the time and/or place of such meetings is changed for any reason.

3. Meetings in addition to the regular meeting may be called by the Chair, or the Vice-Chair when acting for the Chair under the conditions stated above, for such time and at such place in the Commonwealth as may be specified in the call, provided written notice of such meeting is delivered to the Board members, left at their residence or usual place of business, or delivered by electronic mail not less than forty-eight hours prior to the date and time specified for such meeting. In addition, the Executive Director shall take such measures as may be necessary to make sure that news media and the public have at least twenty-four hours notice of any meeting.

4. In the event that the officer issuing the call for a special meeting declares an emergency to exist, the notice required shall be three hours, provided that the declaration of emergency is approved by vote of the Board members at that special meeting.

5. The notification of Board meetings at which subject matter is discussed and/or acted upon by the Authority in compliance with the requirements of Title 15.2, Code of Virginia (Virginia Water and Waste Authorities Act) will be as specified in that document.

6. All Board meetings shall be open to the public, except when pursuant to the provision of Section 2.2-3711 of the Code of Virginia, the Board members have voted to hold a closed meeting and no resolution, rule, contract, regulation, or motion discussed in such closed meeting shall become effective unless the Board members reconvene in open meeting and take a vote on such resolution, rule, contract, regulation, or motion.

7. At meetings of the Board the following order of the business shall be observed, in general, as far as is consistent with the purpose of the meeting:

- a. Reading, correction, and approval of the minutes of the preceding meeting.
- b. Items from the public, except matters on the agenda for which a public hearing has been called, and responses from Board or staff to public comments.
- c. Consent agenda, to include regular staff reports on expenditures, operations, and capital projects.
- d. Other business, including unfinished business.

8. The vote on the adoption of every resolution shall be by ayes and nays. The names of the Board members voting for or against the resolution shall be entered upon minutes of the meetings, unless the vote be unanimous, in which case the minutes will so state.

9. A majority of the members of the Board shall constitute a quorum but the vote of the majority of the total members shall be necessary for any action, other than procedural matters, to be taken by the Board.

10. A Board member may designate an alternate to attend meetings the member is unable to attend. Such alternates may take part in any deliberations of the Board but may not vote on any matter and may be excluded from any closed meeting.

11. A Board member may participate in a Board meeting through electronic communication from a remote location, subject to the conditions of § 2.2-3708.1 of the Code of Virginia and the Board's policy for remote participation as set forth below:

a. At least four hours prior to the scheduled time for the Board meeting, the Board member desiring to participate remotely shall notify the Chair in writing, which may be by e-mail or text message, and shall identify with specificity the nature of the reason as to why remote participation is necessary. Permitted reasons shall be limited to (i) an emergency, (ii) a personal matter, or (iii) a temporary or permanent disability or other medical condition that prevents the member's physical attendance. The specific nature of the reason and the remote location from which the Board member participated shall be recorded in the minutes of the meeting.

b. No Board member may participate remotely in more than one Board meeting per calendar year; provided, however, such limitation shall not apply to remote attendance due to temporary or permanent disability or other medical condition that prevents the Board member's physical attendance.

c. The Authority shall have arranged for the voice of the remote participant to be heard by persons present at the meeting location, including other Board members, and the public. The Authority shall be capable of monitoring the remote connection and record in the minutes both the time the remote participation was connected and the time

disconnected, and the minutes shall clearly record the vote of the remote participant on all voting matters during the remote participation.

d. A quorum of Board members shall be physically present at the meeting location in order for Board actions to be considered or taken, however, voting by remote participation may count toward determining that the majority of members voted for or against a particular action as described in Section 9 of this Article IV.

e. In the event a Board member's remote participation is disapproved by the Chair or the Board because such participation would violate the terms and conditions of this Section 11, such disapproval and the reason therefor shall be recorded in the minutes.

ARTICLE V

OFFICIAL SEAL

The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing in the outer rim the words "Rivanna Solid Waste Authority." The Secretary-Treasurer or his or her designee shall secure such seal and cause the impression thereof to be made on the minutes of the meetings of the Board.

ARTICLE VI

AMENDMENTS

Except as otherwise provided by law, these By-Laws may be amended, added to, altered, or repealed in whole or in part by the Board at any meeting, provided that notice of the proposed amendment, additions, alteration or repeal is given in the notice of such meeting and that all members of the Board are present at such meeting.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Authority shall be determined in the discretion of the Board, but in the absence of any such determination it shall be the year beginning July 1 and ending June 30.

Proposed August 25, 2020

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BY-LAWS OF
RIVANNA SOLID WASTE AUTHORITY
(~~Proposed~~ Effective ~~May 1~~ August 25, 2016 ~~2020~~)

ARTICLE I

OFFICES

1. The principal office of the Rivanna Solid Waste Authority (the “Authority”) shall be in Charlottesville or Albemarle County, Virginia, at 695 Moores Creek Lane, Charlottesville, Virginia 22902 or at such particular place as shall be fixed from time to time by resolution of the Board of Directors (the “Board”).

2. Except as otherwise required by resolution of the Board, or as business of the Authority may require, all of the books and records of the Authority shall be kept at the office as designated above.

ARTICLE II

DIRECTORS

1. The Authority shall have a Board of Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Authority managed under the direction of, its Board of Directors, pursuant to the provisions of the Articles of Incorporation and Sections 15.2-5113 and 5114 of the Code of Virginia. Directors shall be appointed or elected in the manner and for the term set forth in the Articles of Incorporation.

ARTICLE III

OFFICERS

1. The officers of the Authority shall be a Chair, a Vice-Chair, and a Secretary-Treasurer. An election will be held at the regular ~~April~~ March Board meeting in

even-numbered years with the duly elected officers assuming office as of May 1 for a term of two years and such officers may succeed themselves indefinitely.

2. The Chair shall be the presiding officer of the Authority. Unless some other person is specifically authorized by procedures or instructions adopted by vote of the Board, and except as otherwise provided in Article III, Section 5 below; the Chair shall sign all contracts and other instruments to be executed on behalf of the Authority. The Chair shall perform all the duties and have such other powers as the Board may from time to time designate. The Chair shall be a member of the Board.

3. The Vice-Chair shall perform all the duties of the Chair in the event of the Chair's absence or incapacitation or in the event of the Chair's office falling vacant and also perform such tasks as the Chair or the Board may assign from time to time. The Vice-Chair shall be a member of the Board.

4. The Secretary-Treasurer or his or her designee shall attend all meetings of the Board and act as secretary or clerk thereof; such person shall record all votes and keep accurate records of all proceedings at such meetings in a minute book to be kept for that purpose, which shall be open at all reasonable times to the inspection of any member or any other person authorized by law. The Secretary-Treasurer or his or her designee shall keep in safe custody the official seal of the Authority and shall have authority to affix such seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. The Secretary-Treasurer shall have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

The Secretary-Treasurer or his or her designee shall perform all the duties commonly incident to the office of secretary or clerk and shall perform such other duties and have such powers as the Board may from time to time designate. In the absence of the Secretary-Treasurer and/or his or her designee from any meeting of the Board, a temporary secretary may be chosen who shall record the proceedings thereof.

Subject to the provisions of any trust agreement securing revenue bonds, bond anticipation notes, or other financial obligation of the Authority, the Secretary-Treasurer or his or her designee shall have the care and custody of the funds of the Authority and shall have and exercise, under the supervision of the Board, all the powers and duties commonly incident to the office of treasurer. The Secretary-Treasurer shall be selected by the Board and may or may not be a member of the Board.

