Campbell Circuit Circuit Court — Case No.:CL20002216-00

COUNTY OF CAMPBELL, VIRGINIA Vs REGION 2000 SERVICES AUTHORITY

TABLE OF CONTENTS

Document Index	Date Filed	Page
INITIAL FILING	10/06/2020	1 - 136
MOTION - TO AMEND COMPLAINT	11/13/2020	137 - 141
NOTICE OF HEARING	11/13/2020	142 - 144
ORDER - TO AMEND COMPLAINT	12/04/2020	145 - 146
AMENDED COMPLAINT	12/04/2020	147 - 289
LETTER - COVER LETTER-AMENDED COMP	12/15/2020	290 - 290
SERVICE - RETURN	12/21/2020	291 - 291
ANSWER - REGION 2000	01/11/2021	292 - 295
DEMURRER	01/12/2021	296 - 301
DEMURRER AND SPECIAL PLEA	01/14/2021	302 - 306
NOTICE - HEARING	11/30/2021	307 - 309
MEMORANDUM - & DEMURRER/PLEA IN BAR	02/16/2022	310 - 326
MEMORANDUM - NELSON COUNTY	02/22/2022	327 - 334
OTHER - CLERK'S NOTES	02/25/2022	335 - 336
LETTER - FROM JUDGE TO PARTIES	03/18/2022	337 - 340
ANSWER - APPOMATTOX COUNTY	05/06/2022	341 - 346
ORDER	05/06/2022	347 - 357
ANSWER - NELSON COUNTY'S ANSWER	05/20/2022	358 - 361
NOTICE - OF APPEARANCE	05/04/2023	362 - 365
ORDER - MOTION TO CONSOLIDATE CASE	05/19/2023	366 - 368
LETTER - LETTER FROM NELSON CIRCUIT	06/05/2023	369 - 369
PETITION - TEMPORARY INJUNCTION	06/05/2023	370 - 421
MOTION - MOTION FOR LEAVE	06/05/2023	422 - 540
EXHIBITS	06/05/2023	541 - 673
NOTICE	06/05/2023	674 - 691
DEMURRER - AND ANSWER	06/09/2023	
LETTER	06/09/2023	692 - 699
OTHER - FILING FROM NELSON COUNTY	07/06/2023	700 - 1038
clerk notes		1039 - 1039
E-Mails		1040 - 1041
SPECIAL PROCESS SERVER - COMPLAINT - REGION 2000 SERVICES AUTHORITY	10/07/2020	1042 - 1043
SPECIAL PROCESS SERVER - COMPLAINT - COUNTY OF APPOMATTOX, VIRGINIA	10/07/2020	1044 - 1045
SPECIAL PROCESS SERVER - COMPLAINT - COUNTY OF NELSON, VIRGINIA	10/07/2020	1046 - 1047
SPECIAL PROCESS SERVER - COMPLAINT - CITY OF LYNCHBURG, VIRGINIA	10/07/2020	1048 - 1049
CAMPBELL COUNTY - AMENDED COMPLAINT - REGION 200 SERVICES AUTHORITY	12/17/2020	1050 - 1052

POWHATAN COUNTY - AMENDED COMPLAINT - POSTED - COUNTY OF APPOMATTOX, VIRGINIA	12/17/2020	1053 - 1055
NELSON COUNTY - AMENDED COMPLAINT - COUNTY OF NELSON, VIRGINIA	12/17/2020	1056 - 1057

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA,
A Political Subdivision of the
Commonwealth of Virginia,

Plaintiff,

V.

REGION 2000 SERVICES AUTHORITY,
SERVE: Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588
(Campbell County)

COUNTY OF APPOMATTOX, VIRGINIA,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Rd
Powhatan, VA, 23139
(Powhatan County)

COUNTY OF NELSON, VIRGINIA,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Phillip D. Payne, IV, County Attorney
402 Court St., 2nd Floor
Lovingston, VA 22949
(Nelson County)

AND

CITY OF LYNCHBURG, VIRGINIA,
A Municipal Corporation of the
Commonwealth of Virginia,
SERVE: Walter C. Erwin, III, City Attorney
900 Church St.
Lynchburg, VA 24504
(City of Lynchburg)

Defendants.

Case No. CL200022160-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
16th day of October, 2020
VALERIE P. YOUNGER, CLERK
Teste: [signature]
Deputy Clerk

COMPLAINT

1

COME NOW the Plaintiff, the County of Campbell, Virginia, a Political Subdivision of the Commonwealth of Virginia, by its County Attorney, pursuant to Sections 8.01-184 *et seq.* of the Code of Virginia of 1950 as amended, and requests the Court make a declaration concerning the meaning and usage of a contractual term, identified herein this Complaint as "Excess Revenue", as it is used in the context of a certain Member Use Agreement of the Region 2000 Services Authority, as amended. In support whereof, Plaintiff states the following for its Complaint against the Defendants:

INTRODUCTION

1. The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Charter was issued by the Virginia State Corporation Commission on December 28, 2007, and whose principal office address is 361 Livestock Rd., Rustburg, Virginia 24588. The Authority is governed by a Board of Directors, currently consisting of four (4) directors, who are appointed by the Authority's members. The current members of the Authority are the County of Campbell, the City of Lynchburg, the County of Appomattox, and the County of Nelson, all political subdivisions of the Commonwealth of Virginia. The Authority was founded with the County of Campbell, the County of Nelson, the City of Bedford, Virginia, and the City of Lynchburg as its members. In 2008, the County of Appomattox joined the Authority. Following its reversion to a town in 2013, the City of Bedford, Virginia withdrew from the Authority's membership.

2. The County of Campbell is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Francis J. Rogers, IV. The principal office address for the County of

Campbell, Virginia is 47 Courthouse Lane, Rustburg, VA 24588. Francis J. Rogers, IV is the appointed board director for the Authority from the County of Campbell.

3. The City of Lynchburg is a municipal corporation of the Commonwealth of Virginia, governed by an elected City Council, whose principal agent is the appointed Interim City Manager, Reid A. Wodicka. The principal office address for the City of Lynchburg is 900 Church Street, 3rd Floor, Lynchburg, VA 24504. By virtue of his interim appointment, Reid A. Wodicka is the appointed board director for the Authority from the City of Lynchburg.

4. The County of Appomattox is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Susan M. Adams. The principal office address for the County of Appomattox, Virginia is 153-A Morton Lane, Appomattox, VA 24522. Susan M. Adams is the appointed board director for the Authority from the County of Appomattox.

5. The County of Nelson is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Stephen A. Carter. The principal office address for the County of Nelson, Virginia is 84 Courthouse Square, Lovingston, VA 22949. Stephen A. Carter is the appointed board director for the Authority from the County of Nelson.

6. Venue is proper in this forum, pursuant to Section 8.01-262 of the Code of Virginia of 1950 as amended, as Campbell County, Virginia is the principal business location of the Authority, and a significant amount of the operative facts alleged herein occurred within Campbell County, Virginia.

DOCUMENTS GOVERNING THE AUTHORITY

7. The Authority is governed by its Articles of Incorporation, as amended, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January

31, 2008, amended June 20, 2008. The current Bylaws are attached hereto as Exhibit "A", the initial MUA dated January 31, 2008, is attached hereto as Exhibit "B", the first amended MUA dated June 20, 2008, is attached hereto as Exhibit "C", all of which are incorporated herein by reference. The term MUA, as used throughout this Complaint, shall be deemed to include the initial MUA and the amended versions thereof previously mentioned.

8. Incorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis". The Beck Analysis is attached hereto as Exhibit "D", and incorporated herein by reference. The firm of R.W. Beck, Inc. prepared the Beck Analysis following lengthy consultation with the members of the Authority, and its terms were used to guide the formation and conduct of the Authority.

FACTUAL BACKGROUND

9. Every year of the Authority's existence, with the exception of 2019, the Authority calculated and distributed Excess Revenue to the County of Campbell and the City of Lynchburg to compensate those localities for their airspace contributions based upon the calculations made in the Beck Analysis, as updated by the Authority's staff year after year.

10. At the September 25, 2019 meeting of the Board of Directors of the Authority, the staff of the Authority recommended the following to the Authority, recited herein verbatim:

> Auditors have determined that the Authority generated $ 1,407,595 in Excess Revenue in 2018-2019.
>
> Our distribution pattern *follows the Member Use Agreement* with a 30.6% part for Lynchburg and a 69.4% part for Campbell.
>
> Staff has not identified any activity or actions over the past year that would warrant a change in our practice.
>
> Recommended Action:

2018-2019 Excess Revenue Distribution following the Member Use Agreement:

Lynchburg: $430,724
Campbell: $976,871

(Emphasis added). The minutes of the September 25, 2019 meeting are attached hereto as Exhibit "E", and are incorporated herein by reference.

11. At the September 25, 2019 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue to the County of Campbell and the City of Lynchburg. Said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds due to those localities pursuant to the MUA.

12. At the September 16, 2020 meeting of the Board of Directors of the Authority, Staff of the authority presented the Board with the following question:

> Auditors have determined that the Authority generated $1,137,807 in Excess Revenue in 2019-2020. The Member Use Agreement says that these funds may be distributed by the Authority based on contributed airspace which works out a 30.6% part for Lynchburg and a 69.4% part for Campbell. Currently the Authority has $1,407,595 in an account from excess revenue from 2018-2019. Staff would appreciate your direction as to what to do with the Excess Revenue from 2019-2020

13. Again, at the September 16, 2020 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue to the County of Campbell and the City of Lynchburg. Said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds due to those localities pursuant to the MUA. Minutes from this meeting are not yet available.

14. In connection with the aforesaid vote on the issue of Excess Revenue, the

Authority's board directors from Appomattox and Nelson counties have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is discretionary, and that Excess Revenue generated may be applied to expenses or planned expenses of the Authority rather than to compensate the County of Campbell and the City of Lynchburg for their airspace.

15. In connection with the aforesaid vote on the issue of Excess Revenue, the Authority's board directors from the County of Campbell and the City of Lynchburg have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is *not* discretionary, or to the extent it is discretionary, said discretion must be exercised in good faith in accordance with the terms of the MUA and the parties' previous dealings under the MUA, and further that Excess Revenue generated must be granted to the County of Campbell and the City of Lynchburg pursuant to the terms of the MUA.

16. A total of $2,545,402.00 in excess revenue has now accumulated at the Authority, and the Board has deadlocked twice as to the proposed distribution thereof.

17. As such, there now exists an actual and justiciable controversy between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA.

MEANING AND USAGE OF THE TERM "EXCESS REVENUE"

18. The term "Excess Revenue" is used in the MUA, and in the Beck Analysis.

19. Pursuant to the definition of "Excess Revenue" in the MUA, and as illustrated in the Beck Analysis, Excess Revenue is intended to compensate the County of Campbell and the City of Lynchburg for the airspace those localities had transferred to the Authority.

20. The Beck Analysis and the MUA both call for distribution of Excess Revenue to the City of Lynchburg and the County of Campbell because these two (2) jurisdictions transferred the capacity of their existing permitted landfills to the Authority at the time the Authority was

created. The counties of Appomattox and Nelson retained complete ownership and sole use of their existing landfills.

21. At the time of the said transfer, the City of Lynchburg and the County of Campbell were compensated by a lump sum for the capacity transferred, but *not* the airspace. The airspace, pursuant to the terms of the MUA, was to be paid for by way of Excess Revenue payments over the life of the landfills.

22. "Airspace", a term commonly used in the solid waste industry, is the projected cubic yardage of a landfill available to be filled with waste. Airspace is an asset separate and distinct from the "capacity" of a landfill, which includes such things as the land underlying a landfill together with its improvements, such as the permits, landfill liner, and operational buildings. Gary Christie, the Executive Director of the Region 2000 Planning District Commission, which manages the Authority, described the difference between "airspace" and "capacity" in a memorandum to Nelson County Administrator Steve Carter dated August 6, 2019 (The "Christie Memo"). The Christie Memo is attached hereto as Exhibit "F" and incorporated herein by reference.

23. The background of the creation of the Authority is illustrative in understanding the meaning and usage of the term "Excess Revenue" under the MUA. The use and meaning of the term "Excess Revenue" was considered by the parties at length prior to the creation of the Authority while the governing documents of the Authority were being finalized.

24. Scott Pasternak, the manager of R.W. Beck, Inc., presented the members of the Authority with a number of options for compensating the member localities for the assets transferred to the Authority, as well as a number of options for the payment of any Excess Revenue generated. Mr. Pasternak's September 8, 2005 memorandum is attached hereto as Exhibit "G" (the "Pasternak Memo"), and the relevant portion of the draft report of the Beck Analysis, dated

May 4, 2005 is attached hereto as Exhibit "H". In both documents, questions regarding the proposed authority's organization and funding were presented. Both Exhibit "G" and Exhibit "H" are incorporated herein by reference.

25. In the Pasternak Memo, Mr. Pasternak presented the following options for payment of landfill assets transferred to the Authority by the members:

> Option A: Upfront payment, which would require debt issuance by the Regional Entity.
>
> Option B: Compensate each community over time based on the remaining life of the assets with cash payments.
>
> Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

26. In the Pasternak Memo, Mr. Pasternak presented the following options for the distribution of any Excess Revenue created:

> Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.
>
> Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.
>
> Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

27. The initial member jurisdictions decided that in response to the first question, airspace would be paid for over time by cash payments, and that in response to the second question, decided that Excess Revenue would be the mechanism to pay for that airspace. Accordingly, in

the final Beck Analysis, the language agreed to by the parties was as follows:

> Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The *excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed* to the Authority.

28. The Beck Analysis, Exhibit "D" at page 2-10 (Emphasis added). The language of the MUA also incorporated this decision into the terms of those documents. Excess Revenue, therefore, was defined in the MUA as:

> the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. *Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority.* The amount of excess revenue will depend upon the cost of service rate each year.

MUA, Exhibit "C" at page 3 (Emphasis added).

29. This same interpretation was presented to the Board of Supervisors of Campbell County, Virginia on February 5, 2007 at a meeting wherein Bob White, the then Deputy Director of the Region 2000 Local Government Council, requested Campbell County's approval of the creation of the Authority and Campbell County's membership in it. A portion of the minutes of the February 5, 2007 meeting are attached hereto as Exhibit "I" and incorporated herein by reference. As shown in Exhibit "I", Mr. White represented to the Board that "Campbell County would save nearly $17 million as a result of savings from tipping fees *and excess revenue* from fees charged to haulers." (Emphasis added).

30. More recently, the Christie Memo makes clear that the staff of the Authority have consistently taken the position that Excess Revenue payments are compensation for airspace paid over time. In that memo, in response to a question of whether all landfill assets purchased by the

Authority were paid for at the time of the commencement of operations, Mr. Christie writes that airspace was not part of the assets initially purchased "because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. *That's never changed.*" The Christie Memo, Exhibit "F" at page 3 (Emphasis added).

CLAIM FOR RELIEF – DECLARATORY JUDGMENT

31. Plaintiff repeats, re-alleges and re-pleads the allegations set forth in paragraphs numbered one (1) through thirty (30) included in this Complaint in the same force and effect as if each allegation were again fully and specifically set forth in this paragraph in detail.

32. This Complaint seeks a declaration from the Court concerning the meaning and usage of the term "Excess Revenue" as that term is used in the MUA. The parties hereto have expressed competing and mutually exclusive interpretations of that term, and the Plaintiff now prays this Court grant the parties its aid and guidance, representing that the same be needed for the orderly administration of the Authority.

33. The meaning and usage of the term "Excess Revenue" is material to the conduct of the parties herein under the MUA.

34. The first question to be resolved by the Court is whether Excess Revenue is intended to compensate the City of Lynchburg and the County of Campbell for airspace transferred to the Authority.

35. The second question to be resolved by the Court is whether Excess Revenue may be applied to any expense or expenditure other than to be distributed to the County of Campbell and the City of Lynchburg.

36. The third question to be resolved by the Court is whether the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is not discretionary under 1) the terms of the MUA; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings

under the MUA.

37. The fourth question to be resolved by the Court is whether Excess Revenue, pursuant to the terms of the MUA and the other documents governing the Authority, must be distributed once accumulated.

38. The fifth question to be resolved by the Court is if the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is deemed by the Court to be discretionary, then under 1) the terms of the MUA; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings under the MUA should Excess Revenue be granted to the City of Lynchburg and the County of Campbell to compensate such localities for their airspace contributions to the Authority.

39. The members of the Board of Directors of the Authority have expressed competing and incompatible interpretations of the meaning and usage of the term "Excess Revenue" under the MUA.

40. The dispute between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA gives rise to a justiciable controversy involving specific adverse claims between the parties.

41. The specific adverse claims between the parties are based upon facts that are now ripe for adjudication.

42. The Plaintiff has no adequate remedy at law to resolve this matter.

WHEREFORE, the Plaintiff, the County of Campbell, by counsel, respectfully prays that this Court 1) enter an Order declaring the meaning and usage of the term "Excess Revenue" under the MUA; 2) answer the first, third, and fourth questions presented, as shown in paragraphs 31, 33, and 34 of this Complaint, in the affirmative; 3) answer the fifth question presented, as shown in paragraph 35 of this Complaint, in the affirmative if the said third question presented is answered

in the negative; 4) answer the second question presented, as shown in paragraph 32 of this Complaint, in the negative; 5) award the Plaintiff all costs incurred, court costs, reasonable attorney fees, and any other amounts the Court deems appropriate; and 6) award the Plaintiff any other relief the Court deems proper and just.

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By: _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire (VSB# 76871)
County Attorney
P. O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505
(434) 846-2731 – Telephone
(434) 846-0496 – Facsimile
feisenhour@co.campbell.va.us

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:



(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January, 2008, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

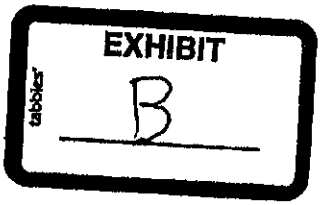
R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:



ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

County Administrator
P.O. Box 336
Lovingston, VA 22949

If to City of Bedford

Bedford, Virginia
Charles Kolakowski
City Manager
P.O. Box 807
Bedford, VA 24523

If to City of Lynchburg

Lynchburg, Virginia
L. Kimball Payne, III
City Manager
900 Church Street
Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Mary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008 by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Puckett

Title Chairman

ATTEST:

Catherine W. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

Stephen A. Carter
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Catherine W. Rost
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE REGION 2000 SERVICES AUTHORITY MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT tabbies C

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments.

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts.

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions: (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time. and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it: or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence. shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction **("Member Jurisdiction Default").**

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia J. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations **(together, the "Obligations")** in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[WP055(3) 1 013135-070706]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

{W0705513 | 013135-070704 }

FINAL REPORT

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

MARCH 19, 2008

RW BECK



Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

Table of Contents

Table of Contents
List of Tables
List of Figures

Section 1 Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction 1-1
1.2 Use of Financial Inventory 1-1
1.3 Assets 1-2
1.3.1 Site Improvements 1-2
1.3.2 Landfill Capacity and Land 1-2
1.3.3 Buildings 1-3
1.3.4 Equipment and Rolling Stock 1-3
1.3.5 Closure and Post-Closure Reserve Funds 1-4
1.3.6 Potential Assets 1-4
1.3.7 Assets to be Used but not Owned by the Authority 1-5
1.4 Liabilities 1-5
1.4.1 Existing Debt and Leases 1-5
1.4.2 Closure and Post-Closure Costs 1-6
1.4.3 Existing Closed Landfills 1-6
1.5 Asset and Liability Summary 1-7
1.6 Final Financial True-Up 1-9

Section 2 FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction 2-1
2.2 Authority Revenues for FY 2009 2-1
2.3 Authority Expenses for FY 2009 2-2
2.3.1 Personnel 2-3
2.3.2 Landfill Operations and Maintenance 2-3
2.3.3 Equipment Acquisition and Replacement 2-4
2.3.4 Closure and Post-Closure 2-5
2.3.5 Debt Service 2-6
2.3.6 Other Reserve Funds 2-7
Debt Service Reserve 2-7
Potential Environmental Remediation 2-8

Future Disposal Planning Reserve 2-9
2.3.7 Reimbursable Expenses 2-9
2.3.8 Distribution of Excess Revenue 2-10
2.4 Summary of Annual Budget 2-11
2.5 Other Financial Issues 2-12
2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill 2-13
2.5.2 Disposal Payments 2-13
2.5.3 Participation by Additional Communities 2-14
2.5.4 Future Use of Reserve Funds 2-14

List of Tables

Table 1-1 Categories of Assets and Liabilities 1-1
Table 1-2 Site Improvement Asset Summary by Landfill 1-2
Table 1-3 Landfill Capacity and Land Asset Summary by Landfill 1-3
Table 1-4 Buildings Asset Summary by Landfill 1-3
Table 1-5 Equipment and Rolling Stock Asset Summary by Landfill 1-4
Table 1-6 Summary of Existing Closure and Post-Closure Liabilities and Savings by Landfill 1-6
Table 1-7 Asset and Liability Summary by Landfill 1-7
Table 2-1 Summary of Disposal Fee Revenue 2-2
Table 2-2 Summary of Planned Debt Service 2-7
Table 2-3 Summary of Planned Debt Service 2-8
Table 2-4 Financial Responsibilities at Inactive Portions of Landfills 2-10
Table 2-5 Excess Revenue 2-10
Table 2-6 Current Airspace Contribution Estimate (as of July 1, 2008) 2-11
Table 2-7 FY 2009 Operating Expenses and Debt Service 2-12
Table 2-8 Total Net Revenue 2-12
Table 2-9 Pre-Paid Disposal Fees 2-14

List of Figures

Figure 2-1: Annual Vehicle Replacement 2-5

Appendix: Financial Schedules

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

Copyright 2008, R. W. Beck, Inc.
All rights reserved.

Section 1
Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction

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

Table 1-1
Categories of Assets and Liabilities

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

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

1.2 Use of Financial Inventory

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

1.3 Assets

1.3.1 Site Improvements

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

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

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

Table 1-2
Site Improvement Asset Summary by Landfill

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

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

1.3.2 Landfill Capacity and Land

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

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

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

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

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

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

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

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

1.3.3 Buildings

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

Table 1-4
Buildings Asset Summary by Landfill

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

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

1.3.4 Equipment and Rolling Stock

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

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

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

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

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

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

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

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

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

1.3.5 Closure and Post-Closure Reserve Funds

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

1.3.6 Potential Assets

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

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

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

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

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

1.3.7 Assets to be Used but not Owned by the Authority

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

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

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

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

1.4 Liabilities

1.4.1 Existing Debt and Leases

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

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

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

1.4.2 Closure and Post-Closure Costs

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

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

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

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

1.4.3 Existing Closed Landfills

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

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

1.5 Asset and Liability Summary

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

Table 1-7
Asset and Liability Summary by Landfill

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

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

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

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

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

After the above transactions, the Authority is left with:

- Debt in the amount of $9,905,712 associated with the assets in Table1-7 [3];
- Ownership of the two landfills, including site improvements; landfill capacity and land; buildings; and equipment and rolling stock;
- Closure and post-closure liability totaling $6,255,604; and
- Closure and post-closure reserve equal to the closure and post-closure liability.

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

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

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

1.6 Final Financial True-Up

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

[This page intentionally left blank]

Section 2
FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction

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

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

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

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

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

2.2 Authority Revenues for FY 2009

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

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

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

Table 2-1
Summary of Disposal Fee Revenue

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

2.3 Authority Expenses for FY 2009

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

2.3.1 Personnel

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

- Benefits:
  - Pension plan: 12.6 percent of total salaries
  - Health insurance: $363.38 per employee per month
  - Dental insurance: $11.50 per employee per month
  - Workers compensation insurance: $18,928 annually[1]
  - FICA: 7.7 percent of total salaries
- Overtime: 2 percent of total salaries

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

2.3.2 Landfill Operations and Maintenance

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

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

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

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

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

2.3.3 Equipment Acquisition and Replacement

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

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

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

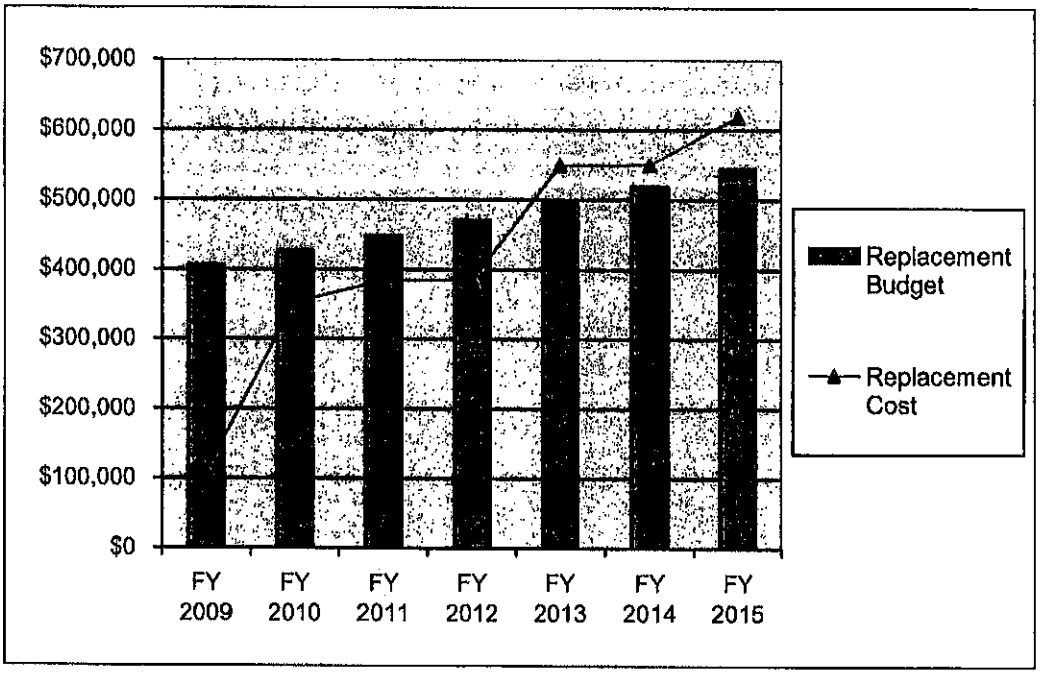


Figure 2-1: Annual Vehicle Replacement

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

2.3.4 Closure and Post-Closure

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

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

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

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

2.3.5 Debt Service

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

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

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

Table 2-2
Summary of Planned Debt Service

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

[1] The amount shown is adjusted for inflation based on the year financed.
[2] Includes existing site improvement, landfill capacity and land, and buildings.
[3] Amount shown is net of any equipment sold by the Authority.
[4] Estimate provided by Draper Aden Associates.