5. There shall be an Executive Director who shall be the chief administrative officer of the Authority and shall be selected from a list of qualified individuals by vote of the Board. The Executive Director, acting on request of the Chair, shall cause notice to be given of all meetings of the Authority as required by law or by these By-Laws. The Executive Director is authorized to sign contracts to be executed on behalf of the Authority provided: (i) the aggregate amount of the contract is \$~~100,000~~200,000 or less; (ii) the term of the contract is one year or less; and (iii) funds required for payment terms of the contract have been authorized by the Board through adoption or amendment of the annual operating budget.

6. In addition to the officers above mentioned, the Board may provide for such deputies, assistants and other officers as it may deem necessary from time to time, who shall perform such duties and have powers as the Board may designate.

ARTICLE IV

MEETINGS OF THE AUTHORITY

1. Meetings of the Board may be called by the Chair, or in the event of the Chair's absence from the Commonwealth or incapacity, by the Vice-Chair, for such time and at such place in the Commonwealth as may be specified in the call.

2. Regular meetings of the Board will be held at the Authority's Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia, at 2:00 p.m. on the fourth Tuesday of ~~February, April~~January, March, May, ~~June~~July, ~~August~~September and November of each year or at such other place as the Board may designate from time to time. Public notice of such meetings will be required only if the time and/or place of such meetings is changed for any reason.

3. Meetings in addition to the regular meeting may be called by the Chair, or the Vice-Chair when acting for the Chair under the conditions stated above, for such time and at such place in the Commonwealth as may be specified in the call, provided written notice of such meeting is delivered to the Board members, left at their residence or usual place of business, or delivered by electronic mail not less than forty-eight hours prior to the date and time specified for such meeting. In addition, the Executive Director shall take such measures as may be necessary to make sure that news media and the public have at least twenty-four hours notice of any meeting.

4. In the event that the officer issuing the call for a special meeting declares an emergency to exist, the notice required shall be three hours, provided that the declaration of emergency is approved by vote of the Board members at that special meeting.

5. The notification of Board meetings at which subject matter is discussed and/or acted upon by the Authority in compliance with the requirements of Title 15.2, Code of Virginia (Virginia Water and Waste Authorities Act) will be as specified in that document.

6. All Board meetings shall be open to the public, except when pursuant to the provision of Section 2.2-3711 of the Code of Virginia, the Board members have voted to hold a closed meeting and no resolution, rule, contract, regulation, or motion discussed in such closed meeting shall become effective unless the Board members reconvene in open meeting and take a vote on such resolution, rule, contract, regulation, or motion.

7. At meetings of the Board the following order of the business shall be observed, in general, as far as is consistent with the purpose of the meeting:

- a. Reading, correction, and approval of the minutes of the preceding meeting.
- b. Items from the public, except matters on the agenda for which a public hearing has been called, and responses from Board or staff to public comments.
- c. Consent agenda, to include regular staff reports on expenditures, operations, and capital projects.
- d. Other business, including unfinished business.

8. The vote on the adoption of every resolution shall be by ayes and nays. The names of the Board members voting for or against the resolution shall be entered upon minutes of the meetings, unless the vote be unanimous, in which case the minutes will so state.

9. A majority of the members of the Board shall constitute a quorum but the vote of the majority of the total members shall be necessary for any action, other than procedural matters, to be taken by the Board.

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ARTICLE VI

AMENDMENTS

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ARTICLE VII

FISCAL YEAR

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Proposed ~~April 26~~ August 25, 2016 ~~2020~~

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| | Count |
| Insertions | 10 |
| Deletions | 11 |
| Moved from | 0 |
| Moved to | 0 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 21 |



Board Meeting Schedule

Listed below are the proposed RSWA Board of Directors meeting dates for calendar year 2021:

Tuesday, January 26, 2021

Tuesday, March 23, 2021

Tuesday, May 25, 2021

Tuesday, July 27, 2021

Tuesday, September 28, 2021

Tuesday, November 16, 2021*

* The November meeting is moved to the third Tuesday of the month to avoid a conflict with the week of Thanksgiving.

RSWA meetings will start promptly at 2:00 p.m. RSWA meetings will be held in the large conference room of the Moores Creek Advanced Water Resource Recovery Facility Administration Building, 695 Moores Creek Lane, Charlottesville, VA or virtually via Zoom.



MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY BOARD OF DIRECTORS
RIVANNA SOLID WASTE AUTHORITY**

**FROM: LONNIE WOOD, DIRECTOR OF FINANCE AND ADMINISTRATION
BETSY NEMETH, HUMAN RESOURCES MANAGER**

REVIEWED: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF FLEXIBLE BENEFITS “CAFETERIA PLAN”

DATE: AUGUST 25, 2020

As of July 1, 2020, the Authorities are changing the administrator of our flexible spending plans to “Flexible Benefits Administrators”, and the attached “Cafeteria Plan” takes this change of administrator into account. Flexible Spending Accounts are funded through pre-tax deductions from an employee’s pay, and in order for the deductions to be considered pre-tax, a “cafeteria plan” of benefits must be in place and adopted by the Board of Directors.

A cafeteria plan is a separate written plan maintained by an employer for employees that meets the specific requirements and regulations of section 125 of the Internal Revenue Code. It provides participants an opportunity to receive certain benefits on a pretax basis. The cafeteria plan specifically describes the benefits plans and establishes rules of eligibility and elections. Employer contributions to the cafeteria plan are usually made pursuant to salary reduction agreements between the employer and the employee in which the employee agrees to contribute a portion of his or her salary on a pre-tax basis to pay for the qualified benefits. Salary reduction contributions are not actually or constructively received by the participant. Therefore, those contributions are not considered wages for federal income tax purposes. In addition, those sums generally are not subject to federal Social Security (FICA) and Unemployment (FUTA) taxes.

Board Action Requested

Approve the amended Flexible Benefits “Cafeteria Plan”.

Attachments

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

TABLE OF CONTENTS

**ARTICLE I
DEFINITIONS**

**ARTICLE II
PARTICIPATION**

2.1 ELIGIBILITY 2
2.2 EFFECTIVE DATE OF PARTICIPATION 3
2.3 APPLICATION TO PARTICIPATE 3
2.4 TERMINATION OF PARTICIPATION 3
2.5 CHANGE OF EMPLOYMENT STATUS 3
2.6 TERMINATION OF EMPLOYMENT 3
2.7 DEATH 4

**ARTICLE III
CONTRIBUTIONS TO THE PLAN**

3.1 SALARY REDIRECTION 4
3.2 APPLICATION OF CONTRIBUTIONS 4
3.3 PERIODIC CONTRIBUTIONS 4

**ARTICLE IV
BENEFITS**

4.1 BENEFIT OPTIONS 4
4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT 5
4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT 5
4.4 HEALTH INSURANCE BENEFIT 5
4.5 DENTAL INSURANCE BENEFIT 5
4.6 GROUP-TERM LIFE INSURANCE BENEFIT 5
4.7 DISABILITY INSURANCE BENEFIT 5
4.8 VISION INSURANCE BENEFIT 6
4.9 HEALTH SAVINGS ACCOUNT BENEFIT 6
4.10 NONDISCRIMINATION REQUIREMENTS 6

**ARTICLE V
PARTICIPANT ELECTIONS**

5.1 INITIAL ELECTIONS 6
5.2 SUBSEQUENT ANNUAL ELECTIONS 6
5.3 FAILURE TO ELECT 6
5.4 CHANGE IN STATUS 7

**ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT**

6.1 ESTABLISHMENT OF PLAN 9
6.2 DEFINITIONS 9
6.3 FORFEITURES 10
6.4 LIMITATION ON ALLOCATIONS 10

| | | |
|-----|-----------------------------------------------|----|
| 6.5 | NONDISCRIMINATION REQUIREMENTS | 10 |
| 6.6 | COORDINATION WITH CAFETERIA PLAN..... | 11 |
| 6.7 | HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS | 11 |
| 6.8 | DEBIT AND CREDIT CARDS..... | 11 |

**ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT**

| | | |
|------|--------------------------------------------------------------|----|
| 7.1 | ESTABLISHMENT OF ACCOUNT | 12 |
| 7.2 | DEFINITIONS | 12 |
| 7.3 | DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS | 13 |
| 7.4 | INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS | 13 |
| 7.5 | DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS | 13 |
| 7.6 | ALLOWABLE DEPENDENT CARE REIMBURSEMENT | 13 |
| 7.7 | ANNUAL STATEMENT OF BENEFITS..... | 13 |
| 7.8 | FORFEITURES | 13 |
| 7.9 | LIMITATION ON PAYMENTS..... | 13 |
| 7.10 | NONDISCRIMINATION REQUIREMENTS | 13 |
| 7.11 | COORDINATION WITH CAFETERIA PLAN..... | 14 |
| 7.12 | DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS | 14 |
| 7.13 | DEBIT AND CREDIT CARDS..... | 15 |

**ARTICLE VIII
BENEFITS AND RIGHTS**

| | | |
|-----|-------------------------------------------|----|
| 8.1 | CLAIM FOR BENEFITS | 15 |
| 8.2 | APPLICATION OF BENEFIT PLAN SURPLUS | 16 |

**ARTICLE IX
ADMINISTRATION**

| | | |
|-----|---------------------------------------|----|
| 9.1 | PLAN ADMINISTRATION..... | 16 |
| 9.2 | EXAMINATION OF RECORDS..... | 17 |
| 9.3 | PAYMENT OF EXPENSES | 17 |
| 9.4 | INSURANCE CONTROL CLAUSE | 17 |
| 9.5 | INDEMNIFICATION OF ADMINISTRATOR..... | 17 |

**ARTICLE X
AMENDMENT OR TERMINATION OF PLAN**

| | | |
|------|------------------|----|
| 10.1 | AMENDMENT | 17 |
| 10.2 | TERMINATION..... | 18 |

**ARTICLE XI
MISCELLANEOUS**

| | | |
|------|--------------------------------|----|
| 11.1 | PLAN INTERPRETATION | 18 |
| 11.2 | GENDER, NUMBER AND TENSE | 18 |
| 11.3 | WRITTEN DOCUMENT | 18 |
| 11.4 | EXCLUSIVE BENEFIT | 18 |
| 11.5 | PARTICIPANT'S RIGHTS | 18 |

| | | |
|-------|--------------------------------------------------------------------------|----|
| 11.6 | ACTION BY THE EMPLOYER..... | 18 |
| 11.7 | EMPLOYER'S PROTECTIVE CLAUSES | 18 |
| 11.8 | NO GUARANTEE OF TAX CONSEQUENCES | 18 |
| 11.9 | INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS..... | 19 |
| 11.10 | FUNDING | 19 |
| 11.11 | GOVERNING LAW..... | 19 |
| 11.12 | SEVERABILITY..... | 19 |
| 11.13 | CAPTIONS..... | 19 |
| 11.14 | CONTINUATION OF COVERAGE (COBRA) | 19 |
| 11.15 | FAMILY AND MEDICAL LEAVE ACT (FMLA)..... | 19 |
| 11.16 | HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)..... | 19 |
| 11.17 | UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA) | 19 |
| 11.18 | COMPLIANCE WITH HIPAA PRIVACY STANDARDS | 19 |
| 11.19 | COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS..... | 21 |
| 11.20 | MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT..... | 21 |
| 11.21 | GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)..... | 21 |
| 11.22 | WOMEN'S HEALTH AND CANCER RIGHTS ACT | 21 |
| 11.23 | NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT..... | 21 |

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

INTRODUCTION

The Employer has amended this Plan effective July 1, 2020, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on January 1, 2006. The Plan shall be known as Rivanna Solid Waste Authority Flexible Benefit Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

**ARTICLE I
DEFINITIONS**

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit" or "Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his/her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means January 1, 2006.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the

Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

However, any Employee who is a "part-time" Employee shall not be eligible to participate in this Plan. A "part-time" Employee is any Employee who works, or is expected to work on a regular basis, less than 30 hours a week and is designated as a part-time Employee on the Employer's personnel records.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Rivanna Solid Waste Authority and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Grace Period"** means, with respect to any Plan Year, the time period ending on the fifteenth day of the third calendar month after the end of such Plan Year, during which Employment-Related Dependent Care Expenses incurred by a Participant will be deemed to have been incurred during such Plan Year.

1.14 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.15 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.16 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.17 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.18 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.19 **"Plan"** means this instrument, including all amendments thereto.

1.20 **"Plan Year"** means the 12-month period beginning July 1 and ending June 30. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.21 **"Premium Expenses"** or **"Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.22 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant may be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.23 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.24 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.25 **"Spouse"** means spouse as determined under Federal law.

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder on the first of the month following 30 days after his initial date of employment with the Employer. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the pay period coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.6;
- (b) **Change in employment status.** The end of the Plan Year during which the Participant became a limited Participant because of a change in employment status pursuant to Section 2.5;
- (c) **Death.** The Participant's death, subject to the provisions of Section 2.7; or
- (d) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be eligible to participate because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, and, except as otherwise provided herein, all further Benefit elections shall cease, subject to the limited Participant's right to continue coverage under any Insurance Contracts. However, any balances in the limited Participant's Dependent Care Flexible Spending Account may be used during such Plan Year to reimburse the limited Participant for any allowable Employment-Related Dependent Care incurred during the Plan Year. Subject to the provisions of Section 2.6, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

- (a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.
- (b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 90 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.
- (c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

2.7 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

**ARTICLE III
CONTRIBUTIONS TO THE PLAN**

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

**ARTICLE IV
BENEFITS**

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account
- (3) Insurance Premium Payment Plan
 - (i) Health Insurance Benefit
 - (ii) Dental Insurance Benefit
 - (iii) Group-Term Life Insurance Benefit
 - (iv) Disability Insurance Benefit

(v) Vision Insurance Benefit

(4) Health Savings Account Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 DENTAL INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be incorporated herein by reference.

4.6 GROUP-TERM LIFE INSURANCE BENEFIT

(a) **Coverage for Participant only.** Each Participant may elect to be covered under the Employer's group-term life Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable group-term life Insurance Contracts for use in providing this group-term life insurance benefit, which policies will provide benefits for all Participants electing this Benefit on a uniform basis.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such group-term life Insurance Contract shall be determined therefrom, and such group-term life Insurance Contract shall be incorporated herein by reference.

4.7 DISABILITY INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's disability Insurance Contract.

(b) **Long term and/or short term coverage selected by Employer.** The Employer may select suitable disability Insurance Contracts for use in providing this disability Benefit. The disability Insurance Contracts may provide for long-term or short-term coverage.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the Benefits payable from such disability Insurance Contract shall be determined therefrom, and such disability Insurance Contract shall be incorporated herein by reference.

4.8 VISION INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

4.9 HEALTH SAVINGS ACCOUNT BENEFIT

Each Participant may elect to have a portion of his Salary Redirections contributed to a Health Savings Account, as defined in Code Section 223. The amounts contributed shall be subject to the terms of the Health Savings Account as established.