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

2.3.6 Other Reserve Funds

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

Debt Service Reserve

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

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

Table 2-3
Summary of Planned Debt Service

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

Potential Environmental Remediation

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

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

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

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

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

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

Future Disposal Planning Reserve

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

Operations and Maintenance Reserve Fund

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

2.3.7 Reimbursable Expenses

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

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

Table 2-4
Financial Responsibilities at Inactive Portions of Landfills

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

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

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

2.3.8 Distribution of Excess Revenue

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

Table 2-5
Excess Revenue

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

[1] ($31.320 - $22.5286) x 42,753 tons = $375,858
[2] ($35.000 - $22.5286) x 117,628 tons = $1,466,984

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

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

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

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

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

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

2.4 Summary of Annual Budget

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

Table 2-7
FY 2009 Operating Expenses and Debt Service

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

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

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

Table 2-8
Total Net Revenue

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

2.5 Other Financial Issues

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

2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill

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

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

2.5.2 Disposal Payments

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

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

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

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

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

Table 2-9
Pre-Paid Disposal Fees

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

2.5.3 Participation by Additional Communities

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

2.5.4 Future Use of Reserve Funds

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

FY 2009 Disposal Fee Revenue

Schedule 1

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

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

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

FY 2009 Expenses

Schedule 2

Expenses

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

FY 2009 Expenses

Schedule 2

Reimbursable Expenses and Interest Income

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

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

Total Tonnage **$256,923**
Disposal Cost per Ton **$22.53**

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

Total Expenses		**($7,869,554)**

Personnel

Schedule 3

Solid Waste Staff

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

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

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

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

Local Government Council Staff

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

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

Overhead	48.9%	Salary + Benefits	$36,574

Total Personnel Costs - Region 2000 Staff	$111,384

Total Personnel Costs	$1,311,325

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

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

Equipment

Schedule 5

Lynchburg	Original Cost	Year Acquired	Remaining Life	Acquisition Cost	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Hydro Seeding System with Air Gap Fillwell	$8,879	1992	0.0	$266	Y	2009	$13,510	5
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$8,850	1993	0.0	$266	Y	2009	$13,138	10
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$8,275	1994	0.0	$248	Y	2009	$11,984	5
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$12,359	1994	5.0	$4,607	Y	2015	$20,758	10
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$5,045	1995	0.0	$151	Y	2009	$7,128	7
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Portable Radios (18)	$32,400	1995	0.0	$972	Y	2009	$45,780	10
Mobile Radios (20) (mounted on equipment)	$36,000	1995	2.0	$4,800	Y	2011	$53,442	15
J. D. Rubber Tire Loader	$111,719	2006	10.0	$93,099	Y	2019	$154,006	12
Dozer (D8)	$286,793	1993	0.0	$20,076	Y	2009	$425,746	12
Tractor (John Deere 6200)	$44,872	1994	0.0	$1,346	N	0	$0	12
Street Flusher	$146,217	2006	10.0	$121,848	Y	2019	$201,562	12
Dump Truck	$41,358	1994	0.0	$1,241	Y	2009	$59,899	12
Pick-up 4X4	$22,002	2001	1.0	$2,750	Y	2010	$27,477	8
Dump Truck #1 w/Hook-Lift	$100,359	2002	2.0	$25,090	Y	2011	$125,335	8
Dump Truck #2 w/Hook-Lift	$144,933	2008	8.0	$144,933	Y	2017	$181,001	8
Truck	$25,980	2002	1.0	$3,711	Y	2010	$31,654	7
Forklift	$20,835	1997	1.0	$1,736	Y	2010	$28,721	12
Flatbed Trailer	$2,552	1997	1.0	$213	Y	2010	$3,518	12
Flatbed Trailer	$2,552	1998	2.0	$425	Y	2011	$3,518	12
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$1,395	1998	2.0	$233	Y	2011	$1,923	12
Snow Spreader for 4x4 truck (Western)	$2,100	1998	0.0	$63	Y	2009	$2,755	8
Pan Scraper (Wheel Scraper)	$319,000	2002	1.0	$45,571	Y	2010	$388,671	7
John Deere Riding Mower	$3,999	2002	2.0	$1,000	Y	2011	$4,994	8
Bushhog Mower (attach)	$5,400	2001	1.0	$675	Y	2010	$6,744	8
Compactor (Bomag)	$486,423	2007	4.5	$437,781	Y	2013	$564,102	5
Compactor (BOMAG)	$311,034	2004	1.0	$62,207	Y	2010	$360,704	5
973 Track Loader (CAT)	$291,624	2004	1.0	$58,325	Y	2010	$338,194	5
Open Top Bins (10)	$30,000	1998	0.0	$900	Y	2009	$39,363	10
Lawn Mower (Gravely M12S)	$5,829	1994	0.0	$175	Y	2009	$8,442	6
Chainsaw	$319	2001	0.0	$10	Y	2009	$389	5
Large Generator (KOHLR 20ROZJ61)	$10,000	1994	0.0	$300	Y	2009	$14,483	12
Freon Remover	$595	2005	2.0	$238	Y	2011	$690	5
Dodge Neon	$11,930	2004	6.0	$7,158	Y	2015	$15,653	10
Fuel Truck	$108,965	2005	9.0	$81,724	Y	2018	$150,209	12
Dozer (D3)	$60,987	1993	0.0	$4,269	Y	2009	$90,536	12
Ford Taurus	$13,484	2006	6.0	$10,113	Y	2015	$16,840	8
Hydroseeder (2007 Finn LF120)	$50,985	2007	4.0	$40,788	Y	2013	$59,127	5
Horizontal Silo	$69,500	2007	9.0	$62,550	Y	2018	$91,190	10
Riding Lawn Mower (John Deere)	$3,600	2004	3.0	$1,543	Y	2012	$4,386	7
Riding Lawn Mower (John Deere - LX 280)	$3,790	2006	5.0	$2,707	Y	2014	$4,618	7
Subtotal	$3,363,290			$1,294,246				

	Replacement Schedule (FY)						
Lynchburg	2009	2010	2011	2012	2013	2014	2015
Hydro Seeding System with Air Gap Fillwell	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$0	$0	$0	$0	$0	$0	$2,688
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Portable Radios (18)	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929
Mobile Radios (20) (mounted on equipment)	$0	$0	$5,149	$5,149	$5,149	$5,149	$5,149
J. D. Rubber Tire Loader	$0	$0	$0	$0	$0	$0	$0
Dozer (D8)	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035
Tractor (John Deere 6200)	$0	$0	$0	$0	$0	$0	$0
Street Flusher	$0	$0	$0	$0	$0	$0	$0
Dump Truck	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758
Pick-up 4X4	$0	$4,251	$4,251	$4,251	$4,251	$4,251	$4,251
Dump Truck #1 w/Hook-Lift	$0	$0	$19,392	$19,392	$19,392	$19,392	$19,392
Dump Truck #2 w/Hook-Lift	$0	$0	$0	$0	$0	$0	$0
Truck	$0	$5,470	$5,470	$5,470	$5,470	$5,470	$5,470
Forklift	$0	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240
Flatbed Trailer	$0	$397	$397	$397	$397	$397	$397
Flatbed Trailer	$0	$0	$397	$397	$397	$397	$397
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$0	$0	$217	$217	$217	$217	$217
Snow Spreader for 4x4 truck (Western)	$426	$426	$426	$426	$426	$426	$426
Pan Scraper (Wheel Scraper)	$0	$67,170	$67,170	$67,170	$67,170	$67,170	$67,170
John Deere Riding Mower	$0	$0	$773	$773	$773	$773	$773
Bushhog Mower (attach)	$0	$1,043	$1,043	$1,043	$1,043	$1,043	$1,043
Compactor (Bomag)	$0	$0	$0	$0	$130,293	$130,293	$130,293
Compactor (BOMAG)	$0	$83,314	$83,314	$83,314	$83,314	$83,314	$83,314
973 Track Loader (CAT)	$0	$78,114	$78,114	$78,114	$78,114	$78,114	$78,114
Open Top Bins (10)	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098
Lawn Mower (Gravely M12S)	$1,663	$1,663	$1,663	$1,663	$1,663	$1,663	$0
Chainsaw	$90	$90	$90	$90	$90	$90	$90
Large Generator (KOHLR 20ROZJ61)	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634
Freon Remover	$0	$0	$159	$159	$159	$159	$159
Dodge Neon	$0	$0	$0	$0	$0	$0	$2,027
Fuel Truck	$0	$0	$0	$0	$0	$0	$0
Dozer (D3)	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215
Ford Taurus	$0	$0	$0	$0	$0	$0	$2,605
Hydroseeder (2007 Finn LF120)	$0	$0	$0	$0	$13,657	$13,657	$13,657
Horizontal Silo	$0	$0	$0	$0	$0	$0	$0
Riding Lawn Mower (John Deere)	$0	$0	$0	$758	$758	$758	$758
Riding Lawn Mower (John Deere - LX 280)	$0	$0	$0	$0	$0	$798	$798
Subtotal	**$88,670**	**$331,670**	**$357,757**	**$358,515**	**$522,915**	**$523,713**	**$529,371**
	Present Value	**$2,166,011**					

Equipment

Schedule 5

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

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

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

Equipment

Schedule 5

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

New Authority Equipment	2009	2010	2011	2012	2013	2014	2015
Personnel Vehicle	$0	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0	$0
	Present Value	$0					
Total	$109,176	$352,177	$384,040	$384,798	$549,199	$549,997	$618,905

Summary	Total Acquisition Cost	Annual Payment
Vehicle Acquisition	$1,660,438	$290,413
Vehicle Replacement Fund		$406,525
Total		$696,938

Current Capital Assets	Original Cost	Acquisition Cost	Fiscal Year Acquired	Finance Term
Lynchburg				
Existing Site Improvements	Original Cost	Acquisition Cost		
Land, Site Prep., Grading, Clearing, Access Roads, Fencing	$194,925	$72,656	2009	5
Pipe, Sewer 18" Concrete 3993 LF Landfill-Concord Turnpike	$253,684	$94,558	2009	5
Landfill Site Preparation, Grading, Clearing, Re-Routing Waterways, Wood Waste Area	$2,040,762	$760,668	2009	5
Storm Drainage	$99,189	$36,972	2009	5
Pipe, Water, 8" Diameter, Approx. 1,785LF	$69,614	$25,948	2009	5
Pipe, Sewer, 8" Diameter, Approx. 1,180LF	$88,158	$32,860	2009	5
Concrete Pad	$58,327	$21,741	2009	5
Asphalt Paving, Entrance & Access Roads, C&G, Oper. Bldg. Prkng-600SY Appx. $15000, & Admin Bldg $2500	$664,945	$247,850	2009	5
Guardrail	$33,531	$12,498	2009	5
Fencing, Wood & Chain Link	$23,717	$8,840	2009	5
Sediment Basin #3	$6,649	$2,478	2009	5
Erosion Control System, Straw Bales, Siltation Control Fences, Brush Barriers, Riprap	$135,354	$50,451	2009	5
Electrical Wiring	$45,690	$17,031	2009	5
Pipe, Water, 1" Copper, 68LF	$2,985	$1,113	2009	5
Pipe, Sewer, 12" RCP. W/One Manhole, 30LF	$4,377	$1,632	2009	5
Pipe, Water, 1 1/2" Copper, 180LF	$996	$371	2009	5
Pipe, Sewer, 24" DI, 60LF	$4,710	$1,755	2009	5
Landfill, Earthwork, Pushed Area For Rock Tenn	$1,039	$387	2009	5
Pipe, Sewer, 4" PVC, 115LF	$3,545	$1,321	2009	5
Pipe, Sewer, 4" PVC, 2 Lines, 130LF(total)	$3,206	$1,195	2009	5
Pipe, Sewer, 2" Copper W/Meter Box & Yoke, 90LF	$1,850	$689	2009	5
Pipe, Sewer, 8" VC, 128LF	$7,787	$2,903	2009	5
Pipe, Sewer, 8" VC, 128LF	$3,894	$1,451	2009	5
Pipe, Sewer, 8" DI Cl. 50, 292LF	$23,027	$8,583	2009	5
Asphalt & Concrete Paving, Curbs, Gutters, Sidewalk Ditches, & Shoulder Stone	$31,770	$11,842	2009	5
Curbs & Gutters, 220LF	$5,505	$2,052	2009	5
Curb & Gutter, 211LF	$2,496	$930	2009	5
Asphalt Paving, Nickerson Drive	$4,219	$1,573	2009	5
Asphalt Paving, Industrial Dump Site, Access Road, Turnaround Area	$36,978	$13,783	2009	5
Lighting System, Roadway, 41 Poles w/400W Mounted Lights, Aerial Cables, Remote Control Wiring, 24Hr.	$126,932	$47,312	2009	5
Gate, Rear Entry to Landfill, 30'	$13,758	$5,128	2009	5
Pipe-Leachate 2,500 LF	$84,435	$9,091	2009	5
Land Improvements	$5,797	$624	2009	5
Pipe	$9,275	$999	2009	5
Landfill Monitoring System (Infrared Analyzer for Methane & Carbon Dioxide)	$3,456	$1,728	2009	5
	$4,096,580	**$1,501,011**		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Construction and Components of Phase III Landfill Development	$1,898,134	$754,265	2009	5
Land, Sanitary Landfill Concord Turnpike - 9.80 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.02 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.75 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 8.13 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 0.40 Acres Tax Map	$1,998	$745	2009	5
Land, Sanitary Landfill Concord Turnpike - 22.84 Acres Tax Map	$38,985	$14,531	2009	5
Land, Sanitary Landfill Concord Turnpike - 28.70 Acres Tax Map	$52,176	$19,448	2009	5
Land, Sanitary Landfill Concord Turnpike - 2.67 Acres Tax Map	$74,475	$27,760	2009	5
Land, Sanitary Landfill Concord Turnpike - Approx. 2 Acres Tax Map	$71,751	$26,744	2009	5
Land, Sanitary Landfill, Property Fronting Concord Turnpike Tax Map	$10,148	$3,783	2009	5
Land, Sanitary Landfill, Tyreeanna Rd.,Tax Maps	$45,803	$17,072	2009	5
Landfill Liner System, Clay Liner	$505,261	$188,330	2009	5
Landfill Liner System, Leachate Collection 6" Perforated PVC Pipe In 1 1/2' VDOT #3 Stone	$120,887	$45,059	2009	5
Landfill Liner System, HDPE Liner, 60 Mils. Dense, GEONET Liner, Non-Woven, GEOT Extile Heat Bonded	$844,507	$314,779	2009	5
Landfill Liner System, Cushion Layers, Soil and Stone	$728,874	$271,678	2009	5
Landfill, Design & Engineering	$458,198	$170,787	2009	5
Environmental Assessments, Tyreeanna Land Purchase	$53,405	$19,906	2009	5

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

Landfill Capital

Schedule 6

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

Closure and Post-Closure

Schedule 7

Regional Entity Start Date 7/1/2008

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

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

Borrowing Costs and Debt Service Reserve

Schedule 8

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

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

Interest Earned on Reserve Accounts

Schedule 9

Reserve Account	Amount	FY 2009 Interest
Environmental Remeditation	$50,000	$1,250
Future Diposal Planning and Engineering	$50,000	$1,250
Total	**$100,000**	**$2,500**

Notes:
Assumes 2.5% Interest paid at the end of the year.

Region 2000 Services Authority

Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
September 25, 2019
2:00 p.m.

Draft Minutes

Board Members Present

Susan Adams.....Appomattox County
Steve Carter .....Nelson County
Frank Rogers.....Campbell County
Gaynelle Hart, Alternate for Bonnie Svrcek.....City of Lynchburg

1. **Welcome**

   Frank Rogers, Vice-Chair, welcomed everyone and opened the meeting at 2:00 p.m.

2. **Public Comment**

   John Hardie voiced his opposition to more waste coming to the Livestock Road Landfill from a neighboring locality.

   Judy Doering spoke, also declaring her opposition to Bedford County waste.

3. **Approval of July 31, 2019 Meeting Minutes**

   The motion was made by Susan Adams, and seconded by Steve Carter, to approve the meeting minutes of July 31, 2019. The motion was unanimously approved.

4. **Financial Update**

   a) Year to Date Report – Rosalie Majerus reviewed the current financial report.
      - Revenue tonnage is where it should be in the budget, as is the total revenue received to date.
      - Cost of Service is currently $31.73/ton versus a budget of $30.25/ton. This is mainly due to a number of one-time costs.

EXHIBIT
tabbies
E

b) Forgiveness of Late Penalty of $7,972.21 for First Piedmont Waste Disposal
First Piedmont was late with a payment, but due to being a good customer the Authority was asked to forgive the late penalty in the amount of $7,972.21.

A motion was made by Steve Carter, and seconded by Gaynelle Hart, to forgive the late penalty. The motion was unanimously approved.

Clarke Gibson presented another account with a late penalty dating back to 2011, with an out of town contractor. He asked the Authority to forgive the late penalty of $5,867.15.

Steve Carter made the motion to forgive the late charge of $5,867.15. The motion was seconded by Gaynelle Hart, and unanimously approved.

5. Bedford County Request for a Contract for 15,000 Tons of Solid Waste per Year for Five Years

Gary Christie explained that he has received a formal request from Bedford County for a contract with the Services Authority to bring up to 15,000 tons of solid waste to the Livestock Road Landfill per year for five years, with five one year renewable optional years at the commercial rate. The solid waste would not include sludge, and reciprocal landfill space would not be available.

One month of landfill space would be lost for each year that 15,000 tons were received, while there would be about $450,000 in additional revenue going into the operation funds at $30.25/ton. There would also be $10.00/ton going into the excess revenue account.

Staff recommended moving forward with negotiations of the five year contract at the rate of $40.25 with $30.25 going to operations and $10.00 to excess revenue. Subsequent years would be billed at $40.25 based on the cost of living, not necessarily fluctuating with the cost of service rate. A clause would be suggested that allows for negotiation or termination of the contract within 12 months, if the loss of a major waste customer (like County Waste) is anticipated. He also suggested tracking this excess revenue as a separate contract, dividing it equally among the jurisdictions who are not receiving excess revenue payments currently.

Frank Rogers reported that this item was taken before the Campbell County Board of Supervisors and they voted unanimously to reject the Bedford County trash.

Mr. Rogers made a motion to decline Bedford County's request for a contract for 15,000 tons of solid waste per year for five years. The motion was seconded by Susan Adams.

The vote was:
Susan Adams – Yes
Steve Carter – Yes
Frank Rogers – Yes
Gaynelle Hart – Nay

Bedford's request was denied.

Mr. Carter made a motion to suggest the Authority correspond with Bedford County requesting membership. Susan Adams seconded the motion. The motion carried unanimously.

6. Distribution of 2018-2019 Excess Revenue

Gary explained that the auditors have determined that the Authority generated $1,407,595 in excess revenue in 2018-2019. The distribution pattern has been 30.6% to Lynchburg and 69.4% to Campbell County. He recommends distribution of:

$430,724 to Lynchburg
$976,871 to Campbell County

Frank Rogers made the motion to approve the excess revenue distribution. The motion was seconded by Gaynelle Hart.

Before the vote was taken, Mr. Rogers addressed those present, reminding everyone that excess revenue has been a topic of conversation for several years. He stated that over time Campbell County and Lynchburg have contributed a great deal of capacity to the benefit of the region. This capacity was paid for over time through the levy of excess revenues. The value of Campbell County's contribution can be equated to an excess of $24M, of which to date a little over $8M of the full 10 year term of the arrangement has been received for this capacity. Mr. Rogers hoped the Authority would continue in this practice and affirm the payment of excess revenues again this year.

Susan Adams suggested using some of this money to offset debt service as well as add to landfill closure cost funds. She also suggested using funds toward operational costs by reducing tipping rates.

The vote was:
Susan Adams – Nay
Steve Carter – Nay
Gaynelle Hart – Yes
Frank Rogers – Yes

The vote failed to approve the motion for excess revenue distribution.

7. Authorization to Expend $45,000 from Closure/Post Closure Funds for the Extension of Components of the Gas Collection System at the Phase IV Cell of the Livestock Road Landfill

At the last Authority meeting staff described the next landfill gas collection system expansion project to be constructed in 1 ½ to 2 years when the third lift in the current operating Phase IV is complete.

Clarke Gibson reported that staff recommends with proceeding with construction of an initial part of this project, which is a permanent phase construction along the southeastern fill slope with a second lift in Phase IV at a cost of $45,000. He recommended using the available closure funds to fund the project. With approval, this project could be completed by Thanksgiving.

No action was taken at this time.

However, later in the meeting Steve Carter asked to revisit this item. He asked Mr. Gibson to explain the expansion of the gas system at Livestock Road and if it is beneficial to the neighborhood as well as the Authority. Mr. Gibson answered that it is. It will increase the landfill gas collection volumes and will help with odor complaints. Since the first phase of the gas collection system was installed there has been over a 90% reduction in complaints. He assured Mr. Carter that it is cost effective at this time.

The motion was made by Steve Carter to authorize the expenditure of $45,000 from the closure-post closure fund for expansion of the gas collection system. The motion was seconded by Frank Rogers and was unanimously approved.

Gary Christie suggested having a meeting arranged at the landfill for those interested to see the cell IV and get an update on what is on site.

8. RFP for use of Landfill Gas at Livestock Road

Bob Dick with SCS was available to answer questions on the draft RFP for a Landfill Gas to Energy Development Project at the Livestock Road facility. He advised that this RFP is structured so the Authority retains responsibility for permit design, finance and construction of the gas collection and control system facilities, in accordance with what staff directed. This allows the Authority to stay in full control of maintaining regulatory compliance and odor controls.

Mr. Dick added that Authority staff has advised there would be some slight modifications to the RFP in terms of wordsmithing. They will also convey to private sector proposers that the Authority will aggressively continue to extract the gas for odor control purposes, which will have some detrimental effect on the quality of the gas.

A motion was made by Gaynelle Hart to accept the RFP for landfill gas at the Livestock Road facility. Frank Rogers seconded the motion and it was unanimously approved.

9. Update on Gas Collection at Concord Turnpike

Brendan Hefty reported that his office is working on an agreement with the previous operator of the gas collection system at the Concord Turnpike Landfill to work out an agreement for hiring a third party appraiser to come to a valuation of the above ground equipment.

Clarke Gibson reported that SCS is the Authority's appraiser, and Virginia LandGas has hired an appraiser. The two appraisers got together and a third party was agreed on. A site visit has been made, but a report has not yet been given. He also reported that about $10,000 has been spent in capital upgrades to the system and $2500/month in ongoing labor costs.

10. Director's Report

a) Cost of a Landfill Capacity Survey – Clarke reported that an estimate for another consultant to do a permitting capacity study would be about $7,500 - $8,000. No action was taken.

b) Solid Waste Management Plan Update Cost – The Solid Waste Management Plan is required to be updated every five years, and the update is due next spring. A task order is being prepared with Draper Aden on the scope and cost and Mr. Gibson hopes to have the final task order ready by December.
c) Tonnage Chart through August – Tonnage is reported to be on track or above budget projections.
d) Hazardous Household Waste Collection – October 12, 2019 – The next hazardous waste collection is scheduled for October 12.
e) CY 2018 Recycling Rate – The approved 2018 recycling rate from the DEQ has been received. The rate was approved at 38% of the waste stream. The mandated recycling rate from the state is 25%.

11. Other Business

- Susan Adams suggested having Authority meetings at the landfill to better help with decision making. Gary Christie advised that at the December meeting the schedule would be set for the next year and locations can be discussed.

12. Adjourn – There being no further business, the meeting adjourned at 3:05 pm

The next meeting will be on December 4, in the Haberer Building, at 2:00 pm.

Memorandum

To: Steve Carter, Nelson County Administrator

From Gary Christie

RE: Distinctions between Airspace and Landfill Capacity

Date: August 6, 2019

CC: Region 2000 Services Authority Members
CVPDC and Services Authority Management Team

Bonnie passed along your note of Friday the 5th about Kim Payne's letter of July 20, 2012. Here's some information that might be helpful.

The Region 2000 Services Authority Member Use Agreement Section 3.1 envisioned the Authority paying for the infrastructure of the landfills at Lynchburg and Campbell through a one-time payment. The Agreement also envisioned in Section 5.11 the Authority paying for the airspace within those landfills through Excess Revenue payments.

In the beginning of the Authority we bought the assets of both landfills as determined by a Burns McDonnell (then RW Beck) analysis. Assets that we bought included:

- Real estate
- Access rights
- Designated buildings
- Equipment
- Rolling stock

The price for those assets were determined by Burns McDonnell based on:

- Site Improvements
- Landfill Capacity and Land
- Buildings
- Equipment and rolling stock
- Closure and post closure funds that a locality may have on hand

The details on how the price of the infrastructure was set comes from a 3-19-2008 report, Financial Inventory and Fiscal Year 2009 Annual Budget, which was our first budget. Section 1.3 describes each asset; Section 1.3.2 describes "Landfill Capacity and Land" consisting of the following components:

- Engineering and construction costs of landfill cells, collection system
- Permitting costs
- Reports and studies (e.g. environmental assessments, surveys, etc.)



- liner systems and leachate

The detailed list of prices for each item of the "landfill capacity and land asset" for Concord Turnpike is itemized on Schedule 6 within the report. Items like land, site preparation, pipes, electrical wiring, asphalt paving lighting, gates, liners, engineering, etc., are listed at an original cost of $8,601,589. We didn't pay full price for the infrastructure because some of the infrastructure had been previously used. Burns McDonnell determined how much to discount the original price based on how much life was left in the cells, or how much airspace had been used.

Because the some of the airspace at the landfill had been used previously that number was discounted to $4,260,064, called an acquisition cost. Everything we paid for at Concord Turnpike that we bought from the City is listed on Schedule 6 totaling $4,260,064. Airspace is not on that list.

We measured how much to discount the "Landfill Capacity and Land" assets based on the amount of airspace that had been previously used. If the asset was valued at its original price, it would have a full life of airspace available. Since none of the assets had a full life of airspace available, then the amount of airspace not available serves as the measure to reduce our payment for the asset and we can determine the acquisition price.

So airspace does factor into the formula to determine how much we pay for the infrastructure which we call landfill capacity. However, Burns McDonnell did not include airspace one of the components to determine the price of the landfill's assets.

We bought the assets in 2009 based on the formula described in the 3-19-2008 report which gave the Authority a discount from the original asset's value based on airspace. In 2011 Clarke and Buzz realized that there wasn't as much airspace in the landfill as we expected and had another survey done by a different company. This second survey showed about 24% less airspace than our first survey.

Because we use airspace as the factor to discount the value of the asset from its original purchase price, we needed to adjust the purchase price downward. Thus, Kim's letter of July 20, 2012 recognizes the lower value of the asset since the life of the landfill would be shorter based on the reduced amount of airspace and provides instructions on how the City wanted to refund the money owed.

The 7-20-12 letter discusses airspace because the price of what we pay is discounted by the life of the asset as determined by remaining airspace. But it doesn't say or imply that the remaining airspace is part of the infrastructure asset that we bought when we took over the Concord Turnpike operation.

The 7-20-12 letter doesn't include airspace as part of the Concord Turnpike assets because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. That's never changed.

Seth Cunningham and Scott Pasternak of Burns McDonnell reiterated that in a memorandum of June 10, 2015. Seth reiterated again that the "landfill capacity and land" component of the price did not include airspace in an e-mail of 9-21-17.

You'll see airspace in all of the communications about the infrastructure assets we bought because available airspace is how we judge how much to discount the asset. Just because we base the discount on available airspace doesn't mean that the value of the airspace is included in the price of the asset. It is not.

The terms are pretty consistent throughout Burns McDonnell's paper work: Landfill Capacity refers to the ground based infrastructure that holds the solid waste while airspace refers to the space within the infrastructure that is filled by the solid waste.

Hope that helps and I'm happy to talk with you about these distinctions at your convenience.

Attachments:

- Financial Inventory and fiscal Year 2009 Annual Budget, R. W. Beck, March 19, 2008
- August 5, 2011 memorandum from R. W. Beck on the Payment from Lynchburg
- June 10, 2015 memorandum from Burns & McDonnell on Excess Revenue Review
- September 21, 2017 E-mail from Seth Cunningham

MEMORANDUM

R·W·BECK

To: Mr. Bryan David, Amherst County
Mr. Jack Gross, City of Bedford
Mr. David Laurrell, Campbell County
Mr. Steve Carter, Nelson County
Mr. Kim Payne, City of Lynchburg

CC: Mr. Bob White, Virginia's Region 2000 Partnership Local Government Council
Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

From: Scott Pasternak

Subject: Regional Solid Waste Financial Compensation and Planning Issues

Date: September 8, 2005

The purpose of this memo is to summarize key financial and planning issues that R. W. Beck would like to receive input on from the participating communities concerning the Regional Solid Waste Management Analysis that R. W. Beck is completing on behalf of the Virginia's Region 2000 Partnership Local Government Council (Council). We would expect that these issues would be discussed during a meeting in October.[1]

Issue 1: How should each landfill community be compensated for the net assets that would become part of the new regional system?

As a part of the transition to the Regional Entity, the assets from the landfills would need to formally transfer from each landfill community to the Regional Entity. As a part of this process, decisions need to be made concerning how the communities should be compensated. In the interest of reducing potential debt service costs, R. W. Beck would recommend the consideration of either option B or C.

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

[1] This meeting will ideally occur after we receive a response from the Virginia Department of Environmental Quality concerning regulatory solid waste issues.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
tabbies
G

Issue 2: How should potential excess revenue or short-term deficits generated by the Regional Entity be used or distributed?

There is a possibility that the Regional Entity may generate excess revenue.[2] If this does occur, the need will exist to decide how this excess revenue should be used and/or distributed. It is important to note that scenarios could occur where the Regional Entity would incur short-term deficits. In general, the Regional Entity would benefit from using excess revenue to establish a reserve fund, which could be used to off-set any potential short-term deficits. Once the reserve fund is established, additional excess revenue could be distributed to member communities. The following options focus on the use of excess revenue (note: more than one option could be selected):

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

Issue 3: How will local governments pay for the tonnage that they send to the landfill from their collection vehicles and/or convenience stations?

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

Recommendation: Each individual community pays a fee based on the tonnage brought to the facility based on the established member community disposal rate. Each local government would need to decide whether it would fund this expense either through rates, assessments or the general fund.

[2] It should be emphasized that the potential for excess revenue will likely depend on whether waste from BFI is disposed of within Region 2000 in the future given BFI's on-going efforts to permit and develop a transfer station in Appomattox County.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issues 4: How should the rate structure be established?

Decisions will need to be made concerning how disposal rates will be established for the Regional Entity. Since there are no regulations concerning these rates, this will be a policy decision by the Regional Entity and the member communities.

Recommendation: Member communities pay a rate based on the cost of service. The cost of service could be calculated directly by Regional Entity staff or by an independent third party (e.g. consulting firm). The Regional Entity would need to reevaluate this rate once every one to two years.

PAY SAME GATE RATES AS COMMERCIAL BASED ON MARKET WITH REBATES

Non member local governments and private companies would pay a "market rate," which could vary based on quantity and time periods. The Regional Entity could also consider inter-local agreements and contracts with these entities.

Issue 5: How should the Regional Entity address potential cases where another community wants to join the Regional Entity?

In the future, there may be other communities that express an interest in joining the Regional Entity. If this occurs, having a policy in place of how to address this would be beneficial.

Recommendation: Require the interested community to fund an analysis that would evaluate the financial and operational feasibility of their participation. If it is feasible, require the prospective member to pay a pro rata fee of all expenses to date related to the feasibility and establishment of the Regional Entity.

Issue 6: What resource should the Regional Entity use for administration support functions?

While the Regional Entity will make efforts to be as self-sufficient as possible, the Regional Entity will need some outside assistance concerning various administrative functions. These functions may include payroll, human resources support, etc.

Option A: Contract with the Council

Option B: Contract with one of the participating communities

Option C: Contract with a private company that provides these services

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issue 7: How will the participating landfill communities fund their existing financial assurance liability for closure and post-closure?

Each of the three landfill communities will need to compensate the Regional Entity for existing financial assurance liabilities for closure and post-closure since the Regional Entity will assume this responsibility in the future. The amount will be based on the quantity of air space consumed by each landfill community. In the establishment of the Regional Entity there will be a need to fund the closure and post-closure reserves for the Regional Entity.

Of the three landfill communities, the City of Lynchburg has saved funds for its future closure and post-closure costs. Amherst and Campbell Counties have decided to address this issue using a different approach, where they will fund this liability in the future.

Option A: Community would transfer the current liability amount to the Regional Entity upon creation of the Regional Entity. This option is feasible for the City of Lynchburg since it already has reserves in place for this purpose. R. W. Beck would recommend that the City of Lynchburg pursue this option.

Option B: For Amherst and Campbell Counties there may be a need to identify an alternative to the immediate transfer of the reserve amount to the Regional Entity. One approach to this would be to account for the closure and post-closure liability as a part of the asset/liability inventory being conducted. Through this approach, the community's net asset contribution reflects a liability for the closure and post-closure costs, which would reduce the asset valuation. Depending on the value of the assets and closure and post closure liabilities, there may be cases where the community has a negative net-asset value. In these circumstances, the community would need to pay the Regional Entity over time either through a higher rate or receiving less excess revenue (if applicable). The Regional Entity would also need to build a reserve fund that would be used in the future to fund future closure and post-closure costs. Efforts also need to be undertaken to evaluate whether this approach would satisfy financial assurance requirements.[3]

Issue 8: How would the participating communities like to address disposal needs after the existing landfills reach capacity?