4.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reject any election or reduce contributions or non-taxable Benefits in order to assure compliance with the Code and regulations. Any act taken by the Administrator shall be carried out in a uniform and nondiscriminatory manner. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among insured Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to

participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

- (1) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
- (2) **Number of Dependents:** Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;
- (3) **Employment Status:** Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
- (4) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and
- (5) **Residency:** A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and guidance thereunder, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in

legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Health Savings Account changes.** With regard to the Health Savings Account Benefit specified in Section 4.9, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

(m) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code §5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

- (1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and
- (2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

- (1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and
- (2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

- (1) one of the 5 highest paid officers;
- (2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
- (3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof, excluding any carryover) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is the statutory amount under Code Section 125(i)(2), as adjusted for increases in the cost of living. The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Carryover.** A Participant in the Health Flexible Spending Account may roll over up to \$500.00 of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the runout period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$500.00 will be forfeited. The Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this

Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year subject to Section 2.6, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

- (1) Co-payments for doctor and other medical care;

- (2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;
- (3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

- (1) Repayment of the improper amount by the Participant;
- (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
- (3) Claims substitution or offset of future claims until the amount is repaid; and
- (4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

- (1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;
- (2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the

class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year including the Grace Period and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (g) If the services were being performed in a day care center, a statement:
 - (1) that the day care center complies with all applicable laws and regulations of the state of residence,
 - (2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
 - (3) of the amount of fee paid to the provider.
- (h) If the Participant is married, a statement containing the following:
 - (1) the Spouse's salary or wages if he or she is employed, or
 - (2) if the Participant's Spouse is not employed, that
 - (i) he or she is incapacitated, or
 - (ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) **Grace Period.** Notwithstanding anything in this Section to the contrary, Employment-Related Dependent Care Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(j) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

7.13 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Employment-Related Dependent Care Expenses, subject to the following terms:

(a) **Card only for dependent care expenses.** Each Participant issued a card shall certify that such card shall only be used for Employment-Related Dependent Care Expenses. The Participant shall also certify that any Employment-Related Dependent Care Expense paid with the card has not already been reimbursed by any other plan covering dependent care benefits and that the Participant will not seek reimbursement from any other plan covering dependent care benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Dependent Care Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Dependent Care Flexible Spending Account.

(c) **Only available for use with certain service providers.** The cards shall only be accepted by such service providers as have been approved by the Administrator. The cards shall only be used for Employment-Related Dependent Care Expenses from these providers.

(d) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(e) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as an Employment-Related Dependent Care Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

- (1) Repayment of the improper amount by the Participant;
- (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
- (3) Claims substitution or offset of future claims until the amount is repaid; and
- (4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VIII BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) specific references to the pertinent Plan provisions on which the denial is based;
- (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and

(3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

(1) request a review upon written notice to the Administrator;

(2) review pertinent documents; and

(3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account (excluding any carryover) or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan (excepting any carryover); nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

ARTICLE IX ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

- (b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;
- (f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;
- (g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- (h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER, NUMBER AND TENSE

Wherever any words are used herein in one gender, they shall be construed as though they were also used in all genders in all cases where they would so apply; whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply; and whenever any words are used herein in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to

notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the Commonwealth of Virginia.

11.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.17 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past,

present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Protected Health Information that consists of genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy official. The privacy official shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

(9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

- (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.19 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.18.

11.20 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act.

11.21 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.22 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.23 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

Rivanna Solid Waste Authority

By _____
EMPLOYER

ADOPTING RESOLUTION

The undersigned authorized representative of Rivanna Solid Waste Authority (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended Cafeteria Plan including a Health Flexible Spending Account and Dependent Care Flexible Spending Account effective July 1, 2020, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of Rivanna Solid Waste Authority Flexible Benefit Plan as amended and restated, and the Summary Plan Description approved and adopted in the foregoing resolutions.

Date: _____

Signed: _____

[print name/title]

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN
SUMMARY PLAN DESCRIPTION**

TABLE OF CONTENTS

**I
ELIGIBILITY**

1. When can I become a participant in the Plan? 1
2. What are the eligibility requirements for our Plan? 1
3. When is my entry date?..... 1
4. Are there any employees who are not eligible? 1
5. What must I do to enroll in the Plan?..... 1

**II
OPERATION**

1. How does this Plan operate? 2

**III
CONTRIBUTIONS**

1. How much of my pay may the Employer redirect?..... 2
2. What happens to contributions made to the Plan?..... 2
3. When must I decide which accounts I want to use? 2
4. When is the election period for our Plan? 2
5. May I change my elections during the Plan Year?..... 2
6. May I make new elections in future Plan Years? 3

**IV
BENEFITS**

1. Health Flexible Spending Account 3
2. Dependent Care Flexible Spending Account 4
3. Premium Expense Account..... 4
4. May I direct Plan contributions to my Health Savings Account?..... 5

**V
BENEFIT PAYMENTS**

1. When will I receive payments from my accounts? 5
2. What happens if I don't spend all Plan contributions during the Plan Year?..... 5
3. Family and Medical Leave Act (FMLA) 5
4. Uniformed Services Employment and Reemployment Rights Act (USERRA) 5
5. What happens if I terminate employment?..... 6
6. Will my Social Security benefits be affected? 6

**VI
HIGHLY COMPENSATED AND KEY EMPLOYEES**

1. Do limitations apply to highly compensated employees? 6

**VII
PLAN ACCOUNTING**

1. Periodic Statements..... 6

**VIII
GENERAL INFORMATION ABOUT OUR PLAN**

| | | |
|----|-------------------------------------|---|
| 1. | General Plan Information..... | 6 |
| 2. | Employer Information..... | 7 |
| 3. | Plan Administrator Information..... | 7 |
| 4. | Service of Legal Process..... | 7 |
| 5. | Type of Administration..... | 7 |
| 6. | Claims Submission..... | 7 |

**IX
ADDITIONAL PLAN INFORMATION**

| | | |
|----|---------------------|---|
| 1. | Claims Process..... | 7 |
|----|---------------------|---|

**X
CONTINUATION COVERAGE RIGHTS UNDER COBRA**

| | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1. | What is COBRA continuation coverage?..... | 8 |
| 2. | Who can become a Qualified Beneficiary?..... | 8 |
| 3. | What is a Qualifying Event?..... | 8 |
| 4. | What factors should be considered when determining to elect COBRA continuation coverage?..... | 9 |
| 5. | What is the procedure for obtaining COBRA continuation coverage?..... | 10 |
| 6. | What is the election period and how long must it last?..... | 10 |
| 7. | Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?..... | 10 |
| 8. | Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?..... | 11 |
| 9. | Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?..... | 11 |
| 10. | When may a Qualified Beneficiary's COBRA continuation coverage be terminated?..... | 11 |
| 11. | What are the maximum coverage periods for COBRA continuation coverage?..... | 11 |
| 12. | Under what circumstances can the maximum coverage period be expanded?..... | 12 |
| 13. | How does a Qualified Beneficiary become entitled to a disability extension?..... | 12 |
| 14. | Does the Plan require payment for COBRA continuation coverage?..... | 12 |
| 15. | Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?..... | 12 |
| 16. | What is Timely Payment for COBRA continuation coverage?..... | 12 |
| 17. | Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?..... | 13 |
| 18. | How is my participation in the Health Flexible Spending Account affected?..... | 13 |

**XI
SUMMARY**

**RIVANNA SOLID WASTE AUTHORITY
FLEXIBLE BENEFIT PLAN**

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal and State income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

**I
ELIGIBILITY**

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Plan.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan on the first of the month once you have completed 30 days of employment. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the pay period coinciding with or following the date you met the eligibility requirements.

4. Are there any employees who are not eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

-- Employees who are part-time. A part-time employee is someone who works, or is expected to work, less than 30 hours a week.

5. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

II OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal and State income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, you may elect to have us contribute on your behalf enough of your compensation to pay for the benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

However, with respect to the Health Savings Account, you may modify or revoke your elections without having to have a change in status.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have

under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance or if you decide to participate in the Health Savings Account.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

You may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV BENEFITS

1. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed.