After the landfills in the region reach final capacity, decisions will need to be made concerning the next disposal method. While the need for this would be approximately 15 – 20 years from now, it is important to being planning these decisions as early as possible given the time required

[3] R. W. Beck is currently completing this as a part of the regulatory analysis for this project.

to permit and develop solid waste facilities. Note, a specific decision on this issue is not required at this time.

Option A: Consider expanding an existing site or developing a new site within Region 2000. Could consider a "host fee" as an incentive to encourage a participating community.

Option B: Further examine opportunities to direct haul waste to the Appomattox County Landfill, which has approximately 1,000 permitted acres.

Option C: Consider the development of a transfer station, which would be used to send waste outside of Region 2000.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019
2:00 p.m.

AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair
   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair
   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)

5. **Request from Wheelabrator** ..... Clarke Gibson

7. **Director's Report** ..... Clarke Gibson

8. **Meeting Schedule and Location**

   a) January 22
   b) March 25
   c) May 20
   d) August 26
   e) December 2

9. **Closed Session**

10. **Next Meeting:** January 22, 2020

REGION 2000 SERVICES AUTHORITY

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019

2:00 p.m.

WORKING AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair

   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair

   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)
   a) Audit report
   b) Year to Date Revenues/Expenditures
   c) Budget Schedule
      i. January 22 – initial budget discussions/presentation
      ii March Budget Work Session
      iii. May Approval

5. **Request from Wheelabrator** ..... Clarke Gibson

   Bays Trash Disposal/Wheelabrator of Bedford asks if we will accept an industrial dust and slag material, much like we were taking from Griffin Pipe.

   Recommend:

   a) $36.23 per ton for dust (10% discount for high density waste) – estimated 2,500 tons per year would generate $90,575 for operating fund and $14,950 for Excess Revenue fund. The price would fluctuate as the commercial rate changes over the years, but would always be 10% less than the commercial rate.

b) $0 for slag (inert material with beneficial use) – estimated 2,000 tons per year that could be used on our internal roads and reduce the amount of stone material purchased for road maintenance
c) 5 year contract with two one year optional renewals

6. **Director's Report** ..... Clarke Gibson

a) Report on Livestock Road Gas Collection System RFP
b) Tonnage *(Attached)*
c) Report on Hazardous Household Waste Collection event in October
d) Safety Meeting
e) Odor Update
f) Solid Waste Management Plan

7. **2020 Meeting Schedule and Location (suggesting 5 meetings instead of six)**

a) January 22
b) March 25
c) May 20
d) August 26
e) December 2

8. **Other Business**

9. **Closed Session**

Closed Session: Consultation with legal counsel pertaining to probable litigation regarding the Concord Turnpike Gas Collection System and consideration of salary increases for two Service Authority employees.

Return to Open Session

I move that the Board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed or considered in a closed session.

10. **Next Meeting:** January 22, 2020

March 4, 2005

R·W·BECK

VIA EMAIL

Mr. Robert White
Deputy Director
Region 2000 Regional Commission
915 Main Street, Suite 202
Lynchburg, VA 24504

Re: Regional Solid Waste Management Analysis – Draft Report

Dear Mr. White:

R. W. Beck is pleased to submit our draft report to the Region 2000 Regional Commission (Commission) of the "Regional Solid Waste Management Analysis" that we have completed.

R. W. Beck would emphasize that to provide the report to the Commission by the requested deadline, we have not completed our final internal review. We will continue to review the report to ensure that all information is as accurate as possible.

The analysis and recommendations presented in this study would not be possible without the assistance of staff from the Commission and each of the participating communities. We would like to express our sincere appreciation to those who participated in the conduct of this analysis.

If you have any questions concerning the enclosed report please call me at (512) 450-0991. We look forward to our meeting next week to discuss the draft report.

Sincerely,

R. W. BECK, INC.

Scott Pasternak
Manager

cc: Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
tabbies
4

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables

Section 1 Executive Summary 1-1
1.1 Introduction 1-1
1.2 Project Purpose 1-2
1.3 Planning Level Financial Review 1-2
1.4 Waste Stream Analysis 1-2
1.5 Cost Analysis of Existing Transfer/Disposal Operations 1-3
1.6 Regional Alternative: Joint Use of Existing Facilities 1-3
1.7 Regional Alternative: Waste-to-Energy 1-4
1.8 Regional Alternative: Transfer Station 1-5
1.9 Creation of a Regional Authority 1-5
1.10 Key Findings and Recommendations 1-6

Section 2 Waste Stream Analysis 2-1
2.1 Introduction 2-1
2.2 Historical Tonnage Amounts 2-1
2.3 Population Forecast 2-3
2.4 Projected Tonnage Amounts (2006–2015) 2-4

Section 3 Cost Analysis of Existing Transfer/Disposal Operations 3-1
3.1 Introduction and Methodology 3-1
3.2 Cost Analysis for Participating Communities 3-1
3.3 Cost Analysis for Appomattox and Bedford Counties 3-8

Section 4 Regional Alternative: Joint Use of Existing Facilities 4-1
4.1 Overview 4-1
4.2 Regulatory Considerations 4-2
4.3 Cost Analysis 4-2
4.4 Advantages and Disadvantages 4-15
4.5 Industry Trends 4-15
4.6 Conclusion 4-16

Table of Contents

Section 5 Regional Alternative: Waste-to-Energy **5-1**
- 5.1 Overview 5-1
- 5.2 Cost Analysis 5-2
- 5.3 Incremental Cost Analysis 5-3
- 5.4 Advantages and Disadvantages 5-4
- 5.5 Industry Trends 5-4
- 5.6 Conclusion 5-5

Section 6 Regional Alternative: Transfer Station **6-1**
- 6.1 Overview 6-1
- 6.2 Cost Analysis 6-1
- 6.3 Incremental Cost Analysis 6-5
- 6.4 Advantages and Disadvantages 6-5
- 6.5 Industry Trends 6-6
- 6.6 Conclusion 6-6

Section 7 Creation of a Regional Authority **7-1**
- 7.1 Introduction 7-1
- 7.2 Reasons to Consider a Regional Authority 7-1
- 7.3 Legal Process 7-1
- 7.4 Next Steps to Develop a Regional Planning Authority 7-2

Section 8 Economic Comparison and Recommendations **8-1**
- 8.1 Introduction 8-1
- 8.2 Economic Comparison of Regional Alternatives 8-1
- 8.3 Key Findings and Recommendations 8-13
- 8.4 Additional Opportunities for Regionalization 8-15
- 8.5 Waste Generation Assessments as a Cost Recovery Tool 8-18

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

Copyright 2005, R. W. Beck, Inc.
All rights reserved.

1. Facilities
2. Land
3. Buildings
4. Equipment
5. Permits

For each asset, the value should be calculated based on valuation criteria typically used in the solid waste industry and be based on the asset's remaining useful life.

Similarly, the value of each community's solid waste liabilities would need to be calculated. A valuation of liabilities may include the following:

1. Closure costs
2. Post-closure costs
3. Existing debt service

The total value of a community's liabilities contributed would be applied against the value of assets contributed, yielding a net asset (or net liability) contribution figure. This approach would serve as the basis for each community's net asset contribution valuation.

7.4.3 Compensation Scenarios

There would be a need to determine how each community would be compensated for (1) the net assets that would become part of the new regional system and (2) potential excess revenue that would not be generated by individual facilities when a regional system is created. Such compensation could be provided via a number of methodologies including the development of rate structures for each community that reflect the net value of their respective net solid waste assets contributed or the development of a single rate structure for all communities that reflects any new debt the new regional entity would issue to compensate each community for their respective net solid waste assets. To the extent that excess revenue will be generated in the future, there will be a need to determine how to allocate these funds to the communities with landfills.

Note that in the event any community's liabilities contributed exceed its assets, the first scenario could be employed in its present form to compensate other communities. If the second scenario were to be used under such a circumstance, a surcharge should be added to the rate of the net liability contributing community to enable the other communities to recover the amount of this net liability.

7.4.4 Financial Analysis

After determining the specific operational plan for the regional authority, there would be a need to complete a thorough financial analysis. This analysis would build from the evaluation completed in this report. This evaluation would provide a more

2/20/07
2/5/07

BOARD OF SUPERVISORS MINUTES

// REGIONAL LANDFILL LOCAL OPERATIONS

Clifton M. Tweedy, Deputy County Administrator, along with Bob White, Region 2000 Local Government Council, requested the Board's approval to form a Regional Landfill Authority with Amherst County, Nelson County, the City of Bedford and the City of Lynchburg. Jeffrey T. Crate of Draper Aden Associates was also present.

The regional concept calls for the three communities that have landfills, Amherst County, City of Lynchburg and Campbell County, to come together with the City of Bedford and Nelson County under one management group and operate one landfill at a time. Once this concept was approved by the member localities, the working group was directed to move into the implementation phase. The first step was to work with the Department of Environmental Quality (DEQ) to determine if the concept would meet their regulatory needs. DEQ has been supportive of the concept. The group was also asked to look at allowing Amherst County to operate its landfill at the same time as Campbell County and the City of Lynchburg. While it would cost a little more, doing this would still make sense from a regional perspective. Any increased costs would be borne by Amherst County. The third task was to come up with a detailed implementation schedule and budget formation.

Mr. White reviewed the cost savings to the members of the regional landfill. Over the course of the life of the current landfills, the region could save over $35 million. Campbell County would save nearly $17 million as a result of savings from tipping fees and excess revenue from fees charged to haulers.

The next steps would involve legal, engineering and staffing activities related to forming the Authority by May 2007. This would cost the member localities approximately $181,000, of which Campbell County would be required to pay $30,838. It was the goal to have the Authority up and running by July, 2008 at a cost of approximately $549,500 (Campbell County's share would be $120,890). The working group requested the Board's approval to move forward with the implementation phase.

In answer to questions raised at the last meeting regarding services provided at the local level, Mr. Tweedy looked at the savings on a yearly basis. The projected annual savings was approximately $980,000. The County could operate three days a week to accept the citizens free tonnage, white goods, bulk items, tires, etc. at a cost of $50,000 per year. To operate six days a week would cost an additional $60,000 mostly for personnel costs. The cost to haul waste from the green box sites (transfer sites) to Lynchburg for the first six years would cost around $180,000. The County would be able to save these costs when the landfill comes back to Campbell County. With a contingency of $100,000, the net annual savings was estimated at $650,000. An additional $75,000 could be saved if the Board chose to close the landfill and ask the citizens to take their bulk items to the City of Lynchburg.

The Public Works Committee has discussed the formation of an in-house construction group to build ball fields, demolish buildings and take care of nuisances. This has been included in the priorities and initiatives and could reduce the net annual savings by $150,000. If this is

EXHIBIT
tabbies
I

approved, the current equipment should be adequate for four or five years, then the Board would need to consider the purchase of new equipment.

Mr. Tweedy indicated that a decision on the provision of local services was not required at this meeting. The Authority would not begin operations until July, 2008, so the Campbell County landfill would continue normal operations through June 30, 2008 and then it would take some time to transition to the authority. The management of the Authority would be set up along the same lines as the regional jail with each locality appointing one member to the Authority.

Supervisor Gunter expressed some concern if the County only accepts bulk items on three days. Mr. Tweedy advised the majority of bulk items were currently received on Friday, Saturday and Monday. The transfer sites were not a part of the regional landfill and would be operated on a normal basis. Supervisor Gunter commented the County would need to consider several sources to explain this new initiative to the citizens. Mr. Tweedy agreed indicating information would be transmitted via the newspaper, the County Chronicle and possibly flyers handed out at busy transfer sites.

In answer to a question by Supervisor Falwell, any usable equipment currently owned by each locality would be purchased by the Authority. Believing the Authority might become a reality, Campbell County has delayed the purchase of some equipment. Other equipment may be retained for the in-house construction group; therefore, by the time the transfer of equipment is made to the authority, Campbell County would have very little useful equipment. The compactors at the transfer sites were owned by the hauler and would remain at the transfer sites.

Supervisor Pendleton commented the concept of a regional landfill has been discussed many times and while there were still details to be worked out, he offered the following motion to approve the formation of a regional landfill.

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors approves Campbell County as a member of the proposed regional landfill authority with the intent to offer the citizens of Campbell County equal or better waste management services; authorizes funding of approximately $40,000 from the Fiscal Year 2007 Budget; authorizes approximately $121,000 to be included in the Fiscal Year 2008 budget; and authorizes the continuation of an in-house construction group for County construction projects.

The vote was: Aye: Boyer, Carter, Falwell, Gunter, Pendleton, Puckett, Rosser
Nay: None

// REGIONAL SOLID WASTE STUDY

The Board was provided the final report prepared by R. W. Beck on a plan to handle waste regionally. The Plan has received preliminary approval by DEQ. The partners would include the Counties of Amherst, Campbell, Nelson and the Cities of Bedford and Lynchburg. The plan included a temporary closure of the Campbell County landfill while the Lynchburg landfill was being used. Based on additional study it was determined that it was not feasible to operate the Amherst landfill as a single facility so that facility would continue to operate concurrently with Lynchburg and then Campbell County until it was full. Amherst County would pay a slightly higher tipping fee to support the change. Final approval of the plan would be scheduled for the Board's February 20th meeting.

Supervisor Pendleton reiterated his request for information on the effects of the plan on Campbell County citizens such as being allowed to bring in two tons of waste to the landfill free of charge each year. He was concerned the cost savings may not be as high as projected if the County has to incur additional costs to provide these services. Supervisor Gunter wanted to know how it would affect the transfer sites. Administrator Laurrell indicated a cost comparison of current services would be provided to the Board. Mr. Tweedy added the County may need to consider manned transfer sites whether or not the County went to a regional landfill.

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

October 6, 2020

Ms. Valerie Younger, Clerk
Campbell County Circuit Court
P.O. Box 7
Rustburg, VA 24588

CL20-2216

RE: County of Campbell, Virginia v Region 2000 Services Authority, County of Campbell, County of Appomattox, Virginia, County of Nelson, Virginia and City of Lynchburg

Dear Ms. Younger:

I enclose herewith an original and three copies of the Complaint, together with a Civil Cover Sheet for filing on behalf of County of Campbell regarding the above matter.

I will appreciate it if you will prepare the appropriate Summons and advise me when the copies are ready for service.

Thank you for your assistance in filing this Complaint on behalf of the County.

Very truly yours,

CASKIE & FROST

By: _____
F. E. Isenhour, III
Campbell County Attorney

FEI/sjh
Enclosures

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
6th day of October, 2020
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

COVER SHEET FOR FILING CIVIL ACTIONS

COMMONWEALTH OF VIRGINIA

Case No. ..... (CLERK'S OFFICE USE ONLY)

Campbell ..... Circuit Court

County of Campbell, Virginia ..... v./*In re:* Region 2000 Services Authority
PLAINTIFF(S) DEFENDANT(S)

I, the undersigned [ ] plaintiff [ ] defendant [X] attorney for [X] plaintiff [ ] defendant hereby notify the Clerk of Court that I am filing the following civil action. (Please indicate by checking box that most closely identifies the claim being asserted or relief sought.)

GENERAL CIVIL

Subsequent Actions
- [ ] Claim Impleading Third Party Defendant
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Counterclaim
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Cross Claim
- [ ] Interpleader
- [ ] Reinstatement (other than divorce or driving privileges)
- [ ] Removal of Case to Federal Court

Business & Contract
- [ ] Attachment
- [ ] Confessed Judgment
- [ ] Contract Action
- [ ] Contract Specific Performance
- [ ] Detinue
- [ ] Garnishment

Property
- [ ] Annexation
- [ ] Condemnation
- [ ] Ejectment
- [ ] Encumber/Sell Real Estate
- [ ] Enforce Vendor's Lien
- [ ] Escheatment
- [ ] Establish Boundaries
- [ ] Landlord/Tenant
  - [ ] Unlawful Detainer
- [ ] Mechanics Lien
- [ ] Partition
- [ ] Quiet Title
- [ ] Termination of Mineral Rights

Tort
- [ ] Asbestos Litigation
- [ ] Compromise Settlement
- [ ] Intentional Tort
- [ ] Medical Malpractice
- [ ] Motor Vehicle Tort
- [ ] Product Liability
- [ ] Wrongful Death
- [ ] Other General Tort Liability

ADMINISTRATIVE LAW
- [ ] Appeal/Judicial Review of Decision of (select one)
  - [ ] ABC Board
  - [ ] Board of Zoning
  - [ ] Compensation Board
  - [ ] DMV License Suspension
  - [ ] Employee Grievance Decision
  - [ ] Employment Commission
  - [ ] Local Government
  - [ ] Marine Resources Commission
  - [ ] School Board
  - [ ] Voter Registration
  - [ ] Other Administrative Appeal

DOMESTIC/FAMILY
- [ ] Adoption
  - [ ] Adoption – Foreign
- [ ] Adult Protection
- [ ] Annulment
  - [ ] Annulment – Counterclaim/Responsive Pleading
- [ ] Child Abuse and Neglect – Unfounded Complaint
- [ ] Civil Contempt
- [ ] Divorce (select one)
  - [ ] Complaint – Contested*
  - [ ] Complaint – Uncontested*
  - [ ] Counterclaim/Responsive Pleading
  - [ ] Reinstatement – Custody/Visitation/Support/Equitable Distribution
- [ ] Separate Maintenance
  - [ ] Separate Maintenance Counterclaim

WRITS
- [ ] Certiorari
- [ ] Habeas Corpus
- [ ] Mandamus
- [ ] Prohibition
- [ ] Quo Warranto

PROBATE/WILLS AND TRUSTS
- [ ] Accounting
- [ ] Aid and Guidance
- [ ] Appointment (select one)
  - [ ] Guardian/Conservator
  - [ ] Standby Guardian/Conservator
  - [ ] Custodian/Successor Custodian (UTMA)
- [ ] Trust (select one)
  - [ ] Impress/Declare/Create
  - [ ] Reformation
- [ ] Will (select one)
  - [ ] Construe
  - [ ] Contested

MISCELLANEOUS
- [ ] Amend Death Certificate
- [ ] Appointment (select one)
  - [ ] Church Trustee
  - [ ] Conservator of Peace
  - [ ] Marriage Celebrant
- [ ] Approval of Transfer of Structured Settlement
- [ ] Bond Forfeiture Appeal
- [X] Declaratory Judgment
- [ ] Declare Death
- [ ] Driving Privileges (select one)
  - [ ] Reinstatement pursuant to § 46.2-427
  - [ ] Restoration – Habitual Offender or 3rd Offense
- [ ] Expungement
- [ ] Firearms Rights – Restoration
- [ ] Forfeiture of Property or Money
- [ ] Freedom of Information
- [ ] Injunction
- [ ] Interdiction
- [ ] Interrogatory
- [ ] Judgment Lien-Bill to Enforce
- [ ] Law Enforcement/Public Official Petition
- [ ] Name Change
- [ ] Referendum Elections
- [ ] Sever Order
- [ ] Taxes (select one)
  - [ ] Correct Erroneous State/Local
  - [ ] Delinquent
- [ ] Vehicle Confiscation
- [ ] Voting Rights – Restoration
- [ ] Other (please specify) .....

[ ] Damages in the amount of $ ..... are claimed.

10/6/2020 .....
DATE

[ ] PLAINTIFF [ ] DEFENDANT [X] ATTORNEY FOR [X] PLAINTIFF [ ] DEFENDANT

F. E. Isenhour, III, Caskie & Frost .....
PRINT NAME

P.O. Box 6320, Lynchburg, VA 24505 .....
ADDRESS/TELEPHONE NUMBER OF SIGNATOR

434-846-2731 .....

tisenhour@caskiefrost.com .....
EMAIL ADDRESS OF SIGNATOR (OPTIONAL)

*"Contested" divorce means any of the following matters are in dispute: grounds of divorce, spousal support and maintenance, child custody and/or visitation, child support, property distribution or debt allocation. An "Uncontested" divorce is filed on no fault grounds and none of the above issues are in dispute.

FORM CC-1416 (MASTER) PAGE ONE 07/16

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

November 13, 2020

Hon. Valerie P. Younger, Clerk
Campbell County Circuit Court
P.O. Box 7
Rustburg, VA 24588

Re: County of Campbell v. Region 2000 Services Authority, et al.
Campbell Circuit Court Case No.: CL20002216-00

Dear Ms. Younger,

Please find enclosed my client's Motion to Amend to be filed in the captioned matter. Please also find enclosed my client's Notice of Hearing concerning the same. I ask that both be filed with the papers in the captioned matter.

Thank you for your assistance in this matter, and please feel free to call should you have any questions, or should you require anything further from me. I remain,

Very truly yours,

F.E. "Tripp" Isenhour, III

FEI/sjh
Enclosures as Noted
cc: Frank J. Rogers, IV, County Administrator
Walter C. Erwin, III, Esquire
Thomas Lacheney, Esquire
Phillip D. Payne, IV, Esquire
William H. Hefty, Esquire
Clarke W. Gibson

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
13th day of November, 2020
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA	)	
	)	
Plaintiff,	)	
	)	
v.	)	**Case No.: CL20002216-00**
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Defendants.	)	
	)	

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
13th day of November, 2020
VALERIE P. YOUNGER, CLERK
Teste: [signature]
Deputy Clerk

MOTION TO AMEND COMPLAINT

COMES NOW the Plaintiff, the County of Campbell, Virginia, by counsel, and moves for leave to amend its Complaint previously filed herein to include the City of Lynchburg as a party plaintiff and to make other necessary changes throughout the document. In support of its Motion, the Plaintiff states as follows:

1. Plaintiff filed suit against the Region 2000 Services Authority ("Region 2000"), naming Region 2000 as the primary defendant and including as parties defendant entitled to notice the localities which possess the power to appoint Region 2000's Board of Directors.

2. After the filing of the instant suit, the City Council of the City of Lynchburg directed its City Attorney to seek permission for the City of Lynchburg to join the Complaint previously filed by the County of Campbell as a co-plaintiff. The County of Campbell has no objection to the City's request, and specifically asks this Court to allow the City to join it as a party plaintiff.

3. The primary purpose of the Amended Complaint, filed together with this Motion, is to change the City of Lynchburg's status from that of defendant to that of plaintiff, and to further make other necessary changes.

4. Although summons have been issued in this matter, no party has yet been served. Assuming the Court's entry of the Order, it is the plaintiff's intention to serve the Amended Complaint upon the remaining parties defendant immediately after entry of an Order allowing amendment.

5. Plaintiff represents that it would be prejudiced if it were not allowed to amend its Complaint as previously stated.

6. Plaintiff states that the defendants will not be unduly prejudiced by allowing Plaintiff leave to amend, as this is an amendment sought prior to service of the Complaint on any defendant.

7. Notice of this Motion, together with a copy of the currently-filed Complaint and the proposed Amended Complaint has been sent to defendants Region 2000 Services Authority, the County of Appomattox, and the County of Nelson. This motion shall be heard before the Judge of this Court on December 4, 2020 at 2:30 P.M. wherein the County of Campbell, Virginia, by counsel, shall seek entry of the proposed Order filed contemporaneously herewith.

WHEREFORE, the County of Campbell, Virginia petitions this Court for an Order allowing it to amend its Complaint currently filed in this matter, and submits with this Motion its proposed Amended Complaint.

(Remainder of Page Intentionally Left Blank)

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By: _____
County Attorney

F. E. "Tripp" Isenhour, III, Esquire
Campbell County Attorney
Virginia State Bar No. 76871
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: 434-846-2731
Facsimile: 434-846-0496
Email: tisenhour@caskiefrost.com

CERTIFICATE

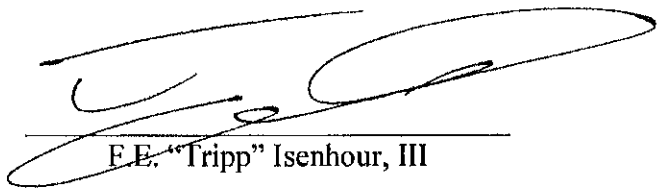
I, F.E. "Tripp" Isenhour, III, do hereby certify that a true and accurate copy of the foregoing Motion to Amend together with the currently-filed Complaint and the proposed Amended Complaint was sent to the following on November 13, 2020:

REGION 2000 SERVICES AUTHORITY
Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588

COUNTY OF APPOMATTOX, VIRGINIA
Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139

COUNTY OF NELSON, VIRGINIA
Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949

CITY OF LYNCHBURG, VIRGINIA
Walter C. Erwin, III, City Attorney
900 Church Street
Lynchburg, VA 24504



F.E. "Tripp" Isenhour, III

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA	)	
	)	
Plaintiff,	)	
	)	
v.	)	**Case No.: CL20002216-00**
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Defendants.	)	
	)	

NOTICE OF HEARING

TO: **REGION 2000 SERVICES AUTHORITY**
Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588

COUNTY OF APPOMATTOX, VIRGINIA
Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139

COUNTY OF NELSON, VIRGINIA
Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949

CITY OF LYNCHBURG, VIRGINIA
Walter C. Erwin, III, City Attorney
900 Church Street
Lynchburg, VA 24504

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
13th day of November, 2020
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

PLEASE TAKE NOTICE that the plaintiff, the County of Campbell, Virginia, by counsel, will appear before the Honorable Judge of the Campbell County Circuit Court on December 4, 2020 at 2:30 P.M. to present its Motion to Amend to the Court; and

YOU MAY THEN AND THERE APPEAR AND DO WHAT MAY BE NECESSARY TO PROTECT YOUR INTEREST HEREIN.

Respectfully submitted,

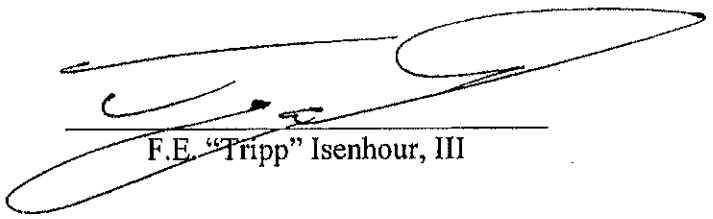
COUNTY OF CAMPBELL, VIRGINIA

By _____
County Attorney

F.E. "Tripp" Isenhour, III, Esquire
VSB # 76871
Caskie & Frost
P. O. Box 6320
2306 Atherholt Road
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496

CERTIFICATE

I, F.E. "Tripp" Isenhour, III, do hereby certify that a copy of the foregoing Notice of Hearing was sent to the addresses of all parties and counsel for parties listed in the body of the Notice on November 13, 2020.



F.E. "Tripp" Isenhour, III

V I R G I N I A: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA A Political Subdivision of the Commonwealth of Virginia, Plaintiff, V. REGION 2000 SERVICES AUTHORITY, *et al.*, Defendants.	)	CASE NO. CL20002216-00

ORDER

For good cause shown, upon evidence presented *ore tenus* on December 4, 2020, by the Plaintiff, by counsel, and pursuant to Rule 1:8 of the Rules of the Supreme Court of Virginia, **IT IS HEREBY ORDERED** that the Plaintiff is granted leave to amend its Complaint in the above-styled matter and permitted to file an Amended Complaint with the Clerk's Office of this Court. Such Amended Complaint shall substantially conform to the proposed Amended Complaint which accompanied the motion in this matter.

ENTERED THIS 4th DAY OF December, 2020.

John T. Cook
JUDGE

cc: Wright, Erwin, Scan

I ASK FOR THIS:

Kristin B. Wright, Esquire (VSB# 41314)
Staff Attorney
County of Campbell, Virginia
Haberer Building
P.O. Box 100
47 Courthouse Lane
Rustburg, VA 24588
(434) 332-9662 – Telephone
(434) 332-9617 – Facsimile
kbwright@co.campbell.va.us

SEEN AND _____:

REGION 2000 SERVICES AUTHORITY

BY:_____
SIGNATURE

TITLE:_____

PRINTED NAME:_____

SEEN AND _____:

_____
Thomas Lacheney, County Attorney
COUNTY OF APPOMATTOX, VIRGINIA

SEEN AND _____:

_____
Phillip D. Payne, IV, County Attorney
COUNTY OF NELSON, VIRGINIA

SEEN AND AGREED:

Walter C. Erwin, III
Walter C. Erwin, III, City Attorney
CITY OF LYNCHBURG, VIRGINIA

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL,
A Political Subdivision of the
Commonwealth of Virginia,

AND

CITY OF LYNCHBURG,
A Municipal Corporation of the
Commonwealth of Virginia,

Plaintiffs,

V.

REGION 2000 SERVICES AUTHORITY,
SERVE: Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588
(Campbell County)
Defendant,

COUNTY OF APPOMATTOX,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139
(Powhatan County)
An Interested Party,

AND

COUNTY OF NELSON,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949
(Nelson County)
An Interested Party.

CASE NO. CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
4th day of December, 20 20
VALERIE P. YOUNGER, CLERK
Teste: J. LeDuc
Deputy Clerk

AMENDED COMPLAINT

COME NOW the Plaintiffs, the County of Campbell, a political subdivision of the Commonwealth of Virginia, by counsel, and the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, by counsel, pursuant to Sections 8.01-184 *et seq.* of the Code of Virginia, 1950, as amended, and request the Court to make a declaration concerning the meaning and usage of a contractual term, identified herein this Amended Complaint as "Excess Revenue", as it is used in the context of a certain Member Use Agreement of the Region 2000 Services Authority, as amended. The term "Parties" or "parties", when used in this Amended Complaint, refers only to the County of Campbell, the City of Lynchburg, and the Region 2000 Services Authority collectively. In support thereof, the Plaintiffs state the following for their Amended Complaint against the Defendant:

INTRODUCTION

1. The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Certificate of Incorporation was issued by the Virginia State Corporation Commission effective December 28, 2007. The Authority's Articles of Incorporation were amended and restated, and a Certificate of Restatement was issued thereto by the Virginia State Corporation Commission effective June 20, 2008. The Authority's principal office address is 361 Livestock Road, Rustburg, Virginia 24588. The Authority is governed by a Board of Directors, currently consisting of four (4) directors, who are appointed by the Authority's members. The current members of the Authority are the County of Campbell, the City of Lynchburg, the County of Appomattox, and the County of Nelson, all political subdivisions of the Commonwealth of Virginia. The Authority was founded with the County of Campbell, the County of Nelson, the City of Bedford, Virginia, and

the City of Lynchburg as its members. In 2008, the County of Appomattox joined the Authority. Following its reversion to a town in 2013, the City of Bedford, Virginia withdrew from the Authority's membership.