You may be reimbursed for "over the counter" drugs only if those drugs are prescribed for you. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

For 2020, the most you can contribute is \$2,750. After 2020, the dollar limit may increase for cost of living adjustments. In addition, you will be eligible to carryover amounts left in your Health Flexible Spending Account, up to \$500.00. This means that amounts you do not use during a Plan Year can be carried over to the next Plan Year and used for expenses incurred in the next Plan Year.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or

less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- (a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;
- (b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and
- (c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan. We will also provide you with a debit or credit card to use to pay for dependent care expenses. The Administrator will provide you with further details.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

3. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

- Health care premiums under our insured group medical plan.
- Group term life insurance premiums.
- Dental insurance premiums.
- Disability insurance premiums.
- Vision insurance premiums.

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

4. May I direct Plan contributions to my Health Savings Account?

Yes. Any monies that you do not apply toward available benefits can be contributed to your Health Savings Account, which enables you to pay for expenses which are not covered by our insured medical plan and save taxes at the same time. Please see your Plan Administrator for further details.

V BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 2 1/2 months after the end of the Plan Year, during which time you can continue to incur claims and use up all amounts remaining in your Dependent Care Flexible Spending Account.

Any monies left at the end of the Plan Year and the Grace Period will be forfeited, except for amounts contributed to your Health Savings Account. Obviously, qualifying expenses that you incur late in the Plan Year or during the Grace Period for which you seek reimbursement after the end of such Plan Year and Grace Period will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance, group-term life insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from \$100 per month to \$150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

- (a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.
- (b) You will still be able to request reimbursement for qualifying dependent care expenses incurred during the remainder of the Plan Year from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 90 days after the end of the Plan Year in which termination occurs.
- (c) Your Health Savings Account amounts will remain yours even after your termination of employment.
- (d) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

**VI
HIGHLY COMPENSATED AND KEY EMPLOYEES**

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

**VII
PLAN ACCOUNTING**

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully, so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

**VIII
GENERAL INFORMATION ABOUT OUR PLAN**

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

Rivanna Solid Waste Authority Flexible Benefit Plan is the name of the Plan.

Your Employer has assigned Plan Number 504 to your Plan.

The provisions of your amended Plan become effective on July 1, 2020. Your Plan was originally effective on January 1, 2006.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on July 1 and ends on June 30.

2. Employer Information

Your Employer's name, address, and identification number are:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902
54-1562720

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902
(434) 977-2970

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

Flexible benefit Administrators, Inc.
Post Office Drawer 8188
Virginia Beach, VA 23450

**IX
ADDITIONAL PLAN INFORMATION**

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X
CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

There may be other options available when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

- (a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- (b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (a) The death of a covered Employee.

- (b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- (c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (d) A covered Employee's enrollment in any part of the Medicare program.
- (e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993, as amended ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

When considering options for health coverage, Qualified Beneficiaries should consider:

- **Premiums:** This plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive. Qualified Beneficiaries have special enrollment rights under federal law (HIPAA). They have the right to request special enrollment in another group health plan for which they are otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after Plan coverage ends due to one of the Qualifying Events listed above.
- **Provider Networks:** If a Qualified Beneficiary is currently getting care or treatment for a condition, a change in health coverage may affect access to a particular health care provider. You may want to check to see if your current health care providers participate in a network in considering options for health coverage.
- **Drug Formularies:** For Qualified Beneficiaries taking medication, a change in health coverage may affect costs for medication – and in some cases, the medication may not be covered by another plan. Qualified beneficiaries should check to see if current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If COBRA rights arise because the Employee has lost his job and there is a severance package available from the employer, the former employer may have offered to pay some or all of the Employee's COBRA payments for a period of time. This can affect the timing of coverage available in the Marketplace. In this scenario, the Employee may want to contact the Department of Labor at 1-866-444-3272 to discuss options.
- **Medicare Eligibility:** You should be aware of how COBRA coverage coordinates with Medicare eligibility. If you are eligible for Medicare at the time of the Qualifying Event, or if you will become eligible soon after the Qualifying Event, you should know that you have 8 months to enroll in Medicare after your employment –related health coverage ends. Electing COBRA coverage does not extend this 8-month period. For more information, see medicare.gov/sign-up-change-plan.
- **Service Areas:** If benefits under the Plan are limited to specific service or coverage areas, benefits may not be available to a Qualified Beneficiary who moves out of the area.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, the Plan requires participants to pay copayments, deductibles, coinsurance, or other amounts as benefits are used. Qualified beneficiaries should check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

Are there other coverage options besides COBRA Continuation Coverage? Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for Qualified Beneficiaries through the Health Insurance Marketplace, Medicaid, or other

group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, as extended by the Trade Preferences Extension Act of 2015, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information about the special second election period. If continuation coverage is elected under this extension, it will not become effective prior to the beginning of this special second election period.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (a) the end of employment or reduction of hours of employment,
- (b) death of the employee,
- (c) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be *in writing*. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include a **copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage.

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (a) The last day of the applicable maximum coverage period.
- (b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- (c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (d) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).
- (e) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 - (2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries ends on the later of:

- (1) 36 months after the date the covered Employee becomes enrolled in the Medicare program. This extension does not apply to the covered Employee; or
- (2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money including any carryover amounts than you have taken out in claims. For example, if you elected to contribute an annual amount of \$500 and, at the time you terminate employment, you have contributed \$300 but only claimed \$150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

**XI
SUMMARY**

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHIL McKALIPS, DIRECTOR OF SOLID WASTE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: AWARD OF PROFESSIONAL SERVICES TERM CONTRACT
FOR LANDFILL ENGINEERING AND GROUNDWATER
SERVICES – ARCADIS U.S.**

DATE: AUGUST 25, 2020

In accordance with the requirements of the Virginia Public Procurement Act (VPPA), staff solicited proposals from firms with documented expertise in landfill engineering and groundwater services through a competitive negotiation process. A Request for Proposals (RFP 20-07) was developed and advertised on April 4, 2020 for one or more Term Contracts (one year with four optional one-year extensions) with qualified engineering firms. Eight proposals were received on April 30, 2020. The selection committee conducted virtual interviews with four of the firms on June 3, 4, and 8, 2020.

Based on the proposals and interviews, the selection committee decided the top-ranked firms were Draper Aden Associates, Geosyntec Consultants, and Arcadis U.S.. Contracting with Draper Aden Associates has been successfully completed. However, Geosyntec Consultants was unable to accept the Authority's standard contractual requirements. For this reason, negotiations with Geosyntec Consultants have been terminated and have been completed with Arcadis U.S. Arcadis has supported the Authority in a variety of projects over the last five years and is well qualified to continue to provide services for the next contract term.

Typical services to be provided include:

- the collection, analysis (through VA DEQ-approved contract laboratories), and evaluation of groundwater samples;
- implementation of groundwater corrective actions;
- landfill gas system evaluation and modifications;
- assessment and repair of landfill cap systems;

Board Action Requested:

Authorize the Executive Director to execute an Engineering Service Agreement with Arcadis U.S., for Landfill Engineering and Groundwater services.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHILLIP MCKALIPS, DIRECTOR OF SOLID WASTE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

**SUBJECT: UPDATE ON FORESTRY MANAGEMENT PLAN
FORESTER'S REPORT AND PROSPECTIVE TIMBER SALE IVY
MATERIAL UTILIZATION CENTER**

DATE: AUGUST 25, 2020

In November, 2019, this Board was presented with a Forestry Management Plan to maintain the vegetative buffer around the former landfill area at the Ivy MUC. This plan was prepared by the Virginia Department of Forestry. Implementation of the Forestry Management Plan at the Ivy MUC was authorized by the Board, and is proceeding as outlined below.

Our contracted Forester (Mr. Billy Newman of EnviroFor, LLC) completed a timber evaluation report. This report provided assessments of the forest resources at the Ivy MUC, recommendations on management strategies, and possible financial costs and revenues. The Forester recommended a clear-cut harvest of 42 acres of pine forest along the eastern side of the property. This stand has an estimated value in excess of \$100,000. From this revenue would have to be paid the timber sale fee to the Forester (10% of timber sale), VA Dept. of Forestry administrative cost (expected to be minor), and the cost to replant the area in Virginia Pine or Loblolly Pine. With these and potentially other costs, the timber sale is expected to net the Authority in excess of \$50,000.

We plan to move forward with a competitive procurement for the sale of this timber in the next month. The selected timber harvesting company would then have up to 18 months to harvest the timber. Staff will communicate this plan with the neighbors near the landfill this month so they have a clear understanding of the nature of the work to be completed. Details of these outreach efforts will be shared with this Board as they occur.

For the remaining portions of the forested buffer at Ivy, the Forester also has made recommendations and financial estimates. These recommendations generally consist of a much more selective style of harvesting where forest areas are opened up allowing a few select, desirable species of trees (Oak, Yellow Poplar, etc.) to propagate in a more healthy, open, environment. Once harvested, limited replanting would be undertaken in open areas, but the forest would be largely left to regenerate itself with healthy trees. Though these efforts would thin the existing forest buffer, they would not consist of clear cuts. The remaining forest stands would quickly (within 5 to 10 years) fill in with vigorous growth throughout the next half-century or more. It is estimated that this selective harvesting effort could produce net revenue in excess of \$100,000 after all costs are deducted. This phase of the management effort is not expected to begin for at least 12 months due to timber market conditions.

Board Action Requested:

This report is for information only.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY BOARD OF DIRECTORS
RIVANNA WATER & SEWER AUTHORITY BOARD OF DIRECTORS**

**FROM: BETSY NEMETH, HUMAN RESOURCES MANAGER
LONNIE WOOD, DIRECTOR OF FINANCE & ADMINISTRATION**

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: EMPLOYEE HANDBOOK UPDATE

DATE: AUGUST 25, 2020

Pursuant to the updated Virginia Human Rights Act, found in Virginia Code, Chapter 39 which states,

“An employer shall post in a conspicuous location and include in any employee handbook information concerning an employee's rights to reasonable accommodation for known limitations related to pregnancy, childbirth, or related medical conditions. Such information shall also be directly provided to (i) new employees upon commencement of their employment and (ii) any employee within 10 days of such employee's providing notice to the employer that she is pregnant.”,

we have attached a red-line copy of the Rivanna Authorities' Employee Handbook with these required employee handbook changes.

With the addition of this information, the Rivanna Authorities Employee Handbook will be compliant with the provisions of the Virginia Human Rights Act.

Board Action Recommended:

Approve an update to the Employee Handbook to comply with the Virginia Human Rights Act.

Attachment: Redline changes of Employee Handbook

CONFLICT OF INTEREST

Employees must not have a material financial interest in or engage in any business or profession that conflicts or appears to conflict with job responsibilities or that tends to impair independence of judgment or action on the job. Likewise, employees must not use their positions for personal gain beyond wages and benefits and must keep confidential all information acquired through employment when that information is not available to the public. See the Personnel Management Plan (*Section I., Administrative Policies*).

- **Gifts**

Employees must not accept gifts of goods, favors, services, or money from any person or firm which would influence or could be inferred to influence the impartial discharge of duties. Employees also must not accept such gifts for services the Authority pays them to provide. If such gifts cannot be gracefully declined, the employee should either donate them to charity or in some cases make them available department-wide or Authority-wide. Promotional items such as individual caps, pens, pencils and the like can usually be accepted without fear of violating this standard. Likewise, acceptance of occasional meals or attendance at social activities provided by business contacts or vendors can usually be accepted. Favoritism will not be tolerated. Employees should remember that donors of gifts will probably expect or seek preferential treatment. If you have **any** doubts as to what to do, ask your department manager or the Executive Director before accepting any gift.

- **Nepotism**

No employee in a supervisory position shall have under his or her direct supervision any employee whose relationship is of the first or second degree either by blood or marriage. In the event of a promotion which brings about the conditions thus described, the employee of lower rank shall be transferred to another position for which he or she is qualified when a vacancy occurs.

Relationship of the first or second degree shall mean: father, mother, brother, sister, spouse, son, daughter, aunts, uncles, son-in-law or daughter-in-law, brother-in-law, step-family members and any other relatives or individuals residing with the employee.

- **Discrimination**

Employees must not discriminate on the basis of race, color, religion, age, sex, pregnancy, childbirth or related medical conditions, sexual orientation, gender identity, disability, political affiliation, or national ancestry. Equal employment opportunity is not just a set of words but a commitment by the Authority to make affirmative action to provide a workplace in which employee qualifications, merit, and fairness are the governing rules regarding hiring, assigning work schedules, promotion, compensation, benefits, educational opportunities, and disciplinary actions. Further, the Authorities will give reasonable accommodation for known limitations related to pregnancy, childbirth or related medical conditions. If you see an apparent act of discrimination or feel you have been discriminated against, speak up or use the Grievance Procedure. The Human Resources Manager is available as a sounding board and any charges brought forth will be held in confidence as much as is legally allowable.

The Virginia Human Rights Act, found in Chapter 39 of the Virginia Code, makes it illegal for an employer to discriminate against someone on the basis of: race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability. A violation of this act will be deemed an unlawful discriminatory practice.

Further, an employee has a right to reasonable accommodation for known limitations as related to pregnancy, childbirth or related medical conditions. (*"Reasonable accommodation" includes more frequent or longer bathroom breaks, breaks to express breast milk, access to a private location other than a bathroom for the expression of breast milk, acquisition or modification of equipment or access to or modification of employee seating, a temporary transfer to a less strenuous or hazardous position, assistance with manual labor, job restructuring, a modified work schedule, light duty assignments, and leave to recover from childbirth.*)

An employee or applicant who has been denied any of the rights may bring an action in a general district or circuit court having jurisdiction over the employer that allegedly denied such rights. Any such action shall be brought within two years from the date of the unlawful denial of rights, or, if the employee or applicant has filed a complaint with the Division of Human Rights of the Department of Law or a local human rights or human relations agency or commission within two years of the unlawful denial of rights, such action shall be brought within 90 days from the date that the Division or a local human rights or human relations agency or commission has rendered a final disposition on the complaint.



MEMORANDUM

**TO: RIVANNA SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

FROM: PHILLIP MCKALIPS, DIRECTOR OF SOLID WASTE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: BOOK BIN REPLACEMENT, MCINTIRE RECYCLING CENTER

DATE: AUGUST 25, 2020

This memo and presentation are to consider whether the book exchange program should be continued at the McIntire Recycling Center (MRC).

Background

For many years, a Book Bin has been operated by MRC staff. The Book Bin has been housed in a repurposed metal “Conex” box or shipping container. The Conex box was well used when the RSWA obtained it, and it has had ongoing attempts at repairs consisting mainly of patches to the roof and repainting. The doors of the bin did not fully close, and the floor and roof had decayed to the point where costly repairs had become necessary.

From the viewpoint of social distancing, the bin was limited to a single occupant at any one time. Additionally, it has been acknowledged that second-hand books are reasonably unable to be disinfected (which is why Goodwill and others have quit taking them). For this reason, the bin was closed to the public in late March at the outbreak of the COVID-19 epidemic. In June, as the Governor of Virginia began to consider easing gathering and decontamination restrictions, RSWA staff looked at the bin and found that the bin and its contents had become riddled with mold. As it did not seem feasible to remediate the mold in the bin, it seemed prudent to remove the bin.