2. The County of Campbell is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Francis J. Rogers, IV. The principal office address for the County of Campbell is 47 Courthouse Lane, Rustburg, VA 24588. Francis J. Rogers, IV is the appointed board director for the Authority from the County of Campbell.

3. The City of Lynchburg is a municipal corporation of the Commonwealth of Virginia, governed by an elected City Council, whose principal agent is the Interim City Manager, Reid Wodicka. The principal office address for the City of Lynchburg is 900 Church Street, 3rd Floor, Lynchburg, VA 24504. By virtue of his interim appointment, Reid Wodicka serves as the board director for the Authority from the City of Lynchburg.

4. The County of Appomattox is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Susan M. Adams. The principal office address for the County of Appomattox is 153-A Morton Lane, Appomattox, VA 24522. Susan M. Adams is the appointed board director for the Authority from the County of Appomattox.

5. The County of Nelson is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Stephen A. Carter. The principal office address for the County of Nelson is 84 Courthouse Square, Lovingston, VA 22949. Stephen A. Carter is the appointed board director for the Authority from the County of Nelson.

6. Venue is proper in this forum, pursuant to Section 8.01-262 of the Code of Virginia, 1950, as amended, as Campbell County, Virginia is the principal business location of the Authority, and a significant amount of the operative facts alleged herein occurred within Campbell County, Virginia.

DOCUMENTS GOVERNING THE AUTHORITY

7. The Authority is governed by its Amended and Restated Articles of Incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter. The Bylaws are attached hereto as Exhibit "A", the Amended and Restated Articles of Incorporation are attached hereto as Exhibit "A1", the initial MUA dated January 31, 2008 is attached hereto as Exhibit "B", and the first amendment to the MUA, dated June 20, 2008, is attached hereto as Exhibit "C", all of which are incorporated herein by reference. A second amendment to the MUA was approved by the governing bodies of the County of Campbell, the County of Appomattox, the County of Nelson, and the City of Lynchburg in 2012; however, such second amendment has no bearing on the issue of Excess Revenue and is therefore not included herein as an exhibit. The term MUA, as used throughout this Amended Complaint, shall be deemed to include the initial MUA and the amended versions thereof previously mentioned.

8. Incorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis". The Beck Analysis is attached hereto as Exhibit "D", and incorporated herein by reference. The firm of R.W. Beck, Inc. prepared the Beck Analysis following lengthy consultation with the members of the Authority, and its terms were used to guide the formation and conduct of the Authority.

FACTUAL BACKGROUND

9. Every year of the Authority's existence, with the exception of 2019, the Authority calculated and distributed Excess Revenue to the County of Campbell and the City of Lynchburg to compensate those localities for their airspace contributions based upon the calculations made in the Beck Analysis, as updated by the Authority's staff year after year.

10. At the September 25, 2019 meeting of the Board of Directors of the Authority, it was stated auditors determined the Authority generated $1,407,595 in Excess Revenue in 2018-2019. The staff of the Authority recommended the Authority distribute $976,871 to the County of Campbell and $430,724 to the City of Lynchburg because that proposed distribution would have *followed the pattern* of 30.6% of Excess Revenue being distributed to the City of Lynchburg and 69.4% to the County of Campbell. The minutes of the September 25, 2019 meeting are attached hereto as Exhibit "E", and are incorporated herein by reference.

11. At the September 25, 2019 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue to the County of Campbell and the City of Lynchburg. Said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds due to those localities.

12. At the September 16, 2020 meeting of the Board of Directors of the Authority, the staff of the Authority presented the said Board of Directors with the following:

> Auditors have determined that the Authority generated $1,137,807 in Excess Revenue in 2019-2020. The Member Use Agreement says that these funds may be distributed by the Authority based on contributed airspace which works out a 30.6% part for Lynchburg and a 69.4% part for Campbell. Currently the Authority has $1,407,595 in an account from excess revenue from 2018-2019. Staff would appreciate your direction as to what to do with the Excess Revenue from 2019-2020.

The minutes of the September 16, 2020 meeting are not yet available to be included herein.

13. Further, at the September 16, 2020 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue pursuant to the MUA. The said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue due to those localities.

14. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from Appomattox and Nelson counties have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is discretionary, and that Excess Revenue generated may be applied to expenses or planned expenses of the Authority rather than to compensate the County of Campbell and the City of Lynchburg for their airspace.

15. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from the County of Campbell and the City of Lynchburg have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is *not* discretionary, or to the extent it is discretionary, said discretion must be exercised in good faith in accordance with the MUA and the parties' previous dealings under the MUA, and further that Excess Revenue generated must be granted to the County of Campbell and the City of Lynchburg pursuant to the MUA.

16. As of September 16, 2020, a total of $2,545,402.00 in Excess Revenue has accumulated with the Authority, and the Board of Directors thereof have deadlocked twice now as to the proposed distribution of such Excess Revenue.

17. As such, there now exists an actual and justiciable controversy between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA.

MEANING AND USAGE OF THE TERM "EXCESS REVENUE"

18. The term "Excess Revenue" is used in the MUA, and in the Beck Analysis.

19. Pursuant to the definition of "Excess Revenue" in the MUA, and as illustrated in the Beck Analysis, Excess Revenue is intended to compensate the County of Campbell and the City of Lynchburg for the airspace those localities transferred to the Authority.

20. The Beck Analysis and the MUA both call for distribution of Excess Revenue to the City of Lynchburg and the County of Campbell because these two (2) jurisdictions transferred the capacity of their existing permitted landfills to the Authority at the time the Authority was created. The counties of Appomattox and Nelson retained complete ownership and sole use of their existing landfills.

21. At the time of the said transfer, the City of Lynchburg and the County of Campbell were compensated by a lump sum for the capacity transferred, but *not* the airspace. The airspace, pursuant to the MUA, was to be paid for by way of Excess Revenue payments over the life of the landfills.

22. "Airspace", a term commonly used in the solid waste industry, is the projected cubic yardage of a landfill available to be filled with waste. Airspace is an asset separate and distinct from the "capacity" of a landfill, which includes such things as the land underlying a landfill together with its improvements, such as the permits, landfill liner, and operational buildings. Gary Christie, the Executive Director of the Region 2000 Planning District Commission, which manages the Authority, described the difference between "airspace" and "capacity" in a memorandum to Nelson County Administrator Steve Carter dated August 6, 2019 (The "Christie Memo"). The Christie Memo is attached hereto as Exhibit "F" and incorporated herein by reference.

23. The background of the creation of the Authority is illustrative in understanding the meaning and usage of the term "Excess Revenue" under the MUA. The use and meaning of the term "Excess Revenue" was considered by the parties at length prior to the creation of the Authority while the governing documents of the Authority were being finalized.

24. Scott Pasternak, the manager of R.W. Beck, Inc., presented the members of the Authority with a number of options for compensating the member localities for the assets transferred to the Authority, as well as a number of options for the payment of any Excess Revenue generated. Mr. Pasternak's September 8, 2005 memorandum is attached hereto as Exhibit "G" (the "Pasternak Memo"), and the relevant portion of the draft report of the Beck Analysis, dated May 4, 2005 is attached hereto as Exhibit "H". In both documents, questions regarding the proposed authority's organization and funding were presented. Both Exhibit "G" and Exhibit "H" are incorporated herein by reference.

25. In the Pasternak Memo, Mr. Pasternak presented the following options for payment of landfill assets transferred to the Authority by the members:

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

26. In the Pasternak Memo, Mr. Pasternak presented the following options for the distribution of any Excess Revenue created:

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

27. The initial member jurisdictions decided that in response to the issue presented in paragraph 25 of this Amended Complaint, airspace would be paid for over time by cash payments, and that in response to the issue presented in paragraph 26 of this Amended Complaint, decided that Excess Revenue would be the mechanism to pay for that airspace. Accordingly, in the final Beck Analysis, the language agreed to by the parties was as follows:

> Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The *excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed* to the Authority.

The Beck Analysis, Exhibit "D" at page 2-10 (Emphasis added).

28. The language of the MUA also incorporated this decision into the terms of those documents. Excess Revenue, therefore, was defined in the MUA as:

> the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. *Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority.* The amount of excess revenue will depend upon the cost of service rate each year.

MUA, Exhibit "C" at page 3 (Emphasis added).

29. This same interpretation was presented to the Board of Supervisors of Campbell County, Virginia on February 5, 2007, at a meeting wherein Bob White, the then Deputy

Director of the Region 2000 Local Government Council, requested Campbell County's approval of the creation of the Authority and Campbell County's membership in it. A portion of the minutes of the February 5, 2007 meeting are attached hereto as Exhibit "I" and incorporated herein by reference. As shown in Exhibit "I", Mr. White represented to the Board that "Campbell County would save nearly $17 million as a result of savings from tipping fees *and excess revenue* from fees charged to haulers." (Emphasis added).

30. More recently, the Christie Memo makes clear that the staff of the Authority have consistently taken the position that Excess Revenue payments are compensation for airspace paid over time. In that memo, in response to a question of whether all landfill assets purchased by the Authority were paid for at the time of the commencement of operations, Mr. Christie writes that airspace was not part of the assets initially purchased "because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. *That's never changed.*" The Christie Memo, Exhibit "F" at page 3 (Emphasis added).

CLAIM FOR RELIEF – DECLARATORY JUDGMENT

31. Plaintiffs repeat, re-allege, and re-plead the allegations set forth in paragraphs 1 through 30 of this Amended Complaint in the same force and effect as if each allegation were again fully and specifically set forth in this paragraph in detail.

32. This Amended Complaint seeks a declaration from the Court concerning the meaning and usage of the term "Excess Revenue" as that term is used in the MUA. The parties hereto have expressed competing and mutually exclusive interpretations of that term, and the Plaintiffs now pray this Court grant them its aid and guidance, representing that the same be needed for the orderly administration of the Authority.

33. The meaning and usage of the term "Excess Revenue" is material to the conduct of the parties herein under the MUA.

34. The first question to be resolved by the Court is whether Excess Revenue is intended to compensate the City of Lynchburg and the County of Campbell for airspace transferred to the Authority.

35. The second question to be resolved by the Court is whether Excess Revenue may be applied to any expense or expenditure other than to be distributed to the County of Campbell and the City of Lynchburg.

36. The third question to be resolved by the Court is whether the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is not discretionary under 1) the MUA; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings.

37. The fourth question to be resolved by the Court is whether Excess Revenue, pursuant to the MUA and the other documents governing the Authority, must be distributed once accumulated.

38. The fifth question to be resolved by the Court is if the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is deemed by the Court to be discretionary, then under 1) the MUA and other documents governing the Authority; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings, should Excess Revenue be granted to the City of Lynchburg and the County of Campbell to compensate such localities for their airspace contributions to the Authority.

39. The Board of Directors of the Authority has expressed competing and incompatible interpretations of the meaning and usage of the term "Excess Revenue".

40. The dispute between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA gives rise to a justiciable controversy involving specific adverse claims between the parties.

41. The specific adverse claims between the parties are based upon facts that are now ripe for adjudication.

42. The Plaintiffs have no adequate remedy at law to resolve this matter.

WHEREFORE, the Plaintiffs, the County of Campbell and the City of Lynchburg, by counsel, respectfully pray this Court 1) enter an Order declaring the meaning and usage of the term "Excess Revenue" under the MUA; 2) answer the first, third, and fourth questions presented, as shown in paragraphs 34, 36, and 37 of this Amended Complaint, in the affirmative; 3) answer the fifth question presented, as shown in paragraph 38 of this Amended Complaint, in the affirmative if the said third question presented is answered in the negative; 4) answer the second question presented, as shown in paragraph 35 of this Amended Complaint, in the negative; 5) award the Plaintiffs all costs incurred, court costs, reasonable attorney fees, and any other amounts the Court deems appropriate; and 6) award the Plaintiffs any other relief the Court deems proper and just.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
(SIGNATURES SHOWN ON THE FOLLOWING PAGES)

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By: _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire (VSB# 76871)
County Attorney
P. O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505
(434) 846-2731 – Telephone
(434) 846-0496 – Facsimile
feisenhour@co.campbell.va.us

Respectfully submitted,

CITY OF LYNCHBURG, VIRGINIA

By: Walter C. Erwin, III
Of Counsel

Walter C. Erwin, III, Esquire (VSB# 15640)
City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
walter.erwin@lynchburgva.gov

Matthew C. Freedman, Esquire (VSB# 78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
matthew.freedman@lynchburgva.gov

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:



(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE REGION 2000 SERVICES AUTHORITY

Article 1. The Region 2000 Services Authority **(the "Authority")** has been created and established as a body politic and corporate in the Commonwealth of Virginia, and its Articles of Incorporation are hereby amended and restated. The principal office of the Authority shall be located with the Virginia's Region 2000 Partnership Local Government Council at 828 Main Street, 12th Floor, Lynchburg, Virginia 24505 and shall consistently reside with the Local Government Council offices in the future.

Article 2. The names of the localities participating in the Authority are the Counties of Appomattox, Campbell and Nelson, and the Cities of Bedford and Lynchburg.

Article 3. The Authority shall consist of a board of five members, with one member appointed by the local governing body of each jurisdiction. The terms of the initial members of the board shall expire June 30, 2010. Members shall then be appointed for four year terms. The names and addresses of the initial members of the Board are:

Appomattox County

Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522

Campbell County

R. David Laurrell, County Administrator
P.O. Box 100, Rustburg, VA 24588

Nelson County

Stephen A. Carter, County Administrator
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg

L. Kimball Payne, III, City Manager
900 Church Street, Lynchburg, VA 24504

City of Bedford

Charles Kolakowski, City Manager
P.O. Box 807, Bedford, VA 24523

Article 4. Each local governing body also may select an alternate board member to have all of the voting and other rights of a board member if the board member is not present at a meeting of

EXHIBIT
tabbies A 1

the Authority. The term for each alternate shall be the same as the term of the board member. The following persons are appointed to serve as the initial alternates to the board of Authority:

Appomattox County

John K. Spencer
P.O. Box 863, Appomattox, VA 24522

Campbell County
Clifton M. Tweedy
P.O. Box 100, Rustburg, VA 24588

Nelson County
Susan E. McSwain
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg
David A. Owen
900 Church Street, Lynchburg, VA 24504

City of Bedford
Barrett F. Warner
P.O. Box 807, Bedford, VA 24523

Article 5. The Authority is created and established under the provisions of the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 (Section 15.2-5100 et. seq. of the Code of Virginia) (the "Act"). The authority shall have all powers and duties set forth in the Act, as the same may be from time to time amended. The initial project of the Authority shall be to own and operate as a regional entity the landfills that are currently owned and operated by the City of Lynchburg and Campbell County, and to accept municipal solid waste generated within each of the participating jurisdictions (and from outside the jurisdictions if approved by the Authority) in those landfills in accordance with a Member Use Agreement to be approved by each of the local governing bodies, as it may be amended from time to time. It is anticipated that the use of the landfills will be phased, with the Campbell County Landfill being temporarily closed while the Lynchburg landfill is being utilized to its operating capability. The initial capital cost to purchase the landfill's, including the site improvements, landfill capacity and land, buildings, equipment and rolling stock, and the closure and post-closure reserve funds, less the outstanding debt and the closure and post-closure liability for each locality, result in a payment to the City of Lynchburg of $1,714,840, and a payment from Campbell County of $270,000, for a net capital cost of $1,444,840. The preliminary estimate of the cost per ton to the localities for solid waste delivered to the landfills owned by the Authority is $23.91 per ton. It is impractical at this time to determine a per ton charge for private haulers using the landfills. Both the capital cost figure and the cost per ton are preliminary figures and are subject to change.

Article 6. All members of the board shall serve without compensation, but may be reimbursed by the Authority for their actual expenses incurred in the course of their duties.

Article 7. Existing members of the Authority may withdraw from membership, and other localities may join the Authority, as provided in Section 15.2-5112 of the Code of Virginia , as amended. In the event other localities join the Authority, they will be asked to reimburse the localities which initially created the Authority for a fair share of the development costs of the Authority.

Article 8. All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangement through the Virginia's Region 2000 Local Government Council. Subject to the approval of the Authority Board, it is the intent of the Member Jurisdictions that the Executive Director of Virginia's Region 2000 Local Government Council be appointed by the Authority to serve as the chief administrative or executive officer of the Authority pursuant to Section 15.2-5113(E) of the Code of Virginia.

City of Bedford, Virginia

By: William D. Trapp, Mayor

[Signature Page to Follow]

City of Lynchburg, Virginia

By: _____

[Signature Page to Follow]

County of Appomattox, Virginia

By: W. H. Cook

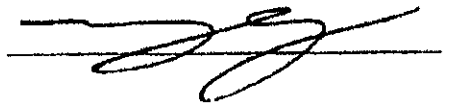
[Signature Page to Follow]

County of Campbell, Virginia

By: Hugh T. Pendleton Jr.

[Signature Page to Follow]

County of Nelson, Virginia

By: 

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January, 2008, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT
tabbies B

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

County Administrator
P.O. Box 336
Lovingston, VA 22949

If to City of Bedford

Bedford, Virginia
Charles Kolakowski
City Manager
P.O. Box 807
Bedford, VA 24523

If to City of Lynchburg

Lynchburg, Virginia
L. Kimball Payne, III
City Manager
900 Church Street
Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Gary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008 by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Puckett

Title Chairman

ATTEST:

Catherine W. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

2223

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

Stephen A. Carter
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Catherine W. Rast
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT
C

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees. which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction (**"Member Jurisdiction Default"**).

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia J.. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations **(together, the "Obligations")** in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

[WD705513 | 013135-070704 |

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

FINAL REPORT

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

MARCH 19, 2008

R·W·BECK

EXHIBIT

tabbies

D

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

Table of Contents

Table of Contents
List of Tables
List of Figures

Section 1 Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction 1-1
1.2 Use of Financial Inventory 1-1
1.3 Assets 1-2
1.3.1 Site Improvements 1-2
1.3.2 Landfill Capacity and Land 1-2
1.3.3 Buildings 1-3
1.3.4 Equipment and Rolling Stock 1-3
1.3.5 Closure and Post-Closure Reserve Funds 1-4
1.3.6 Potential Assets 1-4
1.3.7 Assets to be Used but not Owned by the Authority 1-5
1.4 Liabilities 1-5
1.4.1 Existing Debt and Leases 1-5
1.4.2 Closure and Post-Closure Costs 1-6
1.4.3 Existing Closed Landfills 1-6
1.5 Asset and Liability Summary 1-7
1.6 Final Financial True-Up 1-9

Section 2 FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction 2-1
2.2 Authority Revenues for FY 2009 2-1
2.3 Authority Expenses for FY 2009 2-2
2.3.1 Personnel 2-3
2.3.2 Landfill Operations and Maintenance 2-3
2.3.3 Equipment Acquisition and Replacement 2-4
2.3.4 Closure and Post-Closure 2-5
2.3.5 Debt Service 2-6
2.3.6 Other Reserve Funds 2-7
Debt Service Reserve 2-7
Potential Environmental Remediation 2-8

Future Disposal Planning Reserve 2-9
2.3.7 Reimbursable Expenses 2-9
2.3.8 Distribution of Excess Revenue 2-10
2.4 Summary of Annual Budget 2-11
2.5 Other Financial Issues 2-12
2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill 2-13
2.5.2 Disposal Payments 2-13
2.5.3 Participation by Additional Communities 2-14
2.5.4 Future Use of Reserve Funds 2-14

List of Tables

Table 1-1 Categories of Assets and Liabilities 1-1
Table 1-2 Site Improvement Asset Summary by Landfill 1-2
Table 1-3 Landfill Capacity and Land Asset Summary by Landfill 1-3
Table 1-4 Buildings Asset Summary by Landfill 1-3
Table 1-5 Equipment and Rolling Stock Asset Summary by Landfill 1-4
Table 1-6 Summary of Existing Closure and Post-Closure Liabilities and Savings by Landfill 1-6
Table 1-7 Asset and Liability Summary by Landfill 1-7
Table 2-1 Summary of Disposal Fee Revenue 2-2
Table 2-2 Summary of Planned Debt Service 2-7
Table 2-3 Summary of Planned Debt Service 2-8
Table 2-4 Financial Responsibilities at Inactive Portions of Landfills 2-10
Table 2-5 Excess Revenue 2-10
Table 2-6 Current Airspace Contribution Estimate (as of July 1, 2008) 2-11
Table 2-7 FY 2009 Operating Expenses and Debt Service 2-12
Table 2-8 Total Net Revenue 2-12
Table 2-9 Pre-Paid Disposal Fees 2-14

List of Figures

Figure 2-1: Annual Vehicle Replacement 2-5

Appendix: Financial Schedules

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

Copyright 2008, R. W. Beck, Inc.
All rights reserved.

Section 1
Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction

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

Table 1-1
Categories of Assets and Liabilities

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

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

1.2 Use of Financial Inventory

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

1.3 Assets

1.3.1 Site Improvements

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

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

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

Table 1-2
Site Improvement Asset Summary by Landfill

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

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

1.3.2 Landfill Capacity and Land

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

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

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

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

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

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

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

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

1.3.3 Buildings

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

Table 1-4
Buildings Asset Summary by Landfill

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

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

1.3.4 Equipment and Rolling Stock

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

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

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

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

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

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

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

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

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

1.3.5 Closure and Post-Closure Reserve Funds

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

1.3.6 Potential Assets

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

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

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

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

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

1.3.7 Assets to be Used but not Owned by the Authority

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

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

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

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

1.4 Liabilities

1.4.1 Existing Debt and Leases

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

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

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

1.4.2 Closure and Post-Closure Costs

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

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

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

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

1.4.3 Existing Closed Landfills

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

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

1.5 Asset and Liability Summary

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

Table 1-7
Asset and Liability Summary by Landfill

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

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

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

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

- Equipment and rolling stock.

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

After the above transactions, the Authority is left with:

- Debt in the amount of $9,905,712 associated with the assets in Table1-7 [3];
- Ownership of the two landfills, including site improvements; landfill capacity and land; buildings; and equipment and rolling stock;
- Closure and post-closure liability totaling $6,255,604; and
- Closure and post-closure reserve equal to the closure and post-closure liability.

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

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

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

1.6 Final Financial True-Up

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

[This page intentionally left blank]

Section 2
FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction

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

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

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

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

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

2.2 Authority Revenues for FY 2009

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

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

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

Table 2-1
Summary of Disposal Fee Revenue

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

2.3 Authority Expenses for FY 2009

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

2.3.1 Personnel

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

- Benefits:
  - Pension plan: 12.6 percent of total salaries
  - Health insurance: $363.38 per employee per month
  - Dental insurance: $11.50 per employee per month
  - Workers compensation insurance: $18,928 annually[1]
  - FICA: 7.7 percent of total salaries
- Overtime: 2 percent of total salaries

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

2.3.2 Landfill Operations and Maintenance

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

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

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

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

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

2.3.3 Equipment Acquisition and Replacement

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

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

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

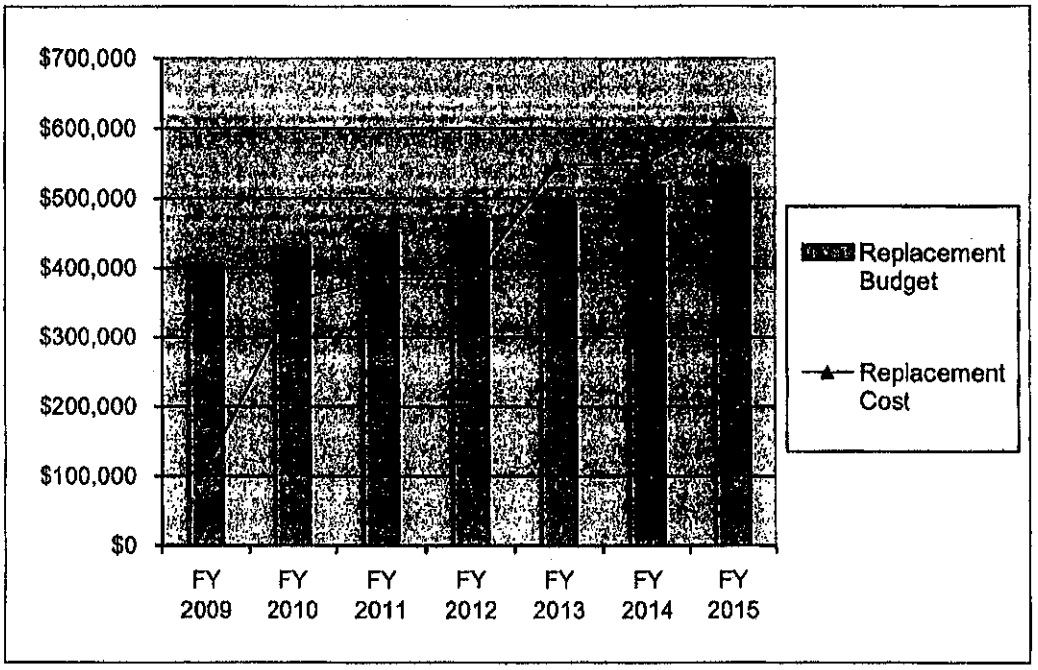


Figure 2-1: Annual Vehicle Replacement

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

2.3.4 Closure and Post-Closure

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

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

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

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

2.3.5 Debt Service

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

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

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

Table 2-2
Summary of Planned Debt Service

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

[1] The amount shown is adjusted for inflation based on the year financed.
[2] Includes existing site improvement, landfill capacity and land, and buildings.
[3] Amount shown is net of any equipment sold by the Authority.
[4] Estimate provided by Draper Aden Associates.

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

2.3.6 Other Reserve Funds

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

Debt Service Reserve

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

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

Table 2-3
Summary of Planned Debt Service

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

Potential Environmental Remediation

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

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

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

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

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

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

Future Disposal Planning Reserve

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

Operations and Maintenance Reserve Fund

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

2.3.7 Reimbursable Expenses

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

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

Table 2-4
Financial Responsibilities at Inactive Portions of Landfills

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

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

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

2.3.8 Distribution of Excess Revenue

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

Table 2-5
Excess Revenue

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

[1] ($31.320 - $22.5286) x 42,753 tons = $375,858
[2] ($35.000 - $22.5286) x 117,628 tons = $1,466,984

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

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

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

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

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

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

2.4 Summary of Annual Budget

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

Table 2-7
FY 2009 Operating Expenses and Debt Service

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

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

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

Table 2-8
Total Net Revenue

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

2.5 Other Financial Issues

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

2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill

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

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

2.5.2 Disposal Payments

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

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

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

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

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

Table 2-9
Pre-Paid Disposal Fees

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

2.5.3 Participation by Additional Communities

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

2.5.4 Future Use of Reserve Funds

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

FY 2009 Disposal Fee Revenue

Schedule 1

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

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

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

FY 2009 Expenses

Schedule 2

Expenses

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

FY 2009 Expenses

Schedule 2

Reimbursable Expenses and Interest Income

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

Net Cost of Service Operating Expense Total	**($5,788,120)**
Total Tonnage	**$256,923**
Disposal Cost per Ton	**$22.53**

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

Total Expenses		**($7,869,554)**

Personnel

Schedule 3

Solid Waste Staff

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

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

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

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

Local Government Council Staff

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

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

Overhead	48.9%	Salary + Benefits	$36,574

Total Personnel Costs - Region 2000 Staff	$111,384

Total Personnel Costs	$1,311,325

Landfill Operating and Maintenance Expenses

Schedule 4

Operation and Maintenance Costs	FY 2021 Monthly Expenses
Contractual Services	
Third Party Software Maintenance Service	$6,700
Communications M&R Service	$1,100
Building M&R Services	$8,000
Site Maintenance - Lynchburg Landfill	$20,500
Site Maintenance - Campbell Landfill	$20,500
Sedimentation Basin Cleaning - Lynchburg Landfill	$35,900
Janitorial Services	$2,600
Med / Dental / Pharm / Lab Services	$1,000
Legal Services	$30,800
Auditing Services	$13,500
Engineering/Monitoring Services	$97,400
Professional Consulting Services	$46,100
Environmental Lab Services	$5,100
Temporary Personnel Services	$11,500
Advertising	$10,300
Software Purchases	$5,100
Pest Control Services	$1,200
Investigative Services	$500
Uniform Rental Services	$6,700
Tire Shredding Services	$7,200
Misc. Contractual Service	$2,600
Equipment Parts Supplier Admin	$12,800
Vehicle M&R Services	$111,100
Mechanical M&R Services	$10,300
City of Lynchburg IT Support	$5,100
Payroll Support Services	$20,500
Accounting Software	$800
Contractual Services Subtotal	**$494,900**
Supplies & Materials	
Forms & Stationary	$4,100
Office Supplies	$8,200
Custodial Supplies	$3,800
Apparel / Protective Wear	$3,400
Books & Publications	$1,500
Subscriptions	$200
Safety Supplies	$7,800
Awards & Recognition	$100
Grounds Maint. Supplies	$10,300
Food & Dietary Supplies	$2,100

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

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

Equipment

Schedule 5

Description	Original Cost	Year Acquired	Remaining Life	Acquisition Cost	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Hydro Seeding System with Air Gap Fillwell	$8,879	1992	0.0	$266	Y	2009	$13,510	5
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$8,850	1993	0.0	$266	Y	2009	$13,138	10
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$8,275	1994	0.0	$248	Y	2009	$11,984	5
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$12,359	1994	5.0	$4,607	Y	2015	$20,758	10
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$5,045	1995	0.0	$151	Y	2009	$7,128	7
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Portable Radios (18)	$32,400	1995	0.0	$972	Y	2009	$45,780	10
Mobile Radios (20) (mounted on equipment)	$36,000	1995	2.0	$4,800	Y	2011	$53,442	15
J. D. Rubber Tire Loader	$111,719	2006	10.0	$93,099	Y	2019	$154,006	12
Dozer (D8)	$286,793	1993	0.0	$20,076	Y	2009	$425,746	12
Tractor (John Deere 6200)	$44,872	1994	0.0	$1,346	N	0	$0	12
Street Flusher	$148,217	2006	10.0	$121,848	Y	2019	$201,562	12
Dump Truck	$41,358	1994	0.0	$1,241	Y	2009	$59,899	12
Pick-up 4X4	$22,002	2001	1.0	$2,750	Y	2010	$27,477	8
Dump Truck #1 w/Hook-Lift	$100,359	2002	2.0	$25,090	Y	2011	$125,335	8
Dump Truck #2 w/Hook-Lift	$144,933	2008	8.0	$144,933	Y	2017	$181,001	8
Truck	$25,980	2002	1.0	$3,711	Y	2010	$31,654	7
Forklift	$20,835	1997	1.0	$1,736	Y	2010	$28,721	12
Flatbed Trailer	$2,552	1997	1.0	$213	Y	2010	$3,518	12
Flatbed Trailer	$2,552	1998	2.0	$425	Y	2011	$3,518	12
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$1,395	1998	2.0	$233	Y	2011	$1,923	12
Snow Spreader for 4x4 truck (Western)	$2,100	1998	0.0	$63	Y	2009	$2,755	8
Pan Scraper (Wheel Scraper)	$319,000	2002	1.0	$45,571	Y	2010	$388,671	7
John Deere Riding Mower	$3,999	2002	2.0	$1,000	Y	2011	$4,994	8
Bushhog Mower (attach)	$5,400	2001	1.0	$675	Y	2010	$6,744	8
Compactor (Bomag)	$486,423	2007	4.5	$437,781	Y	2013	$564,102	5
Compactor (BOMAG)	$311,034	2004	1.0	$62,207	Y	2010	$360,704	5
973 Track Loader (CAT)	$291,624	2004	1.0	$58,325	Y	2010	$338,194	5
Open Top Bins (10)	$30,000	1998	0.0	$900	Y	2009	$39,363	10
Lawn Mower (Gravely M12S)	$5,829	1994	0.0	$175	Y	2009	$8,442	6
Chainsaw	$319	2001	0.0	$10	Y	2009	$389	5
Large Generator (KOHLR 20ROZJ61)	$10,000	1994	0.0	$300	Y	2009	$14,483	12
Freon Remover	$595	2005	2.0	$238	Y	2011	$690	5
Dodge Neon	$11,930	2004	6.0	$7,158	Y	2015	$15,653	10
Fuel Truck	$108,965	2005	9.0	$81,724	Y	2018	$150,209	12
Dozer (D3)	$60,987	1993	0.0	$4,269	Y	2009	$90,536	12
Ford Taurus	$13,484	2006	6.0	$10,113	Y	2015	$16,840	8
Hydroseeder (2007 Finn LF120)	$50,985	2007	4.0	$40,788	Y	2013	$59,127	5
Horizontal Silo	$69,500	2007	9.0	$62,550	Y	2018	$91,190	10
Riding Lawn Mower (John Deere)	$3,600	2004	3.0	$1,543	Y	2012	$4,386	7
Riding Lawn Mower (John Deere - LX 280)	$3,790	2006	5.0	$2,707	Y	2014	$4,618	7
Subtotal	$3,363,290			$1,294,246				

Equipment

Schedule 5

	Replacement Schedule (FY)						
Lynchburg	2009	2010	2011	2012	2013	2014	2015
Hydro Seeding System with Air Gap Fillwall	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$0	$0	$0	$0	$0	$0	$2,688
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Portable Radios (18)	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929
Mobile Radios (20) (mounted on equipment)	$0	$0	$5,149	$5,149	$5,149	$5,149	$5,149
J. D. Rubber Tire Loader	$0	$0	$0	$0	$0	$0	$0
Dozer (D6)	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035
Tractor (John Deere 6200)	$0	$0	$0	$0	$0	$0	$0
Street Flusher	$0	$0	$0	$0	$0	$0	$0
Dump Truck	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758
Pick-up 4X4	$0	$4,251	$4,251	$4,251	$4,251	$4,251	$4,251
Dump Truck #1 w/Hook-Lift	$0	$0	$19,392	$19,392	$19,392	$19,392	$19,392
Dump Truck #2 w/Hook-Lift	$0	$0	$0	$0	$0	$0	$0
Truck	$0	$5,470	$5,470	$5,470	$5,470	$5,470	$5,470
Forklift	$0	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240
Flatbed Trailer	$0	$397	$397	$397	$397	$397	$397
Flatbed Trailer	$0	$0	$397	$397	$397	$397	$397
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$0	$0	$217	$217	$217	$217	$217
Snow Spreader for 4x4 truck (Western)	$426	$426	$426	$426	$426	$426	$426
Pan Scraper (Wheel Scraper)	$0	$67,170	$67,170	$67,170	$67,170	$67,170	$67,170
John Deere Riding Mower	$0	$0	$773	$773	$773	$773	$773
Bushhog Mower (attach)	$0	$1,043	$1,043	$1,043	$1,043	$1,043	$1,043
Compactor (Bomag)	$0	$0	$0	$0	$130,293	$130,293	$130,293
Compactor (BOMAG)	$0	$83,314	$83,314	$83,314	$83,314	$83,314	$83,314
973 Track Loader (CAT)	$0	$78,114	$78,114	$78,114	$78,114	$78,114	$78,114
Open Top Bins (10)	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098
Lawn Mower (Gravely M12S)	$1,663	$1,663	$1,663	$1,663	$1,663	$1,663	$0
Chainsaw	$90	$90	$90	$90	$90	$90	$90
Large Generator (KOHLR 20ROZJ61)	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634
Freon Remover	$0	$0	$159	$159	$159	$159	$159
Dodge Neon	$0	$0	$0	$0	$0	$0	$2,027
Fuel Truck	$0	$0	$0	$0	$0	$0	$0
Dozer (D3)	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215
Ford Taurus	$0	$0	$0	$0	$0	$0	$2,605
Hydroseeder (2007 Finn LF120)	$0	$0	$0	$0	$13,657	$13,657	$13,657
Horizontal Silo	$0	$0	$0	$0	$0	$0	$0
Riding Lawn Mower (John Deere)	$0	$0	$0	$758	$758	$758	$758
Riding Lawn Mower (John Deere - LX 280)	$0	$0	$0	$0	$0	$798	$798
Subtotal	$88,670	$331,670	$357,757	$358,515	$522,915	$523,713	$529,371
	Present Value	$2,166,011					

Equipment

Schedule 5

Cat/Scat	Original Cost	Year Acquired	Remaining Life	Net Financing Needed	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Scale	$51,000		0.0	$1,530	Y	2009	$65,284	10
Above ground fuel tank	$18,000		0.0	$540	Y	2009	$23,042	10
2003 Pick-up truck	$20,737		0.5	$1,728	Y	2009	$23,754	6
Scalehouse software and hardware (including accounting system)	$17,000		0.5	$1,700	Y	2009	$18,996	5
1973 Fruehauf Tank Trailer	$5,125		4.5	$577	Y	2013	$0	40
2000 Mad Vac Trailer	$18,607		11.5	$10,699	Y	2020	$22,952	20
2002 Lowboy Trailer	$23,863		8.5	$13,522	Y	2017	$28,018	15
2004 Caterpillar 836G-11 Compactor	$392,970		6.4	$314,376	Y	2015	$408,808	8
Waste Oil Furnace	$5,495		9.0	$4,946	N	0	$5,632	10
Leachate truck (8100 International)	$40,000		2.0	$6,667	Y	2011	$51,203	12
Gas Meter and Water Level Indicator	$4,250		13.0	$2,908	N	0	$4,929	19
Subtotal	**$597,047**			**$359,192**				

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

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

Equipment

Schedule 5

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

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

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

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

Landfill Capital

Schedule 6

Capital Cost				
Lynchburg				
Existing Site Improvements	Original Cost	Acquisition Cost		
Land, Site Prep., Grading, Clearing, Access Roads, Fencing	$194,925	$72,656	2009	5
Pipe, Sewer 18" Concrete 3993 LF Landfill-Concord Turnpike	$253,684	$94,558	2009	5
Landfill Site Preparation, Grading, Clearing, Re-Routing Waterways, Wood Waste Area	$2,040,762	$760,668	2009	5
Storm Drainage	$99,189	$36,972	2009	5
Pipe, Water, 6" Diameter, Approx. 1,785LF	$69,614	$25,948	2009	5
Pipe, Sewer, 8" Diameter, Approx. 1,180LF	$88,158	$32,860	2009	5
Concrete Pad	$58,327	$21,741	2009	5
Asphalt Paving, Entrance & Access Roads, C&G, Oper. Bldg. Prkng-800SY Appx. $15000, & Admin Bldg $2500	$664,945	$247,850	2009	5
Guardrail	$33,531	$12,498	2009	5
Fencing, Wood & Chain Link	$23,717	$8,840	2009	5
Sediment Basin #3	$6,649	$2,478	2009	5
Erosion Control System, Straw Bales, Siltation Control Fences, Brush Barriers, Riprap	$135,354	$50,451	2009	5
Electrical Wiring	$45,690	$17,031	2009	5
Pipe, Water, 1" Copper, 68LF	$2,985	$1,113	2009	5
Pipe, Sewer, 12" RCP. W/One Manhole, 30LF	$4,377	$1,632	2009	5
Pipe, Water, 1 1/2" Copper, 180LF	$996	$371	2009	5
Pipe, Sewer, 24" DI, 60LF	$4,710	$1,755	2009	5
Landfill, Earthwork, Pushed Area For Rock Tenn	$1,039	$387	2009	5
Pipe, Sewer, 4" PVC, 115LF	$3,545	$1,321	2009	5
Pipe, Sewer, 4" PVC, 2 Lines, 130LF(total)	$3,206	$1,195	2009	5
Pipe, Sewer, 2" Copper W/Meter Box & Yoke, 90LF	$1,850	$689	2009	5
Pipe, Sewer, 8" VC, 128LF	$7,787	$2,903	2009	5
Pipe, Sewer, 8" VC, 128LF	$3,894	$1,451	2009	5
Pipe, Sewer, 8" DI Cl. 50, 292LF	$23,027	$8,583	2009	5
Asphalt & Concrete Paving, Curbs, Gutters, Sidewalk Ditches, & Shoulder Stone	$31,770	$11,842	2009	5
Curbs & Gutters, 220LF	$5,505	$2,052	2009	5
Curb & Gutter, 211LF	$2,496	$930	2009	5
Asphalt Paving, Nickerson Drive	$4,219	$1,573	2009	5
Asphalt Paving, Industrial Dump Site, Access Road, Turnaround Area	$36,978	$13,783	2009	5
Lighting System, Roadway, 41 Poles w/400W Mounted Lights, Aerial Cables, Remote Control Wiring, 24Hr.	$126,932	$47,312	2009	5
Gate, Rear Entry to Landfill, 30'	$13,758	$5,128	2009	5
Pipe-Leachate 2,500 LF	$84,435	$9,091	2009	5
Land Improvements	$5,797	$624	2009	5
Pipe	$9,275	$999	2009	5
Landfill Monitoring System (Infrared Analyzer for Methane & Carbon Dioxide)	$3,456	$1,728	2009	5
	$4,096,580	**$1,501,011**		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Construction and Components of Phase III Landfill Development	$1,898,134	$754,265	2009	5
Land, Sanitary Landfill Concord Turnpike - 9.80 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.02 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.75 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 8.13 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 0.40 Acres Tax Map	$1,998	$745	2009	5
Land, Sanitary Landfill Concord Turnpike - 22.84 Acres Tax Map	$38,985	$14,531	2009	5
Land, Sanitary Landfill Concord Turnpike - 28.70 Acres Tax Map	$52,176	$19,448	2009	5
Land, Sanitary Landfill Concord Turnpike - 2.67 Acres Tax Map	$74,475	$27,760	2009	5
Land, Sanitary Landfill Concord Turnpike - Approx. 2 Acres Tax Map	$71,751	$26,744	2009	5
Land, Sanitary Landfill, Property Fronting Concord Turnpike Tax Map	$10,148	$3,783	2009	5
Land, Sanitary Landfill, Tyreeanna Rd.,Tax Maps	$45,803	$17,072	2009	5
Landfill Liner System, Clay Liner	$505,261	$188,330	2009	5
Landfill Liner System, Leachate Collection 6" Perforated PVC Pipe In 1 1/2' VDOT #3 Stone	$120,887	$45,059	2009	5
Landfill Liner System, HDPE Liner, 60 Mils. Dense, GEONET Liner, Non-Woven, GEOT Extile Heat Bonded	$844,507	$314,779	2009	5
Landfill Liner System, Cushion Layers, Soil and Stone	$728,874	$271,678	2009	5
Landfill, Design & Engineering	$458,198	$170,787	2009	5
Environmental Assessments, Tyreeanna Land Purchase	$53,405	$19,906	2009	5

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

Landfill Capital **Schedule 6**

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

Closure and Post-Closure

Schedule 7

Regional Entity Start Date 7/1/2008

Lynchburg	Total Liability Starting FY 2009	Filled	Remaining	Needed	Inflation Period	Inflation Adjusted	Remaining	Annual Charge
Closure Cost	$3,529,347	$2,213,828	$1,315,519	9/1/2013	5.2	$1,494,527	5.2	$274,580
Total Post-Closure Cost	$2,456,917	$1,541,133	$915,784	9/1/2013	5.2	$1,040,399	5.2	$191,146
	$5,986,264	$3,754,961	$2,231,303			$2,534,925		$465,725
Campbell								
Closure Cost	$3,395,316	$1,716,198	$1,679,117	4/1/2022	13.8	$2,357,948	8.6	$249,698
Post-Closure Cost	$1,551,941	$784,445	$767,496	4/1/2022	13.8	$1,077,778	8.6	$114,133
	$4,947,257	$2,500,644	$2,446,613			$3,435,726		$363,831
Regional Total		$6,255,604	$4,677,918				13.8	

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

Borrowing Costs and Debt Service Reserve

Schedule 8

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

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

Interest Earned on Reserve Accounts

Schedule 9

[redacted]	[redacted]	[redacted]
Environmental Remeditation	$50,000	$1,250
Future Diposal Planning and Engineering	$50,000	$1,250
Total	**$100,000**	**$2,500**

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

Item No. 3

Region 2000 Services Authority

Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
September 25, 2019
2:00 p.m.

Draft Minutes

Board Members Present

Susan Adams.....Appomattox County
Steve Carter .....Nelson County
Frank Rogers.....Campbell County
Gaynelle Hart, Alternate for Bonnie Svrcek.....City of Lynchburg

1. **Welcome**

   Frank Rogers, Vice-Chair, welcomed everyone and opened the meeting at 2:00 p.m.

2. **Public Comment**

   John Hardie voiced his opposition to more waste coming to the Livestock Road Landfill from a neighboring locality.

   Judy Doering spoke, also declaring her opposition to Bedford County waste.

3. **Approval of July 31, 2019 Meeting Minutes**

   The motion was made by Susan Adams, and seconded by Steve Carter, to approve the meeting minutes of July 31, 2019. The motion was unanimously approved.

4. **Financial Update**

   a) Year to Date Report – Rosalie Majerus reviewed the current financial report.
      - Revenue tonnage is where it should be in the budget, as is the total revenue received to date.
      - Cost of Service is currently $31.73/ton versus a budget of $30.25/ton. This is mainly due to a number of one-time costs.

EXHIBIT tabbies E

b) Forgiveness of Late Penalty of $7,972.21 for First Piedmont Waste Disposal
First Piedmont was late with a payment, but due to being a good customer the Authority was asked to forgive the late penalty in the amount of $7,972.21.

A motion was made by Steve Carter, and seconded by Gaynelle Hart, to forgive the late penalty. The motion was unanimously approved.

Clarke Gibson presented another account with a late penalty dating back to 2011, with an out of town contractor. He asked the Authority to forgive the late penalty of $5,867.15.

Steve Carter made the motion to forgive the late charge of $5,867.15. The motion was seconded by Gaynelle Hart, and unanimously approved.

5. Bedford County Request for a Contract for 15,000 Tons of Solid Waste per Year for Five Years

Gary Christie explained that he has received a formal request from Bedford County for a contract with the Services Authority to bring up to 15,000 tons of solid waste to the Livestock Road Landfill per year for five years, with five one year renewable optional years at the commercial rate. The solid waste would not include sludge, and reciprocal landfill space would not be available.

One month of landfill space would be lost for each year that 15,000 tons were received, while there would be about $450,000 in additional revenue going into the operation funds at $30.25/ton. There would also be $10.00/ton going into the excess revenue account.

Staff recommended moving forward with negotiations of the five year contract at the rate of $40.25 with $30.25 going to operations and $10.00 to excess revenue. Subsequent years would be billed at $40.25 based on the cost of living, not necessarily fluctuating with the cost of service rate. A clause would be suggested that allows for negotiation or termination of the contract within 12 months, if the loss of a major waste customer (like County Waste) is anticipated. He also suggested tracking this excess revenue as a separate contract, dividing it equally among the jurisdictions who are not receiving excess revenue payments currently.

Frank Rogers reported that this item was taken before the Campbell County Board of Supervisors and they voted unanimously to reject the Bedford County trash.

Mr. Rogers made a motion to decline Bedford County's request for a contract for 15,000 tons of solid waste per year for five years. The motion was seconded by Susan Adams.

The vote was:
Susan Adams – Yes
Steve Carter – Yes
Frank Rogers – Yes
Gaynelle Hart – Nay

Bedford's request was denied.

Mr. Carter made a motion to suggest the Authority correspond with Bedford County requesting membership. Susan Adams seconded the motion. The motion carried unanimously.

6. Distribution of 2018-2019 Excess Revenue

Gary explained that the auditors have determined that the Authority generated $1,407,595 in excess revenue in 2018-2019. The distribution pattern has been 30.6% to Lynchburg and 69.4% to Campbell County. He recommends distribution of:

$430,724 to Lynchburg
$976,871 to Campbell County

Frank Rogers made the motion to approve the excess revenue distribution. The motion was seconded by Gaynelle Hart.

Before the vote was taken, Mr. Rogers addressed those present, reminding everyone that excess revenue has been a topic of conversation for several years. He stated that over time Campbell County and Lynchburg have contributed a great deal of capacity to the benefit of the region. This capacity was paid for over time through the levy of excess revenues. The value of Campbell County's contribution can be equated to an excess of $24M, of which to date a little over $8M of the full 10 year term of the arrangement has been received for this capacity. Mr. Rogers hoped the Authority would continue in this practice and affirm the payment of excess revenues again this year.

Susan Adams suggested using some of this money to offset debt service as well as add to landfill closure cost funds. She also suggested using funds toward operational costs by reducing tipping rates.

The vote was:
Susan Adams – Nay
Steve Carter – Nay
Gaynelle Hart – Yes
Frank Rogers – Yes

The vote failed to approve the motion for excess revenue distribution.

7. Authorization to Expend $45,000 from Closure/Post Closure Funds for the Extension of Components of the Gas Collection System at the Phase IV Cell of the Livestock Road Landfill

At the last Authority meeting staff described the next landfill gas collection system expansion project to be constructed in 1 ½ to 2 years when the third lift in the current operating Phase IV is complete.

Clarke Gibson reported that staff recommends with proceeding with construction of an initial part of this project, which is a permanent phase construction along the southeastern fill slope with a second lift in Phase IV at a cost of $45,000. He recommended using the available closure funds to fund the project. With approval, this project could be completed by Thanksgiving.

No action was taken at this time.

However, later in the meeting Steve Carter asked to revisit this item. He asked Mr. Gibson to explain the expansion of the gas system at Livestock Road and if it is beneficial to the neighborhood as well as the Authority. Mr. Gibson answered that it is. It will increase the landfill gas collection volumes and will help with odor complaints. Since the first phase of the gas collection system was installed there has been over a 90% reduction in complaints. He assured Mr. Carter that it is cost effective at this time.

The motion was made by Steve Carter to authorize the expenditure of $45,000 from the closure-post closure fund for expansion of the gas collection system. The motion was seconded by Frank Rogers and was unanimously approved.

Gary Christie suggested having a meeting arranged at the landfill for those interested to see the cell IV and get an update on what is on site.

8. RFP for use of Landfill Gas at Livestock Road

Bob Dick with SCS was available to answer questions on the draft RFP for a Landfill Gas to Energy Development Project at the Livestock Road facility. He advised that this RFP is structured so the Authority retains responsibility for permit design, finance and construction of the gas collection and control system facilities, in accordance with what staff directed. This allows the Authority to stay in full control of maintaining regulatory compliance and odor controls.

Mr. Dick added that Authority staff has advised there would be some slight modifications to the RFP in terms of wordsmithing. They will also convey to private sector proposers that the Authority will aggressively continue to extract the gas for odor control purposes, which will have some detrimental effect on the quality of the gas.

A motion was made by Gaynelle Hart to accept the RFP for landfill gas at the Livestock Road facility. Frank Rogers seconded the motion and it was unanimously approved.

9. Update on Gas Collection at Concord Turnpike

Brendan Hefty reported that his office is working on an agreement with the previous operator of the gas collection system at the Concord Turnpike Landfill to work out an agreement for hiring a third party appraiser to come to a valuation of the above ground equipment.

Clarke Gibson reported that SCS is the Authority's appraiser, and Virginia LandGas has hired an appraiser. The two appraisers got together and a third party was agreed on. A site visit has been made, but a report has not yet been given. He also reported that about $10,000 has been spent in capital upgrades to the system and $2500/month in ongoing labor costs.

10. Director's Report

a) Cost of a Landfill Capacity Survey – Clarke reported that an estimate for another consultant to do a permitting capacity study would be about $7,500 - $8,000. No action was taken.

b) Solid Waste Management Plan Update Cost – The Solid Waste Management Plan is required to be updated every five years, and the update is due next spring. A task order is being prepared with Draper Aden on the scope and cost and Mr. Gibson hopes to have the final task order ready by December.
c) Tonnage Chart through August – Tonnage is reported to be on track or above budget projections.
d) Hazardous Household Waste Collection – October 12, 2019 – The next hazardous waste collection is scheduled for October 12.
e) CY 2018 Recycling Rate – The approved 2018 recycling rate from the DEQ has been received. The rate was approved at 38% of the waste stream. The mandated recycling rate from the state is 25%.

11. Other Business

- Susan Adams suggested having Authority meetings at the landfill to better help with decision making. Gary Christie advised that at the December meeting the schedule would be set for the next year and locations can be discussed.

12. Adjourn – There being no further business, the meeting adjourned at 3:05 pm

The next meeting will be on December 4, in the Haberer Building, at 2:00 pm.

Memorandum

To: Steve Carter, Nelson County Administrator

From Gary Christie

RE: Distinctions between Airspace and Landfill Capacity

Date: August 6, 2019

CC: Region 2000 Services Authority Members
CVPDC and Services Authority Management Team

Bonnie passed along your note of Friday the 5th about Kim Payne's letter of July 20, 2012. Here's some information that might be helpful.

The Region 2000 Services Authority Member Use Agreement Section 3.1 envisioned the Authority paying for the infrastructure of the landfills at Lynchburg and Campbell through a one-time payment. The Agreement also envisioned in Section 5.11 the Authority paying for the airspace within those landfills through Excess Revenue payments.

In the beginning of the Authority we bought the assets of both landfills as determined by a Burns McDonnell (then RW Beck) analysis. Assets that we bought included:

- Real estate
- Access rights
- Designated buildings
- Equipment
- Rolling stock

The price for those assets were determined by Burns McDonnell based on:

- Site Improvements
- Landfill Capacity and Land
- Buildings
- Equipment and rolling stock
- Closure and post closure funds that a locality may have on hand

The details on how the price of the infrastructure was set comes from a 3-19-2008 report, Financial Inventory and Fiscal Year 2009 Annual Budget, which was our first budget. Section 1.3 describes each asset; Section 1.3.2 describes "Landfill Capacity and Land" consisting of the following components:

- Engineering and construction costs of landfill cells, collection system
- Permitting costs
- Reports and studies (e.g. environmental assessments, surveys, etc.)

EXHIBIT
tabbies
F

- liner systems and leachate

The detailed list of prices for each item of the "landfill capacity and land asset" for Concord Turnpike is itemized on Schedule 6 within the report. Items like land, site preparation, pipes, electrical wiring, asphalt paving lighting, gates, liners, engineering, etc., are listed at an original cost of $8,601,589. We didn't pay full price for the infrastructure because some of the infrastructure had been previously used. Burns McDonnell determined how much to discount the original price based on how much life was left in the cells, or how much airspace had been used.

Because the some of the airspace at the landfill had been used previously that number was discounted to $4,260,064, called an acquisition cost. Everything we paid for at Concord Turnpike that we bought from the City is listed on Schedule 6 totaling $4,260,064. Airspace is not on that list.

We measured how much to discount the "Landfill Capacity and Land" assets based on the amount of airspace that had been previously used. If the asset was valued at its original price, it would have a full life of airspace available. Since none of the assets had a full life of airspace available, then the amount of airspace not available serves as the measure to reduce our payment for the asset and we can determine the acquisition price.

So airspace does factor into the formula to determine how much we pay for the infrastructure which we call landfill capacity. However, Burns McDonnell did not include airspace one of the components to determine the price of the landfill's assets.

We bought the assets in 2009 based on the formula described in the 3-19-2008 report which gave the Authority a discount from the original asset's value based on airspace. In 2011 Clarke and Buzz realized that there wasn't as much airspace in the landfill as we expected and had another survey done by a different company. This second survey showed about 24% less airspace than our first survey.

Because we use airspace as the factor to discount the value of the asset from its original purchase price, we needed to adjust the purchase price downward. Thus, Kim's letter of July 20, 2012 recognizes the lower value of the asset since the life of the landfill would be shorter based on the reduced amount of airspace and provides instructions on how the City wanted to refund the money owed.

The 7-20-12 letter discusses airspace because the price of what we pay is discounted by the life of the asset as determined by remaining airspace. But it doesn't say or imply that the remaining airspace is part of the infrastructure asset that we bought when we took over the Concord Turnpike operation.

The 7-20-12 letter doesn't include airspace as part of the Concord Turnpike assets because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. That's never changed.

Seth Cunningham and Scott Pasternak of Burns McDonnell reiterated that in a memorandum of June 10, 2015. Seth reiterated again that the "landfill capacity and land" component of the price did not include airspace in an e-mail of 9-21-17.

You'll see airspace in all of the communications about the infrastructure assets we bought because available airspace is how we judge how much to discount the asset. Just because we base the discount on available airspace doesn't mean that the value of the airspace is included in the price of the asset. It is not.

The terms are pretty consistent throughout Burns McDonnell's paper work: Landfill Capacity refers to the ground based infrastructure that holds the solid waste while airspace refers to the space within the infrastructure that is filled by the solid waste.

Hope that helps and I'm happy to talk with you about these distinctions at your convenience.

Attachments:

- Financial Inventory and fiscal Year 2009 Annual Budget, R. W. Beck, March 19, 2008
- August 5, 2011 memorandum from R. W. Beck on the Payment from Lynchburg
- June 10, 2015 memorandum from Burns & McDonnell on Excess Revenue Review
- September 21, 2017 E-mail from Seth Cunningham

MEMORANDUM

R·W·BECK

To: Mr. Bryan David, Amherst County
Mr. Jack Gross, City of Bedford
Mr. David Laurrell, Campbell County
Mr. Steve Carter, Nelson County
Mr. Kim Payne, City of Lynchburg

CC: Mr. Bob White, Virginia's Region 2000 Partnership Local Government Council
Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

From: Scott Pasternak

Subject: Regional Solid Waste Financial Compensation and Planning Issues

Date: September 8, 2005

The purpose of this memo is to summarize key financial and planning issues that R. W. Beck would like to receive input on from the participating communities concerning the Regional Solid Waste Management Analysis that R. W. Beck is completing on behalf of the Virginia's Region 2000 Partnership Local Government Council (Council). We would expect that these issues would be discussed during a meeting in October.[1]

Issue 1: How should each landfill community be compensated for the net assets that would become part of the new regional system?

As a part of the transition to the Regional Entity, the assets from the landfills would need to formally transfer from each landfill community to the Regional Entity. As a part of this process, decisions need to be made concerning how the communities should be compensated. In the interest of reducing potential debt service costs, R. W. Beck would recommend the consideration of either option B or C.

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

[1] This meeting will ideally occur after we receive a response from the Virginia Department of Environmental Quality concerning regulatory solid waste issues.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
tabbies
G

Issue 2: How should potential excess revenue or short-term deficits generated by the Regional Entity be used or distributed?

There is a possibility that the Regional Entity may generate excess revenue.[2] If this does occur, the need will exist to decide how this excess revenue should be used and/or distributed. It is important to note that scenarios could occur where the Regional Entity would incur short-term deficits. In general, the Regional Entity would benefit from using excess revenue to establish a reserve fund, which could be used to off-set any potential short-term deficits. Once the reserve fund is established, additional excess revenue could be distributed to member communities. The following options focus on the use of excess revenue (note: more than one option could be selected):

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

BOTH COMBINE

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

Issue 3: How will local governments pay for the tonnage that they send to the landfill from their collection vehicles and/or convenience stations?

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

Recommendation: Each individual community pays a fee based on the tonnage brought to the facility based on the established member community disposal rate. Each local government would need to decide whether it would fund this expense either through rates, assessments or the general fund.