In June 2020, RSWA received an email from the public asking that the Book Bin be replaced with a “...more expansive and intentional unit with dedicated volunteer or third-party staff.” RSWA has received at least two additional inquires requesting consideration of a Book Bin replacement.

Book Bin Replacement Options

Several options have been included for the Board to consider. They are generally separated into two parts, the building, and the staffing. Specifically, they include:

A. The Building

1. No Replacement. Leave book exchanging with the private market. Direct book/reading/educational resources to the local library and school systems.

2. Replacement with a used “Conex” box-style structure.
3. Replacement with a purpose-built, Shed-style structure.
4. Replacement with an architecturally designed, purpose-built, structure.

B. The Staffing

1. No Staffing (level of service provided with former Book Bin)
2. Staffing for Book Bin 40 hours per week. Would allow staffing 5 days a week. May not include staffing over weekends.
3. Staffing for Book Bin 54 hours per week (Winter Hours) and 60 hours per week (Summer Hours). Allows staffing full time at any time the MRC facility is open to the public (only closed on Tuesdays).

The initial request also suggested that the facility be used as a memorial to a past patron. Staff does not recommend that facilities be named in honor of individuals.

Building Analysis

1. The “No Replacement” option has zero financial impact. Allows books/reading/educational outreach to remain within the purview of the private market and the library system.
2. Replacement with a newer “Conex” box (as shown below). The prices of these used shipping containers vary depending on location and condition, but they are likely to be able to be obtained for less than \$5,000.00 (delivered on-site). This solution will continue the same problems that the original Book Bin had including limited access and occupancy, difficulty in securing it from adverse weather, poor lighting and ventilation. It would also likely develop some of the same deterioration issues that the old bin had such as decaying flooring and leaks in the roof. This option is implementable in a relatively quick timeframe, probably within two months.



3. Replace with a Purpose-Built, Shed-style structure. This option is a modification of a prefab shed structure and is anticipated to cost less than \$9,000 with shelving installed. It has two sets of doors to allow greater occupancy and airflow. The entrances are recessed to prevent blowing snow and

rain from entering the building. Many windows (not all shown in this rendering) allow a great deal of natural light. Building is designed for minimal maintenance and a long, outdoor life. Due to high demand, delivery of sheds is slower than normal but should be available within six months.



4. Replacement with an Architect-designed, Purpose-Built, structure. This is greatly dependent on the design and materials. Architectural fees would likely cost between \$2,000 and \$3,000 and then the cost of construction would go on top of that. Staff estimates that this could cost between \$20,000 to \$30,000. Though the designed structure may be inviting to use and provide inventive ways to allow social distancing, this option seems to be a significant investment for the MRC. Given the design, permitting, procurement, and construction phases to build this kind of facility, an operation schedule of at least 12 months seems likely.

Staffing Analysis

Throughout the history of the Book Bin, it has been unstaffed and relied on *ad hoc* volunteer work and the efforts of the on-site Recycling Attendant. As MRC has gotten busier, the Recycling Attendant has had less time available to maintain and organize the Book Bin. For this reason, the Book Bin had gone through phases of being very disorganized as well as being a focal point for unacceptable dumping. With the removal of the Goodwill box from the site, the dumping may become less of a concern. This still leaves the book bin to be generally disorganized (books and boxes of books strewn across the floor). This may be the impetus for the request for dedicated staffing to the facility. As stated before, there seem to be three options regarding staffing: no staffing; limited staffing; full staffing.

1. No dedicated Book Bin Staffing. This option has no additional cost. In order to at least partially address the organization and dumping issues that occurred in the past, staff recommends that a schedule be developed whereby the Book Bin is emptied so that new donations can be shelved and the quantity of debris on the floor is minimized. Initially, this would be a weekly effort which could be scaled back as needs allow.
2. Limited Staffing. This would consist of an additional RSWA employee which would work 40 hours per week. This staff would not be at the Book Bin continuously while the facility is open

and would probably be in attendance all weekend days (so that they could have some weekends off in their work schedule). This would however allow a great deal of cleaning and organizing to be undertaken. This position would cost somewhere in the neighborhood of \$50,000 per year.

3. Full Staffing. This would consist of two new RSWA hires, one full time and one part time, to cover the 54 hours per week (Winter hours) and 60 hours per week (Summer hours) that the MRC facility is open. This would cost approximately \$70,000 per year to staff.

The book exchange bin has been a major source of maintenance issues and customer conflicts for many years. With the heightened concern for public health, we do not recommend the service be continued during the ongoing pandemic.

If the book exchange service is continued at the McIntire Recycling Center, the purpose-built, shed-style structure (Option 3) is recommended. This facility seems to accomplish the goal of providing a place for the book exchange activity to occur without incurring a significantly high financial burden. If any additional staffing is desired, the limited staffing option is suggested. This level of staffing should be very capable of keeping the facility in a safe and organized condition.

Request from the Board:

1. Consider whether the Book Bin should be replaced.
2. If replaced, what housing for the service would be acceptable?
3. If replaced, what level of staffing would be provided?



McIntire Book Bin Replacement

Presented to the Board of Directors by : Phil McKalips, RSWA Director of Solid Waste

August 25, 2020

Background

- The existing “Book Bin” at MRC consisted of a used metal (“Conex” box) storage container to house a free book swap
- Due to deterioration and an inability to safely operate the Book Bin it was removed from the site and disposed
- We have had several requests from the public to replace the Book Bin, and have promised to present this Board with options to consider
- Staffing was also requested

Old Book Bin

Old metal Book Bin container doors did not fully close, roof leaked, floor was rotted, and had limited air flow and access



Alternatives to Book Bin structure

1. No replacement. No cost. Focus reading and education resources to free library system. Leave book-swaps to private market.
2. Replace with “new” used Conex box.
3. Replace with moderately customized Shed.
4. Replace with fully designed, purpose-built structure.

Alternative 2 – “New” Used Conex Box

- Condition of box depends on available units in market
- Presents same air flow and user access problems as previous unit did
- Estimated cost ~\$5,000. Fairly quick to implement



Alternative 3 – Purpose-built Shed

- Garden shed adapted for use. Greater weather protection and durability
- Ample windows (not fully shown) and doors provide air flow and light
- ~\$9,000 with a 6-month lead time to delivery



Alternative 4 – Custom Design and Build

- The most expensive alternative which could incorporate lighting, ventilation, climate control, staffing. Designed to facilitate air flow and social distancing.
- Could cost \$20,000 or greater.



Staffing Alternatives

The Book Bin has not, to our knowledge, ever been staffed in the past

Three Alternatives:

1. No staffing.
2. Limited Staffing (40 hours: 8 hours per day, 5 days per week)
3. Full-Time Staffing (60 hours per week Summer hours, 54 hours per week Winter hours)

1. No Staffing

- No additional on-site labor cost.
- RSWA will establish a clean-out schedule for the bin where it will be emptied and swept out (starting at once per week). This allows room for fresh supply of books and removal of old stock.
- Will utilize existing personnel from Ivy Operations.
- Books will be recycled.

2. Limited Staffing

- 40 hours per week.
- Will operate 5 days a week, leaving one day unattended.
- Should provide ample staffing to keep Book Bin tidy and organized.
- Can help enforce social distancing.
- Will not be responsible for book decontamination.
- Estimated cost, \$50,000 per year.

3. Full-Time Staffing

- 60 hours per week during Summer Hours; 54 hours per week during Winter Hours.
- Will require one full-time and one part-time employee.
- Will be fully capable of maintaining, cleaning, and organizing the Book Bin.
- Can help enforce social distancing.
- Will not be responsible for book decontamination.
- Estimated Cost is \$70,000 per year.