[2] It should be emphasized that the potential for excess revenue will likely depend on whether waste from BFI is disposed of within Region 2000 in the future given BFI's on-going efforts to permit and develop a transfer station in Appomattox County.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issues 4: How should the rate structure be established?

Decisions will need to be made concerning how disposal rates will be established for the Regional Entity. Since there are no regulations concerning these rates, this will be a policy decision by the Regional Entity and the member communities.

Recommendation: Member communities pay a rate based on the cost of service. The cost of service could be calculated directly by Regional Entity staff or by an independent third party (e.g. consulting firm). The Regional Entity would need to reevaluate this rate once every one to two years.

PAY SAME GATE RATE/AS BASED ON MARKET COMMERCIAL WITH REBATES

Non member local governments and private companies would pay a "market rate," which could vary based on quantity and time periods. The Regional Entity could also consider inter-local agreements and contracts with these entities.

Issue 5: How should the Regional Entity address potential cases where another community wants to join the Regional Entity?

In the future, there may be other communities that express an interest in joining the Regional Entity. If this occurs, having a policy in place of how to address this would be beneficial.

Recommendation: Require the interested community to fund an analysis that would evaluate the financial and operational feasibility of their participation. If it is feasible, require the prospective member to pay a pro rata fee of all expenses to date related to the feasibility and establishment of the Regional Entity.

Issue 6: What resource should the Regional Entity use for administration support functions?

While the Regional Entity will make efforts to be as self-sufficient as possible, the Regional Entity will need some outside assistance concerning various administrative functions. These functions may include payroll, human resources support, etc.

Option A: Contract with the Council

Option B: Contract with one of the participating communities

Option C: Contract with a private company that provides these services

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issue 7: How will the participating landfill communities fund their existing financial assurance liability for closure and post-closure?

Each of the three landfill communities will need to compensate the Regional Entity for existing financial assurance liabilities for closure and post-closure since the Regional Entity will assume this responsibility in the future. The amount will be based on the quantity of air space consumed by each landfill community. In the establishment of the Regional Entity there will be a need to fund the closure and post-closure reserves for the Regional Entity.

Of the three landfill communities, the City of Lynchburg has saved funds for its future closure and post-closure costs. Amherst and Campbell Counties have decided to address this issue using a different approach, where they will fund this liability in the future.

Option A: Community would transfer the current liability amount to the Regional Entity upon creation of the Regional Entity. This option is feasible for the City of Lynchburg since it already has reserves in place for this purpose. R. W. Beck would recommend that the City of Lynchburg pursue this option.

Option B: For Amherst and Campbell Counties there may be a need to identify an alternative to the immediate transfer of the reserve amount to the Regional Entity. One approach to this would be to account for the closure and post-closure liability as a part of the asset/liability inventory being conducted. Through this approach, the community's net asset contribution reflects a liability for the closure and post-closure costs, which would reduce the asset valuation. Depending on the value of the assets and closure and post closure liabilities, there may be cases where the community has a negative net-asset value. In these circumstances, the community would need to pay the Regional Entity over time either through a higher rate or receiving less excess revenue (if applicable). The Regional Entity would also need to build a reserve fund that would be used in the future to fund future closure and post-closure costs. Efforts also need to be undertaken to evaluate whether this approach would satisfy financial assurance requirements.[3]

Issue 8: How would the participating communities like to address disposal needs after the existing landfills reach capacity?

After the landfills in the region reach final capacity, decisions will need to be made concerning the next disposal method. While the need for this would be approximately 15 – 20 years from now, it is important to being planning these decisions as early as possible given the time required

[3] R. W. Beck is currently completing this as a part of the regulatory analysis for this project.

to permit and develop solid waste facilities. Note, a specific decision on this issue is not required at this time.

Option A: Consider expanding an existing site or developing a new site within Region 2000. Could consider a "host fee" as an incentive to encourage a participating community.

Option B: Further examine opportunities to direct haul waste to the Appomattox County Landfill, which has approximately 1,000 permitted acres.

Option C: Consider the development of a transfer station, which would be used to send waste outside of Region 2000.

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019
2:00 p.m.

AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair
   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair
   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)

5. **Request from Wheelabrator** ..... Clarke Gibson

7. **Director's Report** ..... Clarke Gibson

8. **Meeting Schedule and Location**

   a) January 22
   b) March 25
   c) May 20
   d) August 26
   e) December 2

9. **Closed Session**

10. **Next Meeting:** January 22, 2020

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019

2:00 p.m.

WORKING AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair

   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair

   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)
   a) Audit report
   b) Year to Date Revenues/Expenditures
   c) Budget Schedule
      i. January 22 – initial budget discussions/presentation
      ii March Budget Work Session
      iii. May Approval

5. **Request from Wheelabrator** ..... Clarke Gibson

   Bays Trash Disposal/Wheelabrator of Bedford asks if we will accept an industrial dust and slag material, much like we were taking from Griffin Pipe.

   Recommend:

   a) $36.23 per ton for dust (10% discount for high density waste) – estimated 2,500 tons per year would generate $90,575 for operating fund and $14,950 for Excess Revenue fund. The price would fluctuate as the commercial rate changes over the years, but would always be 10% less than the commercial rate.

b) $0 for slag (inert material with beneficial use) – estimated 2,000 tons per year that could be used on our internal roads and reduce the amount of stone material purchased for road maintenance
c) 5 year contract with two one year optional renewals

6. **Director's Report** ..... Clarke Gibson

a) Report on Livestock Road Gas Collection System RFP
b) Tonnage *(Attached)*
c) Report on Hazardous Household Waste Collection event in October
d) Safety Meeting
e) Odor Update
f) Solid Waste Management Plan

7. **2020 Meeting Schedule and Location (suggesting 5 meetings instead of six)**

a) January 22
b) March 25
c) May 20
d) August 26
e) December 2

8. **Other Business**

9. **Closed Session**

Closed Session: Consultation with legal counsel pertaining to probable litigation regarding the Concord Turnpike Gas Collection System and consideration of salary increases for two Service Authority employees.

Return to Open Session

I move that the Board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed or considered in a closed session.

10. **Next Meeting:** January 22, 2020

March 4, 2005

VIA EMAIL

Mr. Robert White
Deputy Director
Region 2000 Regional Commission
915 Main Street, Suite 202
Lynchburg, VA 24504

Re: Regional Solid Waste Management Analysis – Draft Report

Dear Mr. White:

R. W. Beck is pleased to submit our draft report to the Region 2000 Regional Commission (Commission) of the "Regional Solid Waste Management Analysis" that we have completed.

R. W. Beck would emphasize that to provide the report to the Commission by the requested deadline, we have not completed our final internal review. We will continue to review the report to ensure that all information is as accurate as possible.

The analysis and recommendations presented in this study would not be possible without the assistance of staff from the Commission and each of the participating communities. We would like to express our sincere appreciation to those who participated in the conduct of this analysis.

If you have any questions concerning the enclosed report please call me at (512) 450-0991. We look forward to our meeting next week to discuss the draft report.

Sincerely,

R. W. BECK, INC.

Scott Pasternak
Manager

cc: Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
14

R. W. BECK
Regional Solid Waste Management Analysis

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables

Section 1 Executive Summary 1-1
- 1.1 Introduction 1-1
- 1.2 Project Purpose 1-2
- 1.3 Planning Level Financial Review 1-2
- 1.4 Waste Stream Analysis 1-2
- 1.5 Cost Analysis of Existing Transfer/Disposal Operations 1-3
- 1.6 Regional Alternative: Joint Use of Existing Facilities 1-3
- 1.7 Regional Alternative: Waste-to-Energy 1-4
- 1.8 Regional Alternative: Transfer Station 1-5
- 1.9 Creation of a Regional Authority 1-5
- 1.10 Key Findings and Recommendations 1-6

Section 2 Waste Stream Analysis 2-1
- 2.1 Introduction 2-1
- 2.2 Historical Tonnage Amounts 2-1
- 2.3 Population Forecast 2-3
- 2.4 Projected Tonnage Amounts (2006–2015) 2-4

Section 3 Cost Analysis of Existing Transfer/Disposal Operations 3-1
- 3.1 Introduction and Methodology 3-1
- 3.2 Cost Analysis for Participating Communities 3-1
- 3.3 Cost Analysis for Appomattox and Bedford Counties 3-8

Section 4 Regional Alternative: Joint Use of Existing Facilities 4-1
- 4.1 Overview 4-1
- 4.2 Regulatory Considerations 4-2
- 4.3 Cost Analysis 4-2
- 4.4 Advantages and Disadvantages 4-15
- 4.5 Industry Trends 4-15
- 4.6 Conclusion 4-16

Table of Contents

Section 5 Regional Alternative: Waste-to-Energy **5-1**
- 5.1 Overview 5-1
- 5.2 Cost Analysis 5-2
- 5.3 Incremental Cost Analysis 5-3
- 5.4 Advantages and Disadvantages 5-4
- 5.5 Industry Trends 5-4
- 5.6 Conclusion 5-5

Section 6 Regional Alternative: Transfer Station **6-1**
- 6.1 Overview 6-1
- 6.2 Cost Analysis 6-1
- 6.3 Incremental Cost Analysis 6-5
- 6.4 Advantages and Disadvantages 6-5
- 6.5 Industry Trends 6-6
- 6.6 Conclusion 6-6

Section 7 Creation of a Regional Authority **7-1**
- 7.1 Introduction 7-1
- 7.2 Reasons to Consider a Regional Authority 7-1
- 7.3 Legal Process 7-1
- 7.4 Next Steps to Develop a Regional Planning Authority 7-2

Section 8 Economic Comparison and Recommendations **8-1**
- 8.1 Introduction 8-1
- 8.2 Economic Comparison of Regional Alternatives 8-1
- 8.3 Key Findings and Recommendations 8-13
- 8.4 Additional Opportunities for Regionalization 8-15
- 8.5 Waste Generation Assessments as a Cost Recovery Tool 8-18

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

Copyright 2005, R. W. Beck, Inc.
All rights reserved.

1. Facilities
2. Land
3. Buildings
4. Equipment
5. Permits

For each asset, the value should be calculated based on valuation criteria typically used in the solid waste industry and be based on the asset's remaining useful life.

Similarly, the value of each community's solid waste liabilities would need to be calculated. A valuation of liabilities may include the following:

1. Closure costs
2. Post-closure costs
3. Existing debt service

The total value of a community's liabilities contributed would be applied against the value of assets contributed, yielding a net asset (or net liability) contribution figure. This approach would serve as the basis for each community's net asset contribution valuation.

7.4.3 Compensation Scenarios

There would be a need to determine how each community would be compensated for (1) the net assets that would become part of the new regional system and (2) potential excess revenue that would not be generated by individual facilities when a regional system is created. Such compensation could be provided via a number of methodologies including the development of rate structures for each community that reflect the net value of their respective net solid waste assets contributed or the development of a single rate structure for all communities that reflects any new debt the new regional entity would issue to compensate each community for their respective net solid waste assets. To the extent that excess revenue will be generated in the future, there will be a need to determine how to allocate these funds to the communities with landfills.

Note that in the event any community's liabilities contributed exceed its assets, the first scenario could be employed in its present form to compensate other communities. If the second scenario were to be used under such a circumstance, a surcharge should be added to the rate of the net liability contributing community to enable the other communities to recover the amount of this net liability.

7.4.4 Financial Analysis

After determining the specific operational plan for the regional authority, there would be a need to complete a thorough financial analysis. This analysis would build from the evaluation completed in this report. This evaluation would provide a more

2/20/07
2/5/07

BOARD OF SUPERVISORS MINUTES

// REGIONAL LANDFILL LOCAL OPERATIONS

Clifton M. Tweedy, Deputy County Administrator, along with Bob White, Region 2000 Local Government Council, requested the Board's approval to form a Regional Landfill Authority with Amherst County, Nelson County, the City of Bedford and the City of Lynchburg. Jeffrey T. Crate of Draper Aden Associates was also present.

The regional concept calls for the three communities that have landfills, Amherst County, City of Lynchburg and Campbell County, to come together with the City of Bedford and Nelson County under one management group and operate one landfill at a time. Once this concept was approved by the member localities, the working group was directed to move into the implementation phase. The first step was to work with the Department of Environmental Quality (DEQ) to determine if the concept would meet their regulatory needs. DEQ has been supportive of the concept. The group was also asked to look at allowing Amherst County to operate its landfill at the same time as Campbell County and the City of Lynchburg. While it would cost a little more, doing this would still make sense from a regional perspective. Any increased costs would be borne by Amherst County. The third task was to come up with a detailed implementation schedule and budget formation.

Mr. White reviewed the cost savings to the members of the regional landfill. Over the course of the life of the current landfills, the region could save over $35 million. Campbell County would save nearly $17 million as a result of savings from tipping fees and excess revenue from fees charged to haulers.

The next steps would involve legal, engineering and staffing activities related to forming the Authority by May 2007. This would cost the member localities approximately $181,000, of which Campbell County would be required to pay $30,838. It was the goal to have the Authority up and running by July, 2008 at a cost of approximately $549,500 (Campbell County's share would be $120,890). The working group requested the Board's approval to move forward with the implementation phase.

In answer to questions raised at the last meeting regarding services provided at the local level, Mr. Tweedy looked at the savings on a yearly basis. The projected annual savings was approximately $980,000. The County could operate three days a week to accept the citizens free tonnage, white goods, bulk items, tires, etc. at a cost of $50,000 per year. To operate six days a week would cost an additional $60,000 mostly for personnel costs. The cost to haul waste from the green box sites (transfer sites) to Lynchburg for the first six years would cost around $180,000. The County would be able to save these costs when the landfill comes back to Campbell County. With a contingency of $100,000, the net annual savings was estimated at $650,000. An additional $75,000 could be saved if the Board chose to close the landfill and ask the citizens to take their bulk items to the City of Lynchburg.

The Public Works Committee has discussed the formation of an in-house construction group to build ball fields, demolish buildings and take care of nuisances. This has been included in the priorities and initiatives and could reduce the net annual savings by $150,000. If this is

EXHIBIT
tabbies
I

approved, the current equipment should be adequate for four or five years, then the Board would need to consider the purchase of new equipment.

Mr. Tweedy indicated that a decision on the provision of local services was not required at this meeting. The Authority would not begin operations until July, 2008, so the Campbell County landfill would continue normal operations through June 30, 2008 and then it would take some time to transition to the authority. The management of the Authority would be set up along the same lines as the regional jail with each locality appointing one member to the Authority.

Supervisor Gunter expressed some concern if the County only accepts bulk items on three days. Mr. Tweedy advised the majority of bulk items were currently received on Friday, Saturday and Monday. The transfer sites were not a part of the regional landfill and would be operated on a normal basis. Supervisor Gunter commented the County would need to consider several sources to explain this new initiative to the citizens. Mr. Tweedy agreed indicating information would be transmitted via the newspaper, the County Chronicle and possibly flyers handed out at busy transfer sites.

In answer to a question by Supervisor Falwell, any usable equipment currently owned by each locality would be purchased by the Authority. Believing the Authority might become a reality, Campbell County has delayed the purchase of some equipment. Other equipment may be retained for the in-house construction group; therefore, by the time the transfer of equipment is made to the authority, Campbell County would have very little useful equipment. The compactors at the transfer sites were owned by the hauler and would remain at the transfer sites.

Supervisor Pendleton commented the concept of a regional landfill has been discussed many times and while there were still details to be worked out, he offered the following motion to approve the formation of a regional landfill.

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors approves Campbell County as a member of the proposed regional landfill authority with the intent to offer the citizens of Campbell County equal or better waste management services; authorizes funding of approximately $40,000 from the Fiscal Year 2007 Budget; authorizes approximately $121,000 to be included in the Fiscal Year 2008 budget; and authorizes the continuation of an in-house construction group for County construction projects.

The vote was: Aye: Boyer, Carter, Falwell, Gunter, Pendleton, Puckett, Rosser
Nay: None

// REGIONAL SOLID WASTE STUDY

The Board was provided the final report prepared by R. W. Beck on a plan to handle waste regionally. The Plan has received preliminary approval by DEQ. The partners would include the Counties of Amherst, Campbell, Nelson and the Cities of Bedford and Lynchburg. The plan included a temporary closure of the Campbell County landfill while the Lynchburg landfill was being used. Based on additional study it was determined that it was not feasible to operate the Amherst landfill as a single facility so that facility would continue to operate concurrently with Lynchburg and then Campbell County until it was full. Amherst County would pay a slightly higher tipping fee to support the change. Final approval of the plan would be scheduled for the Board's February 20th meeting.

Supervisor Pendleton reiterated his request for information on the effects of the plan on Campbell County citizens such as being allowed to bring in two tons of waste to the landfill free of charge each year. He was concerned the cost savings may not be as high as projected if the County has to incur additional costs to provide these services. Supervisor Gunter wanted to know how it would affect the transfer sites. Administrator Laurrell indicated a cost comparison of current services would be provided to the Board. Mr. Tweedy added the County may need to consider manned transfer sites whether or not the County went to a regional landfill.

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

December 15, 2020

Hon. Valerie P. Younger, Clerk
Campbell County Circuit Court
P.O. Box 7
Rustburg, VA 24588

Re: County of Campbell v. Region 2000 Services Authority, et al.
Campbell Circuit Court Case No.: CL20002216-00

Dear Ms. Younger:

Please find enclosed for filing my client's Amended Complaint in the captioned matter. Please also find enclosed three service copies of the same, to which I ask that you append the summons and direct to the sheriff of the counties indicated.

Thank you for your assistance in this matter, and please feel free to call should you have any questions, or should you require anything further from me. I remain,

F.E. "Tripp" Isenhour, III
County Attorney

cc: Frank J. Rogers, IV, County Administrator, Campbell County
Walter C. Erwin, III, City Attorney, City of Lynchburg (w/o Enclosures)
Phillip D. Payne, IV, County Attorney, Nelson County (w/o Enclosures)
Thomas Lacheney, County Attorney, Appomattox County (w/o Enclosures)

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
15th day of December, 2020
VALERIE P. YOUNGER, CLERK
Teste: J Hedrick
Deputy Clerk

COMMONWEALTH OF VIRGINIA

1047

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 10
day of December, 2020
VALERIE P. YOUNGER, CLERK
Teste: K. Reid
Deputy Clerk

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 005
Service filed: October 06, 2020
Judge:

Served by: CAMPBELL COUNTY
Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY
Service on: REGION 200 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON, DIR
361 LIVESTOCK RD
RUSTBURG VA 24588

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Serve between 9A-11A on Monday 12/21/2020
Lisa Johnson - Contact person
Call for entrance.

Instructions: 434-455-6086

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date

Service issued: Thursday, December 17, 2020

Name Clark W. Gibson, Dir

☒ Personal Service

☐ Being unable to make personal service, a copy was delivered in the following manner:

For Sheriff Use Only

☐ Delivered to person found in charge of usual place of business or employment during business hours and giving information of its purport.

☐ Delivered to family member (not temporary sojourner or guest) age 16 or older at usual place of abode of party named above after giving information of its purport. List name, age of recipient, and relation of recipient to party named above.

☐ Posted on front door of usual place of abode. Address listed above. (Other authorized recipient not found.)

☐ Not Found

Date: 12/21/20
Serving Officer: G. H. Lacy
For: WINSTON W. CLARK, III
SHERIFF, CAMPBELL CO., VA

GW
CL
— 1995 —

Guynn, Waddell, Carroll & Lockaby, P.C.

- Attorneys at Law -

Jim H. Guynn Jr. Jeremy E. Carroll Christopher S. Dadak Mark C. Popovich
Susan A. Waddell Michael W.S. Lockaby Julian F. Harf

January 11, 2021

VIA HAND DELIVERY
Hon. Valerie P. Younger
Campbell County Circuit Court
732 Village Highway
Rustburg, VA 24588-0007

Re: County of Campbell and City of Lynchburg v. Region 2000 Services Authority, *et al.*
Case No. CL20-2216

Dear Ms. Younger:

Please find enclosed Defendant Region 2000 Services Authority's Answer for filing in the above referenced matter.

Should you have any questions, or need any additional information, please do not hesitate to call.

Very truly yours,

GUYNN, WADDELL, CARROLL & LOCKABY, P.C.

Jeremy E. Carroll

JEC/wrt
Enclosures
cc/enc: F.E. "Tripp" Isenhour, III, Esq. (via email and mail)
Walter C. Erwin, III, Esq. (via email and mail)

CAMPBELL COUNTY
Received and Filed this 11th day of JAN, 2021
VALERIE P YOUNGER, CLERK
Cmonroe

VIRGINIA:

IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL,	)	
	)	
AND	)	
	)	
CITY OF LYNCHBURG,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Case No. CL20-2216
	)	
REGION 2000 SERVICES AUTHORITY, *et al.*,	)	
	)	
Defendants.	)	

COUNTY
Received and Filed this the
11th day of JAN, 2021
VALERIE P YOUNGER, CLERK
C Monroe

ANSWER OF DEFENDANT REGION 2000 SERVICES AUTHORITY

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Answer to the Plaintiffs' Amended Complaint states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claim asserted in the Amended Complaint arises out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

WHEREFORE, because Region 2000 has two of its members bringing this action as Plaintiffs, and its other two members being named and served as Interested Parties, Region 2000 respectfully requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Defendant Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 11th day of January, 2021, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for Plaintiff County of Campbell

Walter C. Erwin, III, Esq. (VSB #15640)
City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
walter.erwin@lynchburgva.gov
Counsel for Plaintiff City of Lynchburg

Jeremy E. Carroll

APPOMATTOX COUNTY, VIRGINIA

OFFICE OF THE COUNTY ATTORNEY

THOMAS E. LACHENEY
DEAL & LACHENEY P.C.
COUNTY ATTORNEY

tlacheney@appomattoxcountyva.us
PHONE: (888) 456-1547
FAX: (877) 457-1231

MAILING ADDRESS:
153-A MORTON LANE
POST OFFICE BOX 863
APPOMATTOX, VA 24522

January 5, 2021

Valerie P. Younger, Clerk
Campbell Circuit Court
732 Village Highway
P. O. Box 7
Rustburg, VA 24588-0007

Re: County of Campbell v. Region 2000 Services Authority
Case # CL20002216-00

Dear Ms. Younger:

Enclosed you will find a Demurrer to be filed in this case. Please let me know if you have any questions. I look forward to hearing from you and I am,

Sincerely yours,

Thomas E. Lacheney

enclosure

c: F.E. "Tripp" Isenhour, III
Walter C. Erwin, III
Phillip D. Payne
Bill Hefty

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
12th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
12th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: [signature]
Deputy Clerk

DEMURRER

The County of Appomattox, by counsel, files the following Demurrer to the "Amended Complaint" filed by the Plaintiffs:

1. The plaintiffs allege in their amended complaint that "The Authority is governed by its Amended and Restated Articles of incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter" and incorporates all of these documents by reference into its pleading. (Amended Complaint ¶ 7)

2. In ¶ 8 of their amended complaint, the Plaintiffs falsely assert that "[i]ncorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis" A review of the MUA will confirm that no such reference is

made to the listed document and it is in no way a part of the MUA.

3. The Plaintiffs ask this court to make certain declarations with respect to a definition contained in the MUA on "Excess Revenue."

4. The interpretation of a contract presents a question of law. City of Chesapeake v. States Self-Insurers Risk Retention Group, Inc., 271 Va. 574, 628 S.E.2d 539 (2006) (Citing Bentley Funding Group, L.L.C. v. SK & R Group, L.L.C., 269 Va. 315, 324, 609 S.E.2d 49, 53 (2005)).

5. The contract is construed as written, without adding terms that were not included by the parties. Id (Citing Wilson v. Holyfield, 227 Va. 184, 187, 313 S.E.2d 396, 398 (1984))

6. When the terms in a contract are clear and unambiguous, the contract is construed according to its plain meaning. Id (Citing Bridgestone/Firestone, Inc. v. Prince William Square Assocs., 250 Va. 402, 407, 463 S.E.2d 661, 664 (1995). "Words that the parties used are normally given their usual, ordinary, and popular meaning. No word or clause in the contract will be treated as meaningless if a reasonable meaning can be given to it, and there is a presumption that the parties have not used words needlessly." D.C. McClain, Inc. v. Arlington County, 249 Va. 131, 135-36, 452 S.E.2d 659, 662 (1995).

7. The Plaintiffs are asking this court to turn a **definition** in the contract into the sole and controlling language concerning the issue of "Excess Revenue," when the terms of the MUA clearly and unequivocally state terms contrary to the position taken by the Plaintiffs.

8. Pursuant to the MUA, "Excess Revenue" is calculated by determining "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee." (Plaintiff's Exhibit C to Amended Complaint p.3). It is calculated by determining the "excess" that is charged to private haulers to dump at the landfill. In other words, the charges to "private haulers" sets the parameters for any "excess revenue" calculation.

9. The MUA by its terms is clear and unambiguous that:

> "The Authority shall set the Tipping Fees for Private Haulers on a cost-plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs." (Amended Complaint Exhibit C p. 11 §5.1(b)).

10. The clear term of the contract shows that "private hauler" revenues can be used to "create a capital or other reserve fund" **or** to reimburse "Member Jurisdictions." The MUA is clear that the Plaintiff's have no contractual "right" to the Private Hauler funds which may be used for Capital or Reserve Fund purposes.

11. Section 5.11 of the MUA (Amended Complaint Exhibit C page 15) is even more explicit by stating:

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board **may vote to distribute** some or all of such Excess Revenue to Lynchburg and Campbell, respectively... (emphasis added).

12. The MUA is clear and unambiguous that the payment of Excess Revenue requires a discretionary vote of the Authority members.

13. The clear unambiguous language of the MUA is that the payment of Excess Revenue to the plaintiffs' is not a "right."

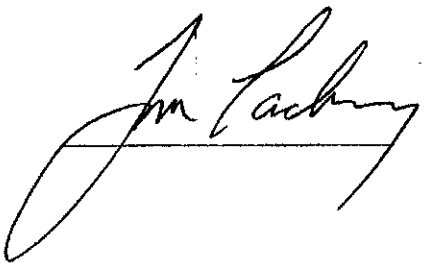
14. In paragraph 15 of their Amended Complaint the Plaintiff's tacitly admit that the decision to pay Excess Revenue is discretionary but argue that said discretion must be exercised in "good faith."

15. The Plaintiffs do not allege a single fact that would support the contention that the member jurisdictions have not behaved in good faith with respect to the payment of Excess Revenue.

16. The plaintiffs' entire Amended Complaint centers on the MUA and the alleged breach of that MUA. As such, the Plaintiffs are in essence alleging a standard breach of contract case which is not proper for Declaratory Judgment since the Plaintiffs have an adequate remedy at law.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia

153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

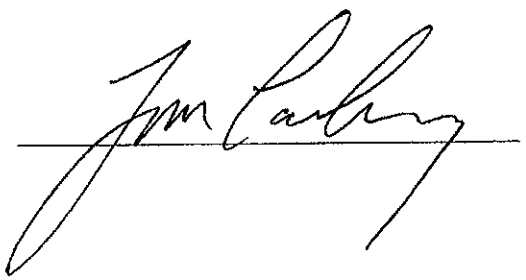
F.E. "Tripp" Isenhour, III.
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.
100 West Franklin Street, Suite 300
Richmond, VA 23220

This 5th day of January, 2021



OFFICE OF
THE COUNTY ATTORNEY
NELSON COUNTY
402 COURT STREET
POST OFFICE BOX 299
LOVINGSTON, VIRGINIA 22949

TELEPHONE (434) 263-5565

PHILLIP D. PAYNE IV
COUNTY ATTORNEY

January 13, 2021

Via UPS

Honorable Valerie P. Younger, Clerk
Campbell County Circuit Court
Civil Division
732 Village Highway
Post Office Box 7
Rustburg, Virginia 24588-0007

In re: County of Campbell, et al. v. Region 2000 Services Authority, et als.
CL20002216-00

Dear Ms. Younger:

Enclosed for filing in the above-referenced cause are the demurrer and plea in bar on behalf of Nelson County.

Please do not hesitate to call with any questions.

Very truly yours,

Phillip Payne

Encls. as stated.

cc:
F.E. Isenhour, III, Esquire
Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
Thomas E. Lacheney, Esquire
William H. Hefty, Esquire

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste:
Deputy Clerk

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Demurrer

Comes now Nelson County, by counsel, and file this her demurrer to the amended complaint.

1. Plaintiffs County of Campbell and the City of Lynchburg allege that a total of $2,545,402.00 in Excess Revenue is "due those localities." (Complaint ¶¶ 11, 13.)

2. What plaintiffs are actually asking this Court to decide is whether the defendants have breached the contract between them.

3. Issuance of a declaratory judgment would be an abuse of discretion here because a breach of contract claim provides plaintiffs an adequate remedy at law.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 20 21
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Phillip Payne

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Plea in Bar

Comes now Nelson County, by counsel, and file this her plea in bar to the amended complaint.

1. The agreement among the parties expressly provides that the Authority is not mandated to distribute Excess Revenue.

2. Section 5.10 of the Member Use Agreement provides, in part, that "the Authority Board *may* vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...." (emphasis added).

3. "If language is clear and unambiguous, there is no need for construction by the court...." *Brown v. Lukhard*, 229 Va. 316, 321 (1985).

4. As Section 5.10 is dispositive, plaintiffs' other questions address breach of contract issues or seek an advisory opinion.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

/Phillip Payne/

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

NOTICE OF HEARING

The County of Appomattox, by counsel, hereby provides notice that it will appear before this court on February 25, 2022 at 1:30 p.m. to be heard with respect to the Demurrers filed by Appomattox and Nelson Counties. and the Plea in Bar filed by Nelson County.