Recommendation

- The book exchange program has been a large source of maintenance problems and the leading source of customer conflicts at any of the RSWA facilities.
- With heightened concerns for public health, it seems to run counter to government guidance to operate this kind of facility during the ongoing pandemic.
- If a replacement structure is authorized, staff recommends Alternative 3 (the Shed replacement).
- If staffing is authorized, staff recommends Alternative 2 (Limited Staffing).

Questions?

Strategic Plan Year Two Update

for the Board of Directors

Presented By: Katie McIlwee, Communications Manager

August 25, 2020



Strategic Direction

Values

The Rivanna Water & Sewer and Solid Waste Authority are committed to the following values:

Integrity
Teamwork
Respect
Quality

Vision

To serve the community and be a recognized leader in environmental stewardship by providing exceptional water and solid waste services.

Mission

Our professional team of knowledgeable and engaged personnel serve the Charlottesville, Albemarle, and UVA community by providing high quality water treatment, refuse, and recycling services in a financially responsible manner.

Year 2 Implementation

Overall Completion: 72%

Workforce Development

To attract, develop, and retain a professional, highly skilled, dedicated, and versatile team

Operational Optimization

To efficiently, reliably, and safely provide high quality services, assuring the best value for our customers

Communication & Collaboration

To foster a culture that encourages open communications and strengthens relationships

6 Goals



14
Strategies



58 Tactics

Environmental Stewardship

To be a leader in our community's environmental protection and education

Solid Waste Services

To provide reliable, convenient, and innovative solid waste and recycling services

Infrastructure & Master Planning

To plan, deliver, and maintain dependable infrastructure in a financially responsible manner

Workforce Development

Overall Completion: 88%

Goal Team Leader: Betsy Nemeth &
Lonnie Wood

Conduct Training Needs Assessment & Enhance the Training Program

- Began Individual Coaching Programs with PVCC
- Worked with PVCC on Mechanic Training Programs
- Developed more efficient approach to New Employee Orientation -now a full day: 1/2 HR/Benefits, 1/2 Safety
- Created New Employee Orientation video
- Developed Work From Home policy in response to COVID-19 pandemic

Next Steps:

- Implement the LinkedIn training platform for employee development
- Incorporate IT into the New Employee Orientation

Operational Optimization

Overall Completion: 89%

Goal Team Leader: Dave Tungate

Continually Evaluate, Prioritize, & Improve Key Business & Operational Process

- Completed study to evaluate biosolids disposal options
- Installed fiber internet at SR WTP
- Evaluated uniform providers and selected one
- Purchased new analyzer for the Lab to increase testing efficiency
- Reduced use of nutrient removal chemical at Moores Creek through efficient operations

Next Steps:

- Test new SR WTP fiber internet
- Research adding a sensor in the final effluent flume
- Add sensors in WW aeration process to provide real-time data
- Explore use of additional sensors in final effluent

Protect Workforce and the Public Through Continually Growing Rivanna's Culture of Safety

- Submitted water infrastructure protection plan to EPA in March 2020
- Web based cameras have been installed at SH, SR (raw and WTP) and Moores Creek (Septic rec, front gate, back gate) and North Rivanna
- Installed additional AEDs in each facility
- Purchased fall protection equipment
- Completed Safety Manual review and updates

- Emergency Response Plan will be submitted to EPA in September
- Add new web-based cameras to Glenmore and Scottsville WWTPs, and Crozet and Observatory WTPs

Communication & Collaboration

Overall Completion: 75%

Goal Team Leader: Katie McIlwee

Create & Maintain Internal Communication Platforms

- Began using MS Teams for meetings and collaboration
- Implementation of Document management system
- Published bi-monthly newsletter

Create & Implement a Comprehensive Public Outreach Plan

- Completed several facility videos and HR New Employee Welcome video
- Updated website with new photos

Enhance Internal & External Communication

- Began Imagine a Day Without Water Planning

Next Steps:

- Continue implementation of document management
- Continue to maintain high level of communication through Employee Council, Employee Newsletter, and Employee Portal

- Plan and schedule project/facility videos
- Continue maintenance of website

- Research use of Social Media
- Stream Board Meetings once in-person meetings resume

Environmental Stewardship

Overall Completion: 73%

Goal Team Leader: Andrea Terry

Increase Internal Environmental Engagement

- Rivanna River clean up and Day of Caring participation
- Regular roadside clean up outside of Ivy MUC

Next Steps:

- Continue to look for opportunities, such as stream cleanups, tree plantings, etc. to engage employees

Provide Regional Leadership in Environmental Stewardship Partnerships

- Imagine a Day Without Water
- Rivanna Flow Fest
- Stormwater partnership
- Rivanna Renaissance Conference participation

- Continue to look for opportunities for collaboration

Evaluate Potential Opportunities for Additional Environmental Activities at RWSA Facilities

- Completed Buck Mountain Master Plan
- Oyster shell collection at McIntire Recycling Center
- Political sign collection program
- Completed Wetland Mitigation and Grading project at Moores Creek

- Evaluate potential for use of solar at RWSA facilities
- Implement a property management Buck Mtn.

Solid Waste Services

Overall Completion: 50%

Goal Team Leader: Phil McKalips

Determine Community Needs & Preferred Service Levels

- Political sign collection program
- Completed Composting Master Plan
- Completed Forestry Master Plan
- Added additional recycling services – oyster shell, pizza box, cooking oil
- Compost for sale at Ivy MUC
- Completed new Ivy Convenience Center

Next Steps:

- Continue reaching out to schools, civic groups, etc. for tours and informational presentations
- Identify places at RSWA facilities and in the community for informational flyers
- Continue collaboration with SWAAC

Enhance Partnerships with Local Governments and UVA

- Partnered with VOSRP to set up oyster shell recycling container at McIntire
- Partnered with Five Star Septic to collect used cooking oil from MRC
- Toured McGill Environmental Facility, Spotsylvania Co. Landfill, Sonoco Recycling in Madison Heights and Sonoco Paper Mill in Richmond

- Sponsor a Regional Glass Recycling Pilot program w/ other localities
- Research to implement a “Rivanna Ambassadors Program”

Infrastructure & Master Planning

Overall Completion: 55%

Goal Team Leader: Scott Schiller

Implement an Authority- Wide Asset Management Program

- Completed an asset hierarchy structure and inventory for the Rivanna Pump Station
- Completed software demonstrations for a computerized maintenance management system (CMMS)
- Developed management strategy groups for Rivanna Pump Station assets

Next Steps:

- Schedule field condition assessment inspections for Rivanna Pump Station
- Participate in Risk Assessment and Level of Service Workshops
- Advertise quote package for CMMS procurement
- Implement the new CMMS Software

Develop & Maintain Long-Term Master Plans for all Critical Assets

- Completed Urban Water Supply and Demand Master Plan
- Developed draft procedure for updating and reviewing master planning needs
- Continued updating master plan matrix to include current and anticipated master planning efforts

- Finalize the procedure for updating and reviewing master planning needs
- Perform the annual master planning gap assessment
- Complete the Moores Creek WWTP Master Plan
- Complete the Finished Water Master Plan

Year 3 Implementation

6 Goals



14
Strategies



58 Tactics

Workforce Development

- Expand training opportunities

Operational Optimization

- Upgrades to multiple WTPs and WWTPs

Communication & Collaboration

- Implement Social Media

Environmental Stewardship

- Using VDH grant, implement watershed education

Solid Waste Services

- Continue to look for ways to expand and promote recycling and refuse services

Infrastructure & Master Planning

- Continue implementation of Asset Management Program

Questions?