Respectfully Submitted:

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
29th day of November, 2021
VALERIE P. YOUNGER, CLERK
Teste:
Deputy Clerk

153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

F.E. "Tripp" Isenhour, III
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew Freedman
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Jeremy Carroll
Guynn Waddell Carroll & Lockaby
415 S College Ave.
Salem, VA 24153

Bill Hefty
Hefty Wiley & Gore, P.C.
100 West Franklin Street, Suite 300
Richmond, VA 23220

This 24th day of November, 2021

APPOMATTOX COUNTY, VIRGINIA

OFFICE OF THE COUNTY ATTORNEY

THOMAS E. LACHENEY
DEAL & LACHENEY P.C.
COUNTY ATTORNEY

tlacheney@appomattoxcountyva.us
PHONE: (888) 456-1547
FAX: (877) 457-1231

MAILING ADDRESS:
153-A MORTON LANE
POST OFFICE BOX 863
APPOMATTOX, VA 24522

November 24, 2021

Valerie P. Younger, Clerk
Campbell Circuit Court
732 Village Highway
P. O. Box 7
Rustburg, VA 24588-0007

Re: County of Campbell v. Region 2000 Services Authority
Case # CL20002216-00

Dear Ms. Younger:

Enclosed you will find a Notice of Hearing to be filed in this case. Please let me know if you have any questions. I look forward to hearing from you and I am,

Sincerely yours,

Thomas E. Lacheney

enclosure

c: F.E. "Tripp" Isenhour, III
Matthew Freedman
Phillip D. Payne
Bill Hefty
Jeremy Carroll

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
29th day of November, 2021
VALERIE P. YOUNGER, CLERK
Teste:
Deputy Clerk

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA, A Political Subdivision of the Commonwealth of Virginia, CITY OF LYNCHBURG, VIRGINIA, A Municipal Corporation of the Commonwealth of Virginia, Plaintiffs, v. REGION 2000 SERVICES AUTHORITY, Defendant, COUNTY OF APPOMATTOX, VIRGINIA, A Political Subdivision of the Commonwealth of Virginia, An Interested Party, COUNTY OF NELSON, VIRGINIA, A Political Subdivision of the Commonwealth of Virginia, An Interested Party,	)	Case No. CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
16th day of February, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

PLAINTIFFS' MEMORANDUM OF LAW IN OPPOSITION TO APPOMATTOX'S AND NELSON'S DEMURRERS AND NELSON'S PLEA IN BAR

COMES NOW, the County of Campbell, Virginia, and the City of Lynchburg, Virginia, the Plaintiffs, by counsel, and in response to the demurrers and plea in bar filed by the interested parties in this matter, the County of Appomattox, Virginia ("Appomattox"), and the County of Nelson, Virginia ("Nelson"). Plaintiffs submit the following Memorandum of Law for the Court's consideration.

Factual Background

1. Plaintiffs have alleged that the Region 2000 Services Authority (the "Authority") was formed in 2008 under the Virginia Water and Waste Authorities Act, pursuant to the Virginia Code, and that its board members are the County Administrators and the City Manager of the members, the Counties of Campbell, Appomattox, Nelson, and the City of Lynchburg. Pl.'s Am. Compl. ¶ 1-5.

2. Plaintiffs have alleged that the Authority is governed in part in accordance with its Member Use Agreement (the "MUA"), which document is properly attached to Plaintiffs' Amended Complaint. Pl.'s Am. Compl. ¶ 7.

3. The term Excess Revenue is defined by the MUA as "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year." Pl.'s Am. Compl. Ex. C, pg. 3.

4. The MUA provides for the distribution of Excess Revenue as follows: "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an

appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation." Pl.'s Am. Compl. Ex. C, pg. 15.

5. The MUA contemplates that following the execution of the MUA, R.W. Beck, Inc. would be completing a final calculation of net assets and liabilities to guide the Authority's conduct, such calculation being the "Beck Analysis". Pl.'s Am. Compl. Ex. C, pg. 7. The MUA contemplates accepting this document by subsequent authority vote, specifically stating "[t]he final amounts will be approved by the Authority Board." Id. See also Pl.'s Am. Compl. Ex. D pg 2-10 through 2-11.

6. In the final Beck Analysis, the Authority accepted the following as the statement concerning Excess Revenue: "Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed to the Authority." Pl.'s Am. Compl. Ex. D, pg. 2-10.

7. Plaintiffs have alleged that every year of the Authority's existence prior to 2019, the Authority paid the entire sum of the Excess Revenue generated to the County of Campbell and the City of Lynchburg pursuant to the MUA, as guided by the calculations of the Beck Analysis. Pl.'s Am. Compl. ¶ 9.

8. Plaintiffs have alleged that Excess Revenue is intended to compensate the County of Campbell and the City of Lynchburg for the airspace those localities had transferred to the Authority, as discussed in the MUA and more fully explained in the Beck Analysis. Pl.'s Am. Compl. ¶ 19-20.

9. Plaintiffs have alleged that the Executive Director of the Region 2000 Planning District Commission, which manages the Authority, provided a memorandum to Nelson County Administrator Steve Carter dated August 6, 2019 (The "Christie Memo"), which, inter alia, explained why and how the Authority would be compensating the County of Campbell and the City of Lynchburg for the airspace those entities transferred through the payment of Excess Revenue. Pl.'s Am. Compl. ¶ 22; Pl.'s Am. Compl. Ex. F. Pursuant to the MUA, all "operations, management and fiscal services for the Authority will be provided through contractual arrangements through the Region 2000 Local Government Council." Pl.'s Am. Compl. Ex. C, pg. 8.

10. Plaintiffs have alleged that at the September 15, 2019 and September 16, 2020 meetings of the Authority, the board members deadlocked on the vote to authorize payment of Excess Revenue to Plaintiffs. Pl.'s Am. Compl. ¶ 11-13.

11. Plaintiffs have alleged that, as of September 16, 2020, $2,545,402.00 in Excess Revenue has accumulated with the Authority, with no direction from the Authority concerning its disposition due to the said deadlock. Pl.'s Am. Compl. ¶ 16.

12. Plaintiffs have alleged that the board of the Authority has expressed conflicting beliefs concerning the meaning and application of the term "Excess Revenue" as used in the MUA and its application to the Authority. Pl.'s Am. Compl. ¶ 14, 32.

Standard of Review

I. Demurrer

On demurrer, the court tests the sufficiency of the plaintiff's factual allegations to determine whether a cause of action has been stated. Fun v. Virginia Military Institute, 245 Va. 249, 252 (1993). A demurrer will be sustained if the

pleading, considered in the light most favorable to the plaintiff, fails to state a valid cause of action. *See* C. Porter Vaughan, Inc. v. DiLorenzo, 279 Va. 449, 455 (2010). A demurrer tests only the legal sufficiency of a pleading, not matters of proof. Hop-In Food Stores, Inc. v. Serv-N-Save, Inc., 237 Va. 206, 209 (1989). In considering a demurrer, the Court must apply the settled rule that a demurrer admits the truth of all well-pleaded facts expressly alleged, those which fairly can be viewed as impliedly alleged, and those which may be fairly and justly inferred from the facts alleged. Rosillo v. Winters, 235 Va. 268, 270 (1988); CaterCorp, Inc. v. Catering Concepts, Inc., 246 Va. 22, 24 (1993); Fox v. Custis, 236 Va. 69, 71 (1988). On demurrer, a court may examine any exhibit mentioned in the pleadings, or made a part thereof. Flippo v. F & L Land Co., 241 Va. 15, 17 (1991); Va. Sup. Ct. R. 1:4(i).

II. Plea in Bar

A plea in bar asserts a single issue, which, if proved, creates a bar to recovery. Hawthorne v. VanMarter, 279 Va. 566, 577 (2010). The party asserting such a plea bears the burden of proving the same. Id.; Baker v. Poolservice Co., 272 Va. 677, 688 (2006). When testing a Complaint against a plea in bar, the facts stated in such Complaint are deemed true. Tomlin v. McKenzie, 251 Va. 478, 480 (1996). Use of a plea in bar is often associated with the following defenses which are external to the merits of a case: "[t]he statute of limitations; absence of proper parties; res judicata; usury; a release; an award; infancy; bankruptcy; denial of partnership; bona fide purchaser; denial of an essential jurisdictional fact alleged in the bill, etc." Jackson v. Antiniece M. Middleton, 2016 Va. Cir. LEXIS 251, pg. 3 (citing Edwin B. Meade, *Lile's Equity Pleading and Practice* § 199, p. 114 (3d ed. 1952)).

Argument and Authorities

13. Appomattox's and Nelson's demurrers and Nelson's plea in bar should be denied for the following three (3) reasons:

(1) Appomattox's and Nelson's arguments are substantively disagreements or arguments concerning the interpretation and sufficiency of the facts alleged, which arguments are not properly the subject of a demurrer or a plea in bar;

(2) Appomattox and Nelson are not the proper parties to raise a demurrer or special plea to Plaintiffs' Amended Complaint as they are prohibited from raising arguments on behalf of the Defendant, the Authority; *and*

(3) the substance of Plaintiffs' Amended Complaint is fairly and properly raised as an issue for declaratory judgment and for which declaratory judgment lies.

I. Factual Arguments:

14. Plaintiffs have pleaded facts sufficient to establish both that there is a material disagreement between the board members of the Authority as to the definition and application of the term Excess Revenue, and that Plaintiffs' requested interpretation of such term has ample factual support. Further, Plaintiffs' allegations have established that the meaning of Excess Revenue requires judicial interpretation and resolution due to an existing irresolvable controversy existing within the Authority.

15. Generally, "[w]ords that the parties used are normally given their usual, ordinary, and popular meaning." D.C. McClain, Inc. v. Arlington County, 249 Va. 131, 135-36 (1995). However, there are exceptions, and Plaintiffs' allegations have established that the term Excess Revenue has a definition that is much different from what a dictionary

definition of such words may suggest. In the context of the documents described in Plaintiffs' Amended Complaint, Excess Revenue is a term of art with a specific meaning amongst the parties. Under the comprehensive plan detailed in the MUA and further exemplified in the Beck Analysis, "Excess Revenue" is an intentionally created surplus fund for the benefit of Plaintiffs. Market rate customers are charged a higher tipping fee than that which is charged to the member jurisdictions. This intentional excess was created with a single purpose: to compensate Plaintiffs for the air space they contributed to the Authority. *See* Pl.'s Am. Compl. Ex. C, pgs. 3, 7, and 15; Pl.'s Am. Compl. Ex. D, pg. 2-10 through 2-11; Pl.'s Am. Compl. ¶ 22. It is important to recognize in the context of the Complaint, plaintiffs' factual allegations clearly demonstrate that the term "Excess Revenue" is a term of art requiring construction beyond the literal construction of the phrase's constituent parts.

16. Further, the language of the MUA refers to technical terms outside of general knowledge, specifically the terms "capacity" and "airspace", which required technical explanation to be given to the Authority's board members so that they may understand their meaning. *See* Pl.'s Am. Compl. Ex. F (i.e. the Christie Memo). Thus, interpreting and applying the language of the MUA to guide the behavior of the parties requires factual evaluation and interpretation.

17. Finally, the language of a contract is ambiguous if "it may be understood in more than one way or when it refers to two or more things at the same time." Eure v. Norfolk Shipbuilding & Drydock Corp., 263 Va. 624, 632 (2002). In the MUA, there exists an ambiguity between the mandatory language of the definition of Excess Revenue, and the more permissive language therein under Section 5.11. Plaintiffs argue that the

ambiguity in the MUA has been interpreted consistently with the plaintiffs' interpretation of the same from the inception of the Authority up until the 2019 vote.

18. Virginia's courts have consistently upheld the rule of practical construction with regard to questions of ambiguity in contracts. "When the terms of an agreement are doubtful or uncertain, the interpretation placed thereon by the parties themselves is entitled to great weight and will be followed if that may be done without violating applicable legal principles." Dart Drug Corp. v. Nicholakos, 221 Va. 989, 995 (1981).

19. "Thus, uncertain rights of parties may be determined and fixed by their practical dealings with each other." Video Zone, Inc. v. KF&F Props., L.C., 267 Va. 621, 627 (2004). *See also* John H. Maclin Peanut Co. v. Pretlow & Co., 176 Va. 400, 410, (1940); First Nat'l Exch. Bank of Roanoke v. Roanoke Oil Co., 169 Va. 99, 115-16 (1937).

20. Virginia courts have specifically extended the rule of practical construction to matters involving governmental contracts, such as in the case at bar. "It is well settled that a contract entered into by a municipality which has no reference to some public duty or governmental activity of the municipality is subject to a practical construction as in the case of individuals." Town of Ashland v. Newman, 163 Va. 500, 507 (1934).

21. In the Town of Ashland case, the Court held that "in such construction courts look to the language employed, the subject-matter, and the surrounding circumstances. They are never shut out from the same light which the parties enjoyed when the contract was executed, and in that view they are entitled to place themselves in the same situation which the parties who made the contract occupied, so as to view the circumstances as they viewed them, and so to judge of the meaning of words and of the correct application of the language to the things described." Id.

22. Plaintiffs point to the Virginia Supreme Court case of Robin v. Sydeman Bros., Inc., as being on point. In that case, the Court held:

> The dealings of the parties to a contract in relation to its terms are often conclusive upon questions arising as to its effect or meaning. This may be because the parties have deliberately and mutually disregarded its plain terms, or it may be because they have so dealt with each other as to definitely fix the meaning of the terms which would otherwise be of doubtful import. In the former case their plain rights have been waived, and this may apply to either a part or the whole of the period covered by the contract, depending, of course, upon the length of time during which the waiver has been in operation. In the latter case the doubtful rights of the parties have been fixed by their practical dealings with each other. In either case however, if their course of dealing has been of doubtful purpose and import respecting the meaning of the contract, such dealings are themselves open to explanation and interpretation.

Robin v. Sydeman Bros., Inc., 158 Va. 289, 299-300 (1932) (citing Standard Ice Co. v. Lynchburg Diamond Ice Factory, 129 Va. 521 (1921)).

23. Further, the Robin Court continued: "If a written contract is capable of more than one construction, then the courts will give to it that construction which the parties have placed upon it." Id. at 300.

24. Plaintiffs' allegations illustrate the practical construction the parties at bar have given to the meaning and usage of Excess Revenue since the formation of the Region 2000 Landfill. Plaintiffs' Amended Complaint is replete with examples of the same, and the detailed factual allegations supporting the plaintiffs' practical construction of the MUA are more than sufficient to defeat a demurrer.

25. The Beck Analysis is particularly explanatory as to the parties' practical construction of the language in the MUA. Article III of the MUA specifically references the R.W. Beck analysis, a draft of which had been provided at the time of the signing of the MUA, with the expectation that a final analysis was to come. The parties to the MUA

explicitly agreed to be bound by the terms of the final analysis, subject to a vote of the Authority's board. As previously noted, the Authority's board approved the Excess Revenue payment for every year from the founding of the Authority until 2019. Pl.'s Am. Compl. ¶ 8-9. The language in the Beck Analysis is both proper and necessary for the Court to consider in evaluating whether Plaintiffs have properly pleaded a case.

26. Plaintiffs point to the Beck Analysis' later ratification date to establish the applicability of the partial integration doctrine to the case at bar. The Virginia Supreme Court has determined that a well-recognized exception to the parol evidence rule is the partial integration doctrine. High Knob, Inc. v. Allen, 205 Va. 503, 506 (1964). "Where the entire agreement has not been reduced to writing, parol evidence is admissible, not to contradict or vary its terms but to show additional independent facts contemporaneously agreed upon, in order to establish the entire contract between the parties." Id. In this case, the MUA made specific and definite reference to a document being drafted contemporaneously with the MUA, which would be later affirmed by the Authority's board to modify and give meaning to the terms of the MUA. Thus, the Court is not bound to the text of the MUA when considering the meaning of terms within the same.

27. Based on the foregoing, the plaintiffs argue that they have pleaded a well-founded and reasoned complaint supporting their requested interpretation. Regardless of the strength of the case, however, the Court need not, and cannot at demurrer or plea in bar, attempt to resolve the relative strength and weakness of the language of the MUA as it relates to each of the five (5) questions presented to the Court for resolution. Plaintiffs have pleaded an adequate case at law to show there is a material, non-frivolous,

irresolvable, existing dispute about the meaning and usage of the term Excess Revenue in the MUA within the Authority, which is now ripe for adjudication.

II. Parties Entitled to Raise Objections

28. Beyond the factual matters previously described the demurrers of Appomattox and Nelson and Nelson's plea in bar also fail as a matter of law. Plaintiffs have filed suit against the Region 2000 Services Authority, an independent entity from its member jurisdictions, which has exclusive control of the Excess Revenue. Appomattox and Nelson were included as interested parties only – not as defendants. Under the rule of Erie Ins. Group v. Hughes, the Court may not grant declaratory relief between two parties at issue if there are other non-party entities not before the Court. Courts may not provide declaratory relief unless all parties with an interest are before the court, as lack of all proper parties would prevent declaratory relief from being "sufficiently conclusive". Erie Ins. Group v. Hughes, 240 Va. 165, 169 (1990). Because of the rule in Hughes, Plaintiffs have joined Appomattox and Nelson to ensure any ruling in Plaintiffs' suit against the Authority is sufficiently conclusive under Virginia law.

29. Appomattox and Nelson, in their respective pleadings pending before the Court, fail to recognize the distinction between the parties at bar in this matter. Their pleadings ask the Court to grant the relief of dismissing Plaintiffs' Amended Complaint against the Authority. The Authority, however, has not requested such relief.

30. In the case of Linnon v. Commonwealth, the Virginia Court of Appeals was asked to decide whether the objection of one party could serve to preserve the same objection as to another party who had not joined in the objection. The Court held:

> Although we have never before considered whether an objection raised by one party may be attributed to another party who does not expressly join it,

> courts that have considered that question have answered in the negative. E.g., Barnes v. State, 168 Ga. App. 925, 310 S.E.2d 777, 778 (Ga. App. 1983) ("If several parties are entitled to make an objection, and it is made by any number less than all, it does not inure to the advantage of the party or parties not joining in it. Thus, where a defendant does not expressly adopt the objection of a co-defendant, he thereby waives that objection and may not utilize it to gain review."); accord Daniels v. Yancey, 175 S.W.3d 889, 892 (Tex. App. 2005); Cook Assocs. v. Warnick, 664 P.2d 1161, 1165 (Utah 1983); Thomas v. Bank of Springfield, 631 S.W.2d 346, 351 (Mo. App. 1982); Roskoten v. Odom, 1939 OK 99, 184 Okla. 368, 87 P.2d 338, 340 (Okla. 1939). We adopt the general rule articulated in these cases and hold that one party may not rely on the objection of another party to preserve an argument for appeal without expressly joining in the objection.

Linnon v. Commonwealth, 287 Va. 92, 102 (2014).

31. The holding of Linnon is controlling in this matter. The Authority is the entity to which all parties hereto belong as members, and the entity holding the Excess Revenue. It is the Authority's MUA that Plaintiffs' ask the Court to construe. Plaintiffs filed suit against the Authority adding two dissenting members thereto as interested parties recognizing that complete relief may only be granted with all parties before the Court—the 2-2 split on the Authority's board means neither pairing is sufficient by itself to bind the Authority. Appomattox and Nelson have attempted, through their filings, to appoint themselves as the spokespersons for the Authority to make arguments on its behalf without the Authority's consent. Linnon does not allow for such a self-appointment.

32. Appomattox and Nelson are free to make whatever arguments those counties deem to be in their own best interest, but they may not make argument on behalf of the Authority. The Authority did not file a demurrer or special plea in this matter, and the Court has no authority to rule on the pleadings of another party in such a way as to affect the rights of a party who has not requested the same relief.

III. Declaratory Judgment is the Appropriate Action

33. Appomattox and Nelson argue Plaintiffs' action should be brought as a breach of contract action rather than an action for declaratory judgment.

34. The matter before the Court is appropriate for relief under Virginia's declaratory judgment statutes (§§ 8.01-184 *et seq*, Code of Virginia, 1950, as amended). Such statutes allow for Virginia's circuit courts "to make binding adjudications of right, *whether or not consequential relief is, or at the time could be, claimed* and no action or proceeding shall be open to objection on the ground that a judgment order or decree merely declaratory of right is prayed for." Va. Code Ann. § 8.01-184 (emphasis added).

35. The Virginia Supreme Court has held that "[t]he fact that a plaintiff or complainant might, by the institution of an action or suit or series of actions or suits, eventually, through protracted and continuous litigation, have determined the same questions that may be determined once and for all in a declaratory judgment proceeding, has never, so far as we find, been held by the courts to deprive the court of jurisdiction to enter a declaratory judgment wherein the entire rights of the parties can be determined and settled once and for all." Chick v. MacBain, 157 Va. 60, 66-67 (1931).

36. The Virginia Supreme Court case of Liberty Mut. Ins. Co. v. Bishop, provides a general summary of the law regarding declaratory judgments. In particular, the Bishop Court held that the "manifest intention of the legislature, as expressed in ... the Code, was to provide for a speedy determination of actual controversies between citizens, and to prune, as far as is consonant with right and justice, the dead wood attached to the common law rule of 'injury before action' and a multitude of suits to establish a single right." Liberty Mut. Ins. Co. v. Bishop, 211 Va. 414, 419 (1970) (citations omitted).

37. In this matter, Plaintiffs present to the Court five (5) separate questions of interpretation concerning the MUA. These questions are narrowly tailored to request the Court's determination of matters consequential in governing the Authority currently and into the future. Failure of the parties to resolve the questions presented is likely to lead to a multitude of suits and protracted and continuous litigation to attempt to resolve the issues separately as they arise amongst the parties.

38. Further, a suit for breach of contract, as suggested by Appomattox and Nelson, would fail to resolve the majority of the questions raised by the Authority's board in their debate concerning Excess Revenue. In such a suit, the Court may be able to resolve some issues, but the Court would not have the authority to issue binding adjudications of right to guide future behavior. The term of the MUA signed by the members of the Authority is for fifty (50) years. Pl.'s Am. Compl. Ex. C, pg. 6. Resolving the disputed issues of right in one suit with all parties before the Court is surely preferable to a multiplicity of serial suits and protracted litigation over the course of decades. The matter before the Court to resolve the interpretation of the MUA seems tailor-made for the declaratory judgment statute(s)—one suit to resolve all issues, rather than a host of suits to rule on individual recurring breaches. "Preventive relief is the moving purpose" behind declaratory judgments. Liberty Mut. Ins. Co. v. Bishop, 211 Va. 414, 419 (1970). In this matter, justice dictates declaratory relief in a single action, rather than plural serial relief in a multiplicity of suits.

39. As such, Plaintiffs' Amended Complaint states a valid cause of action under the laws of the Commonwealth of Virginia, and the demurrers and plea in bar before the Court should be denied.

WHEREFORE, Plaintiffs, the County of Campbell, Virginia, and the City of Lynchburg, Virginia, by counsel, request the Court deny Appomattox and Nelson's demurrers and Nelson's plea in bar, together with any further additional relief deemed proper and just.

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB No. 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

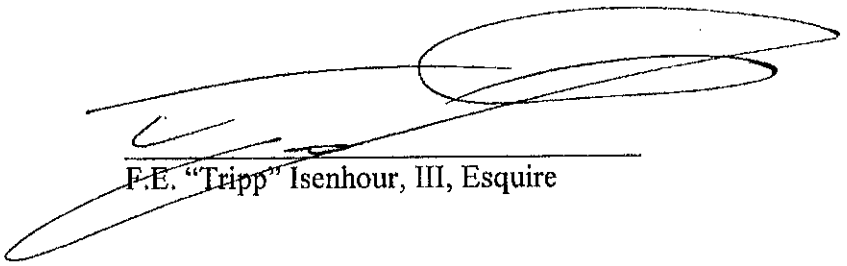
CERTIFICATE OF MAILING

I hereby certify that on the 15th day of February, 2022, a true copy of the attached PLAINTIFFS' MEMORANDUM OF LAW IN OPPOSITION TO APPOMATTOX'S AND NELSON'S DEMURRERS AND NELSON'S PLEA IN BAR was sent via First Class U.S. Mail, postage prepaid, and by email, to the following individuals:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522



P.E. "Tripp" Isenhour, III, Esquire

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

February 15, 2022

Honorable Valerie P. Younger, Clerk
Campbell County Circuit Court
P.O. Box 7
Rustburg, VA 24588

RE: County of Campbell, Virginia, City of Lynchburg, Virginia v Region 2000 Services Authority, County of Appomattox, Virginia and County of Nelson, Virginia
Campbell Case # CL21002216-00

Dear Ms. Younger:

I enclose herewith for filing on behalf of the Plaintiffs mentioned above, the Plaintiffs' Memorandum of Law in Opposition to Appomattox's and Nelson's Demurrers and Nelson's Plea in Bar.

With a copy of this letter, I have mailed and true and accurate copy of the within Memorandum of Law to counsel mentioned below.

If you need any additional documents or information, please do not hesitate to contact me.

Very truly yours,

CASKIE & FROST

By: _____
F. E. Isenhour, III
Campbell County Attorney

FEI/sjh
Enclosure

CC: Jeremy E, Carroll, Esquire
Phillip D. Payne, Esquire
Thomas Lacheney, Esquire

PHILLIP D. PAYNE IV
ATTORNEY AT LAW
402 COURT STREET, 2ND FLOOR
LOVINGSTON, VIRGINIA

MAILING ADDRESS:
POST OFFICE BOX 299
LOVINGSTON, VIRGINIA 22949

TELEPHONE (434) 263-5555
FACSIMILE (434) 263-4440
EMAIL phillip.payne@phillippaynelaw.com

February 21, 2022

By Hand

Honorable Valerie P. Younger, Clerk
Campbell County Circuit Court
Civil Division
732 Village Highway
Post Office Box 7
Rustburg, Virginia 24588-0007

In re: County of Campbell, et al. v. Region 2000 Services Authority, et als.
CL20002216-00

Dear Ms. Younger:

Enclosed for filing in the above-referenced cause is Nelson County's Memorandum.

Please do not hesitate to call with any questions.

Very truly yours,

Phillip Payne

Encl. . as stated.

cc:
F.E. Isenhour, III, Esquire
Matthew C. Freedman, Esquire
Thomas E. Lacheney, Esquire
Jeremy E. Carroll, Esquire

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
22nd day of February, 2022
VALERIE P. YOUNGER, CLERK
Teste: D. Deforrette
Deputy Clerk

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Memorandum

Comes now Nelson County, by counsel, and files this her memorandum in support of the plea in bar and demurrer.

1. Discretionary Distribution of Excess Revenue Is a Bar to Plaintiffs' Prayer for Declaratory Judgment.

The power to distribute Excess Funds lies within the discretion of the Authority board. Section 5.10 of the Member Use Agreement ("MUA") provides: "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...." Motions in 2019 and 2020 to distribute Excess Funds failed.

The threshold hurdle for plaintiffs is their query whether Excess Revenue "must be distributed once accumulated." Complaint ¶ 37. The discretionary approval provision of Section 5.10 answers that question. There is no need to explore further.

"The question whether a contract is ambiguous is not one of fact but one of law." *Wilson v. Holyfield*, 227 Va. 184, 187 (1984). Here, as a matter of law, there is no ambiguity in Section 5.10 requiring construction by the Court. "Language is ambiguous if it admits of being understood in more than one way or refers to two or more things simultaneously. An ambiguity exists when the language is difficult to comprehend, is of doubtful import, or lacks clearness and definiteness. If language is clear and unambiguous, there is no need for construction by the court...." *Brown v. Lukhard*, 229 Va. 316, 321 (1985) (internal citations omitted).

The MUA states that "the Authority Board may vote to distribute". "To determine whether this provision has a plain meaning, 'words used are given their usual, ordinary, and popular meaning.'" *Babcock & Wilcox v. Areva*, 292 Va. 165, 179 (2016) (internal citations omitted). "When courts search for the parties' intent in an unambiguous contract provision, the search ends where it begins—with the plain, usual, and ordinary meaning of the words themselves." *Id.* at 188.

"May" in Section 5.10 is clearly used in the permissive sense. "'[T]he courts, in endeavoring to arrive at the meaning of written language, whether used in a will, a contract, or a statute, will construe 'may' and 'shall' as permissive or mandatory in accordance with the subject matter and context.'" *Lewis v. City of Alexandria*, 287 Va. 474, 486-487 (2014) (citation omitted). "May" is not used in isolation; the permissive intent is magnified by the provision in the same sentence empowering the Board to distribute "some or all" of the funds—a superfluous provision if the Board had no discretion.

The MUA's Excess Revenue definition neither qualifies nor negates Section 5.10. A "vote to distribute some or all of such Excess Revenue" is first required. Two motions to distribute failed. Nevertheless, plaintiffs aver that they "have taken the position that the distribution of Excess Revenue is *not* discretionary...." Complaint ¶ 15. (emphasis original.) "A contract is not ambiguous merely because the parties disagree as to the meaning of the terms used." *TM Delmarva Power, L.L.C. v. NCP of Virginia, L.L.C.*, 263 Va. 116, 119 (2002). Regarding the drafting of the MUA, what the plaintiffs "might have said, or should have said, cannot alter what they actually said." *Wilson v. Holyfield*, 227 Va. at 188 (1984).

There being no ambiguity, plaintiffs' effort to bootstrap the rule that the "interpretation placed [on the MUA] by the parties themselves is entitled to great weight" fails. Plaintiffs' Memorandum, pp.7-8. Plaintiffs then point to the MUA having "been interpreted consistently with plaintiff's interpretation of the same from the inception of the Authority up until the 2019 vote". *Id.*

Relying on their claim of ambiguity, what plaintiffs are asking is for the Court to conclude that the Authority Board's prior voting history on distribution of Excess Revenue binds all future boards and thus the Board's Section 5.10 discretion was eliminated at some undefined point in the past. The Authority may only act through its Board. "A majority of board members shall constitute a quorum and the vote of a majority of board members shall be necessary for any

action taken by the authority." *Va. Code* § 15.2-5113. "The provisions of Code § 15.2-5113(B)...specifically require that 'the vote of a majority of board members shall be necessary for any action taken by the authority.'" *King George Serv. Auth. v. Presidential Serv. Co.*, 267 Va. 448, 456 (2004) (holding that the general manager of a service authority could not enter a contract without a board resolution.). It is indeed a novel concept that the outcome of an annual vote required of a board can be mandated based on prior years' results.

As discussed below in connection with the demurrer, plaintiff's pleading is essentially a claim for breach of contract seeking payment of the "Excess Revenue funds *due those localities*." Complaint ¶¶ 11, 13 (emphasis added). Approval of funding pursuant to Section 5.10 is discretionary—and funding was not approved. As Section 5.10 is dispositive of the request for a declaratory judgment, plaintiffs' other questions address breach of contract issues or are moot. "The power of declaratory judgment does not give courts authority 'to render advisory opinions, to decide moot questions, or to answer inquiries that are merely speculative.'" *Callison v. Glick*, 297 Va. 275, 294 (2019)(citation omitted).

Accordingly, this single, distinct issue is a bar to plaintiffs' prayer for a declaratory judgment. The amended complaint should be dismissed.

2. A Declaratory Judgment Does Not Lie as Plaintiff Has an Adequate Remedy at Law.

The heart of plaintiffs' complaint is that they are owed a total of $2,545,402.00 in Excess Revenue. Complaint ¶ 16. They allege that the 2019 and 2020 deadlocks of the Authority's Board of Directors on the question of the award of annual Excess Revenue to them "resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds *due those localities*." Complaint ¶¶11, 13. (emphasis added). But for the unpaid $2,545,402.00, their complaint would not have been filed.

What plaintiffs are seeking is a ruling that the Authority, or Nelson and Appomattox, or all three, have breached various agreements to the tune of $2,545,402.00—an action for breach of contract. As discussed below, this dispute is not one which the Supreme Court has sanctioned as appropriate for rendering a declaratory judgment.

Plaintiffs allege "an actual and justiciable controversy between the parties." Complaint ¶ 17. The Supreme Court, however, has observed that an "actual controversy" is not the sole threshold for declaratory judgment jurisdiction. "In common cases where a right has matured or

a wrong has been suffered, customary processes of the court, where they are ample and adequate, should be adopted." *Liberty Mutual Ins. Co. v. Bishop*, 211 Va. 414, 419 (1970) (citation omitted). "[T]he power to make a declaratory judgment is a discretionary one and must be exercised with care and caution. It will not as a rule be exercised where some other mode of proceeding is provided." *Id.* at 421.

In *Bishop*, three insurance companies and an insured were the subject of a coverage dispute brought to the trial court in a declaratory judgment action. Liberty Mutual appealed the trial court's award of recoveries against it. The Supreme Court ruled in Liberty Mutual's favor on its assignment of error questioning appellees' right to maintain a declaratory judgment action. The Court concluded, "[i]n essence, what [the other two insurers] seek here is the recovery of a money judgment, a sum certain, from Liberty Mutual...." *Id.* at 421. In essence, what the plaintiffs seek in the instant proceeding is recovery of $2,545,402.00.

Similar principles were applied in *Green v. Goodman-Gable-Gould Co.*, 268 Va. 102 (2004). There, an insurance adjusting company, Goodman-Gable-Gould ("GGG"), was engaged by homeowners in connection with the homeowners' fire loss. When the homeowners discharged GGG during the course of GGG's work, the company filed a motion for judgment naming the homeowners and the insurer as defendants seeking a declaratory judgment "that, inter alia, GGG had an interest in the insurance proceeds and that it was owed a fee of ten percent of those proceeds." *Id* at 105. "GGG also sought monetary damages in claims for breach of contract and quantum meruit against" the homeowners, and in a conversion claim against the insurer. *Id.*

GGG subsequently moved to nonsuit all its claims except those seeking declaratory relief. GGG prevailed in the trial court and the homeowners appealed, the sole issue: "whether the circuit court abused its discretion in allowing this case to proceed as a declaratory judgment action after GGG nonsuited its other claims." *Id* at 106.

After reciting the authorities, the Supreme Court observed that "[a]lthough GGG asserts that it was seeking a determination of its rights vis-a-vis the Homeowners with regard to the insurance proceeds, GGG was actually asking the circuit court to decide whether the Homeowners had breached the contract between them and GGG." *Id.* at 109-110. The Court held that the trial court abused its discretion and reversed.

Plaintiffs are asking the same question in this proceeding. For example, plaintiffs' "third question" is whether distribution of Excess Revenue is not discretionary under "1) the MUA; 2)

a duty of good faith and fair dealing; and/or 3) the parties' previous dealings." Complaint ¶36. In short, whether there is a breach of contract.

In *Board of Supervisors v. Hylton Enterprises, Inc.*, 216 Va. 582 (1976), a developer filed a petition for a writ of mandamus to compel local officials to act on subdivision plats and site plans which had been pending for almost two years. The developer prevailed in the trial court.

On appeal appellants argued that "as to site plans, Hylton had an adequate remedy in a declaratory judgment proceeding." *Id.* at 585. The Supreme Court disagreed. "[W]here claims and rights asserted have fully matured, and the alleged wrongs have already been suffered, a declaratory judgment proceeding, which is intended to permit the declaration of rights before they mature, is not an available remedy." *Id. See also RECP IV WG Land Inv. v. Capital One Bank*, 295 Va. 268 (2018) (affirming trial court dismissal of plaintiff's declaratory judgment count "because its claims had 'accrue[d] and mature[d].'" *Id.* at 277.

Plaintiffs seek the payment of $2,545,402.00 for 2019 and 2020. They are "asking the circuit court to decide whether" the defendants "had breached the contract between them...." *Green v. Goodman-Gable-Gould Co.*, 268 Va. at 109-110. In this instance, as in *Hylton*, "the alleged wrongs have already been suffered".

For the reasons stated, a declaratory judgment on these allegations would be an abuse of discretion. The amended complaint should be dismissed.

3. Appomattox and Nelson Are Parties-Defendant.

Plaintiffs argue that Nelson and Appomattox "were included as interested parties only—not as defendants." Plaintiffs' Memorandum, p.11. The phrase "interested party" will not be found in Part Three of the Rules of the Virginia Supreme Court, only "plaintiff" and "defendant". Moreover, a "defendant must file pleadings in response" to a complaint which may be, among other things, a demurrer or plea. Rule 3:8.

Plaintiffs cite *Erie Insurance Group v. Hughes*, 240 Va. 165 (1990), for the proposition that Appomattox and Nelson are only "interested parties" because "[c]ourts may not provide declaratory relief unless all parties with an interest are before the court". Plaintiffs' Memorandum, p.11. But in addressing the absence of certain parties, the *Erie* Court stated that

without them "as parties *defendant*, this action cannot be sufficiently conclusive." *Id.* at 170 (emphasis added.).

As stated above, the Authority may only act through its Board. *Va. Code* § 15.2-5113. Hence plaintiffs' reliance on *Linnon v. Commonwealth*, 287 Va. 92, 102 (2014), is inapposite. The Authority is the nominal "interested party". The crux of plaintiffs' contentions is that the Nelson and Appomattox board members did not vote to distribute Excess Funds to plaintiffs. The result of plaintiffs ultimately prevailing is the nullification of the votes of Nelson and Appomattox. No matter how plaintiffs characterize the parties, their dispute is with Nelson and Appomattox. *See* Complaint ¶¶ 14 &15.

Furthermore, the Plaintiffs' entire action centers on the terms of the MUA (Plaintiffs' Exhibit C) and alleged ambiguities in that agreement. Nelson and Appomattox Counties are parties to that agreement, so not only are Nelson and Appomattox necessary parties, they are indispensable parties to this litigation because they are contractual parties to the MUA.

Respectfully submitted,

County of Nelson

By _____
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's brief was sent by facsimile and mailed first-class postage prepaid this 21st day of February, 2022, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153

#3711 | 2/25/2022 | Isenhour/Freedman/Lacheney/Payne/Carroll/Cook

1:32 | Campbell County + City of Lynchburg v. Region 2000 Services Authority, County of Appomattox, + County of Nelson CL2000221 6-00

- Tripp Isenhour present for Campbell County
- Matthew Freedman present for Lynchburg City
- Thomas Lacheney present for Appomattox County
- Phillip Payne present for Nelson County
- Jeremy Carroll present for Region 2000
- Payne: Nelson's plea in bar
  - Appomattox + Nelson didn't vote to distribute excess funds
  - affirmative vote of board is necessary
  - asking Ct to determine whether it's ambiguous or not
- Demurrer - as written, no ambiguity
  - saying contract would need to be re-written
  - says contract is clear
- Carroll doesn't [redacted] have an opinion on matter only here to protect interests of Region 2000
- Isenhour: main issue is what to do w/ 2.5 million
  - ambiguity is there
  - moves to strike plea in bar
- Freedman: will adopt Campbell County's argument

PCL XL error

Subsystem: IMAGE

Error: MissingData

Operator: ReadImage

Position: 19749

- Payne: Ct's decision of ambiguity is not of fact - no evidence
- Ct unclear why Payne calls in plea in bar, what does it do for Nelson County? why isn't it just a demurrer?
- Plea in bar addresses ambiguity
- Ct says Appomattox calls it a demurrer + are arguing something
- LaCheney: agrees w/ Mr. Payne
+ Ct will get parties a letter w/in 2 weeks

TWENTY-FOURTH JUDICIAL CIRCUIT OF VIRGINIA

JOHN T. COOK, JUDGE
CAMPBELL COUNTY CIRCUIT COURT
P.O. BOX 96
RUSTBURG, VIRGINIA 24588
(434) 592-9515
FAX (434) 332-9680

CAMPBELL COUNTY
CIRCUIT COURT CLERK
P.O. BOX 7
RUSTBURG, VIRGINIA 24588
(434) 592-9517
FAX (434) 332-9598

COMMONWEALTH OF VIRGINIA
CITIES OF LYNCHBURG AND BEDFORD
COUNTIES OF AMHERST, BEDFORD, CAMPBELL AND NELSON

March 18, 2022

F. E. "Tripp" Isenhour, III, Esquire
Caskie & Frost
Post Office Box 6320
Lynchburg, VA 24505

Matthew Freedman, Esquire
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne, Esquire
Post Office Box 299
Lovingston, VA 22949

Jeremy Carroll, Esquire
Guynn Waddell Carroll & Lockaby
415 S. College Avenue
Salem, VA 24153

Thomas E. Lacheney, Esquire
Office of the Appomattox County Attorney
153-A Morton Lane
Post Office Box 863
Appomattox, VA 24522

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
18th day of March, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Re: County of Campbell and City of Lynchburg v. Region 2000 and County of Appomattox and County of Nelson
Case No.: CL20002216-00

Dear Counsel:

I am writing to render a decision on the demurrer filed by Appomattox County and the plea in bar and demurrer filed by Nelson County. I have considered the memoranda filed by all the parties and the oral argument of February 25, 2022.

In their Amended Complaint, Campbell County and the City of Lynchburg plead that there is an actual justiciable controversy as to whether they are entitled to Excess Revenue under an amended Member Use Agreement (hereinafter referred to as "the Agreement") (Exhibit B), to compensate them for capital they contributed to the Region 2000 Services Authority (hereafter referred to as "the Authority"). In 2019 and 2020, the Board of the Authority deadlocked in a vote of 2-2 as to whether to Excess Revenue would be paid to Campbell County and to Lynchburg. A total of $2,545,402 of Excess Revenue has accumulated for the two years.

Before I address the merits, I will address the issue of standing. The plaintiffs argue that Appomattox County and Nelson County do not have standing to object to their claims in that the Authority only has standing. They cite Erie Insurance v. Hughes, 240 Va. 165 (1990), which requires all parties in interest be included in a declaratory judgment action. The plaintiffs argue that they only included the two counties to satisfy this rule.

In support of the argument, they cite Linton v. Commonwealth, 287 Va. 92 (2014). In Linton, a criminal defendant was not allowed to raise on appeal an objection made by a co-defendant that he did not join in at trial. The Linton case is not persuasive. As parties in interest, the two counties have standing to object to the matters raised in the Amended Complaint.

I will now address the merits of the demurrers and the plea in bar. On demurrer, the court tests the sufficiency of the plaintiff's factual allegations to determine whether a cause of action has been stated. Fun v. Virginia Military Institute, 245 Va. 249, 252 (1993). A demurrer will be sustained if the pleading, considered in the light most favorable to the plaintiff, fails to state a valid cause of action. C. Porter Vaughan v. DiLorenzo, 279 Va. 449, 455 (2010). A demurrer tests only the legal sufficiency of a pleading, not matters of proof. Hop-In Food Stores, Inc. v. Serv-N-Save, Inc., 237 Va. 206, 209 (1989). In considering a demurrer, the Court must apply the settled rule that a demurrer admits the truth of all well-plead facts expressly alleged, those which fairly can be viewed as impliedly alleged and those which may be fairly and justly inferred from the facts alleged. Rosillo v. Winters, 235 Va. 268,270 (1988). On demurrer, a court may examine not only the substantive allegations of the pleading, but any accompanying exhibit mentioned in the pleading. Flippo v. F & Land Co., 241 Va. 15,17 (1991).

"A plea in bar asserts a single issue, which, if proved, creates a bar to a plaintiff's recovery." Hawthorne v. VanMeter, 279 Va. 566, 577 (2010). The party asserting the plea in bar bears the burden of proof. Id. Two possible standards of review apply, depending on whether the plea's proponent elects to meet that burden by presenting evidence or relying on the pleadings. In the former situation, in which the parties present evidence on the plea ore tenus, the circuit court's factual findings are accorded the weight of a jury finding and will not be disturbed on appeal unless they are plainly wrong or without evidentiary support. Id. In the

latter situation, "where no evidence is taken in support of a plead in bar, the trial court, and the appellate court on review, consider solely the pleading in resolving the issue presented. In doing so, the facts stated in the plaintiff's complaint are deemed true. Lostangio v. Laingford, 261 Va. 495, 497 (2001). Massenburg v. City of Petersburg, 298 Va. 212, 216 (2019).

No evidence was presented, so this court must accept the facts in the pleadings as true. Appomattox County and Nelson County argue that the Agreement is clear and unambiguous that the payment of Excess Revenue to Campbell County and Lynchburg is discretionary under Section 5.11(in pertinent part):

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectfully, based on the basis of the relative percentage of available air space each Facility had at the date of the transfer.

"The question whether a contract is ambiguous is not one of fact but one of law." Wilson v. Holyfield, 227 Va. 184, 187 (1984). "Language is ambiguous if it admits of being understood in more than one way or refers to two or more things simultaneously. An ambiguity exists when the language is difficult to comprehend, is of doubtful import, or lacks clearness and definiteness. If language is clear and ambiguous, there is no need for construction by the court. . . "Brown v. Lukhard, 229 Va. 316, 321 (1985).

The plaintiffs alleged in paragraph 8 of the Amended Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement. Paragraph 3.1 of the Agreement states that the Purchase Price for the Campbell County facility and the Lynchburg facility shall be based on a calculation by R.W. Beck, Inc. In its demurrer and in oral argument Appomattox County assert that this is a false allegation that Exhibit D is incorporated in the Agreement. Nelson County did not address the Beck analysis in its demurrer or in oral argument. This court must accept the allegation as true and consider Exhibit D under the standard of review.

The Beck analysis provides under market rate for private haulers:

> Amount collected in excess of cost of service rate will be distributed as excess revenue to the City of Lynchburg and Campbell County and allocated based on the amount of airspace contributed to the Authority. (Section 2-2).

The Beck analysis further provides:

> Excess Revenue as defined in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of

> service disposal fee. The excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed to the Authority. (Section 2.3.8)

The Beck analysis describes the amounts the City of Lynchburg and Campbell County should annually budget for the excess revenue at 80% of estimates stated in the analysis. "If the remaining 20 per cent is available at the end of the year, then it too would be distributed as excess revenue to these two member jurisdictions using the same methodology." (Page 2-11).

The definition of "Excess Revenue" in the Agreement is as follows:

> "Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

When I consider the Beck analysis and the definition of Excess Revenue in the agreement, I find the Agreement to be ambiguous as to whether the payment of Excess Revenue is mandatory or discretionary. The language used says two different things.

I also find there is an actual justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue. The Agreement has a 50-year term that ends in 2058. The plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim.

For these reasons, I deny the demurrers and the plea in bar. I request Mr. Isenhour prepare the order which should provide that the defendants answer the Amended Complaint within 21 days.

Very truly yours,

By: John T. Cook, Judge
John T. Cook

JTC/kfc
c: Court file

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
16th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

ANSWER

The County of Appomattox, by counsel, files the following Answer to the "Amended Complaint" filed by the Plaintiffs:

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted

3. Paragraph 3 is admitted except that Reid Wodicka no longer serves in the identified capacities, which is hereby denied.

4. Paragraph 4 is admitted

5. Paragraph 5 is admitted

6. Paragraph 6 is admitted

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibit A, A1, and Exhibit C. Denied as to Exhibit B which has been superseded in its entirety.

8. Paragraph 8 is denied.

9. Paragraph 9 is denied in that no "Beck Analysis" was considered.

10. Paragraph 10 is Denied. Exhibit E purports to be "Draft" minutes.

11. Paragraph 11 is admitted that a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted that a tie vote occurred. Otherwise denied.

14. Admitted that the distribution of Excess Revenue is discretionary and that such revenue may be used for multiple purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent it is required.

16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18. Paragraph 18 is admitted with respect to the MUA, but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Appomattox County has insufficient information either to admit or deny the allegations in paragraph 29 and denies the same.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extend an answer is required.

32. Paragraph 32 is denied to the extend an answer is required.

33. Paragraph 33 is denied to the extend an answer is required.

34. Paragraph 34 is denied to the extend an answer is required.

35. Paragraph 35 is denied to the extend an answer is required.

36. Paragraph 36 is denied to the extend an answer is required.

37. Paragraph 37 is denied to the extend an answer is required.

38. Paragraph 38 is denied to the extend an answer is required.

39. Paragraph 39 is denied,

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. All allegations not specifically admitted in this answer are denied.

AFFIRMATIVE DEFENSES

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however, such assets are denominated.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

F.E. "Tripp" Isenhour, III
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.

100 West Franklin Street, Suite 300
Richmond, VA 23220

Jeremy Carroll
Guynn Waddell Carroll & Lockaby
415 S College Ave.
Salem, VA 24153

This 4th day of May, 2022

APPOMATTOX COUNTY, VIRGINIA

OFFICE OF THE COUNTY ATTORNEY

THOMAS E. LACHENEY
DEAL & LACHENEY P.C.
COUNTY ATTORNEY

tlacheney@appomattoxcountyva.us
PHONE: (888) 456-1547
FAX: (877) 457-1231

MAILING ADDRESS:
153-A MORTON LANE
POST OFFICE BOX 863
APPOMATTOX, VA 24522

May 4, 2022

Valerie P. Younger, Clerk
Campbell Circuit Court
732 Village Highway
P. O. Box 7
Rustburg, VA 24588-0007

Re: County of Campbell v. Region 2000 Services Authority
Case # CL20002216-00

Dear Ms. Younger:

Enclosed you will find an Asnwer to be filed in this case. Please let me know if you have any questions. I look forward to hearing from you and I am,

Sincerely yours,

Thomas E. Lacheney

enclosure

c: F.E. "Tripp" Isenhour, III
Matthew Freedman
Phillip D. Payne
Bill Hefty
Jeremy Carroll

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA,	)	
&	)	
CITY OF LYNCHBURG, VIRGINIA,	)	
Plaintiffs,	)	
v.	)	Case No. CL20002216-00
REGION 2000 SERVICES AUTHORITY,	)	
Defendant,	)	
COUNTY OF APPOMATTOX, VIRGINIA,	)	
An Interested Party,	)	
COUNTY OF NELSON, VIRGINIA,	)	
An Interested Party,	)	

ORDER ON DEMURRERS AND PLEA IN BAR

On February 25, 2022, the parties came, by counsel, on the County of Appomattox's Demurrer to the Plaintiffs' Amended Complaint, and on the County of Nelson's Demurrer and Plea in Bar to the Plaintiffs' Amended Complaint. Having considered the Demurrers, the Plea in Bar, the Memoranda in Support and Opposition to the same, and the arguments of counsel, the Court Adjudges, Orders, and Decrees as follows, based upon the reasons stated upon the record and in the Court's March 18, 2022 letter ruling to counsel:

1. The County of Appomattox's Demurrer should be, and it hereby is DENIED.
2. The County of Nelson's Demurrer should be, and it hereby is DENIED.
3. The County of Nelson's Plea in Bar should be, and it hereby is DENIED.

4. The County of Appomattox and the County of Nelson shall be permitted to file answers to the Plaintiff's Amended Complaint within 21 days of the entry date of this Order.

5. The Clerk of this Court is directed to send a certified copy of this Order, as entered, to all counsel of record.

Entered this 6th day of May, 2022.

John T. Cook

Judge John T. Cook

I ask for this:

F.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

cc. Isenhour
Freedman
Carroll
Lacheney
Payne

SEEN AND AGREED:

Matthew C. Freedman (VSB# 78496)
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

SEEN:

Jeremy B. Carroll (VSB 41331)
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, VA 24153
(540) 387-2320
(540) 389-2350 (fax)
jeremyc@guynnwadell.com
Counsel for Region 2000 Service Authority

SEEN AND OBJECTED TO FOR THE REASONS STATED ON THE RECORD AT ORAL ARGUMENT AND IN THE DEMURRERS AND BRIEFS; as well as based upon the attached Objection to Letter Opinion and Order

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
153-A Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Appomattox County

See attached objections.

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Nelson County

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

OBJECTION TO LETTER OPINION & ORDER

The County of Appomattox, by counsel, files the following objections to the Letter Opinion of the Court dated March 18, 2022 and the subsequently entered order:

OBJECTION 1

The "Beck Analysis' (Exhibit D to Amended Complaint) as a matter of law is not incorporated by reference into the Member Use Agreement.

The original Member Use Agreement dated January 31, 2008 contains three (3) references to R.W. Beck Inc. (Exhibit B to Amended Complaint) . On June 20, 2008 the Member Use Agreement was amended by the parties (Exhibit C to Amended Complaint). There are again exactly three (3) references to R.W. Beck Inc., and the references are **virtually identical** to those in the original Member Use Agreement with only minor changes to the language:

A. The purchase price for ~~each~~ the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of ~~the~~ those Facilities as determined in an independent assessment by R. W. Beck, Inc.

B. A final determination of net assets and liabilities, ~~and~~ the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be ~~made~~ further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology; and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts ~~will~~ be approved by the Authority Board.

C. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc.

(Added language in Red and deleted language struck out).

Both versions of the Member Use Agreement reference R.W. Beck Inc. but neither version references any specific document. More importantly, the "Beck Analysis" is a misnomer selected by the plaintiffs. The actual document the plaintiffs allege is incorporated by reference is titled "*Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority*" dated March 19, 2008 prepared

by R.W. Beck (Exhibit D) and neither version of the Member Use Agreement references that specific document.

As a matter of law, Exhibit D cannot have been incorporated by reference into the original Member Use Agreement (Exhibit B) because it is a fundamental rule that to incorporated a document by reference, it must have existed at the time of contract execution.

> Virginia recognizes the doctrine of incorporation by reference and there are three requirements in order for the doctrine to apply. **The first requirement is that the paper sought to be incorporated by reference must have been in actual existence** at the time of the will. Second, the face of the will must indicate that it is a paper in existence at that time. Finally, the paper must be identified and described with reasonable certainty in the will. See Triplett's Ex'r v. Triplett, 161 Va. 906, 172 S.E. 162 (1934); Lawless v. Lawless, 187 Va. 511, 47 S.E.2d 431 (1948).

Freeman v. Anderson, 55 Va. Cir. 353, 355, 2001 Va. Cir. LEXIS 297, *5 (emphasis added).

It therefore strains credulity to argue that the amended Member Use Agreement intended to incorporate Exhibit D when it uses almost identical language concerning R.W. Beck as in the original Member Use Agreement when the document did not exist.

Furthermore, the "paper must be described with reasonable certainty..." Id.

> "Incorporation by reference is proper where the **underlying contract makes clear reference to a separate document, the identity of the separate document may be ascertained**, and incorporation of the document will not result in surprise or hardship." Standard Bent Glass Corp. v. Glassrobots Oy, 333 F.3d 440, 447 (3d Cir. 2003); *see also* 11 Richard A. Lord, *Williston on Contracts* § 30:25 (4th ed. 2011) ("As long as the contract makes clear reference to the document and describes it in such terms that its identity may be ascertained beyond doubt, the parties to a contract may incorporate contractual terms by reference to a separate, non-contemporaneous document..."

Fastener Corp. of Am. v. Asheboro Elastics Corp., 2013 U.S. Dist. LEXIS 88834, *9-10, 2013 WL 3227665 (emphasis added).

Not only must the contract make a "clear reference" to the allegedly i]ncorporated document, "[i]t must be clear that the parties to the agreement had knowledge of and assented to the incorporated terms, *Williston on Contracts* § 30:25..." Logan & Kanawha Coal Co., LLC v. Detherage Coal Sales, LLC, 514 Fed. Appx. 365, 367-368, 2013 U.S. App. LEXIS 5613, *6, 2013 WL 1150490

As the Virginia Supreme Court explained:

> "Incorporation by reference" is defined in Black's Law Dictionary, in part, as: "A method of making a secondary document part of a primary document by including in the primary document a statement that the secondary documents should be treated as if it were contained in the primary one." Black's Law Dictionary 781 (8th ed. 2004); *see* Farley v. Farley, 7 Va. Cir. 260, 261 (Virginia Beach City 1985) (quoting Black's Law Dictionary 690 (5th ed. 1979) (defining incorporation by reference as "'[t]he method of making one document of any kind become a part of another separate document by referring'"); *see also* United States v. Stevenson, 832 F.3d 412, 425 (3d Cir. 2016) ("'**[A]n incorporation by reference must be clear, full, and definite and must be expressly done.**'" (quoting 11A Cyc. of Federal Proc. § 42:105 (3d ed.))); Schneider Nat'l Transp. v. Ford Motor Co., 280 F.3d 532, 538 (5th Cir. 2002) ("An incorporation by reference must be sufficiently clear for [a] court to conclude the parties intended the incorporation."); Advanced Display Sys., Inc. v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000) ("**To incorporate material by reference, the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found in the various documents.**"); Navlet v. Port of Seattle, 164 Wn.2d 818, 194 P.3d 221, 235 n. 15 (Wash. 2008) ("**[I]ncorporation by reference must be clear and unequivocal.**"); *cf.* Lawless v. Lawless, 187 Va. 511, 518-19, 47 S.E.2d 431 (1948) (discussing the doctrine of incorporation by reference as related to documents extrinsic to a will).

Va. Elec. & Power Co. v. City of Chesapeake, 95 Va. Cir. 106, 116-117, 2017 Va. Cir. LEXIS 7, *22-23 (emphasis added).

The first Member Use Agreement could not incorporate a document that did not exist, and the amended Member Use Agreement did not contain a "clear, full and definite" reference to the *Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority"* Id. Likewise, the amended Member Use Agreement did not "identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found.." with respect to Exhibit D, nor was any incorporation "clear and unequivocal." Id.

Finally, the actual words used in the Member Use Agreement are actually quite specific as to what R.W. Beck would be doing:

A. Provide a calculation of net assets and liabilities so a purchase price could be determined.

B. Provide a final determination of net assets and liabilities so that a purchase price can be "approved by the Authority Board."

C. Provide a calculation of the total capacity of the landfill.

The Member Use Agreement was explicit and detailed as to the role of R.W. Beck and it did not include the incorporation of a 45 page external document into a 27 page agreement.

OBJECTION 2

The Allegation that "Beck Analysis' (Exhibit D to Amended Complaint) was incorporated by reference into the Member Use Agreement need not be accepted as true.

This Court stated that "[t]he plaintiffs alleged in paragraph 8 of the Amended

Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement" and that [t]his Court must accept the allegation as true and consider Exhibit D under the standard of review." (Memorandum Opinion p.3).

This however, is not a correct statement of the law on demurrer. The Virginia Supreme Court has clearly laid out the standard in this regard:

> "Because this appeal arises from the grant of a demurrer, we accept as true all factual allegations expressly pleaded in the complaint and interpret those allegations in the light most favorable to the plaintiff." Coward v. Wellmont Health Sys., 295 Va. 351, 358, 812 S.E.2d 766 (2018). Though we "accept as true unstated inferences to the extent that they are reasonable, we give them no weight to the extent that they are *unreasonable*. The difference between the two turns on whether 'the inferences are strained, forced, or contrary to reason,' and thus properly disregarded as 'arbitrary inferences.'" Id. at 358-59 (emphases in original) (citations omitted). **We also "distinguish allegations of historical fact from conclusions of law. We assume the former to be true *arguendo*, but we assume nothing about the correctness of the latter because 'we do not accept the veracity of conclusions of law camouflaged as factual allegations or inferences**." Id. at 359 (citation omitted).

Sweely Holdings, LLC v. R SunTrust Bank, 296 Va. 367, 370-371, 820 S.E.2d 596, 598, 2018 Va. LEXIS 169, *2, 2018 WL 6071127 (emphasis added).

Both the question of whether a document is i]ncorporated by reference, and the issue of whether a contract is ambiguous are questions of law and the court need not accept the claims of the plaintiff as true.

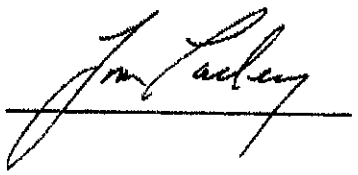
OBJECTION 3

If the Member Use Agreement is unambiguous, all other issues are resolved. In the penultimate paragraph of the Courts Letter Opinion, the Court declares that the "plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim."

The fact is that all issues are resolved in the actual Member Use Agreement and all of the plaintiffs' "questions" must be resolved from the four (4) corners of the Member Use Agreement. That agreement is clear and unambiguous that it takes an affirmative vote of the Authority to pay excess revenue, and the plaintiffs' questions **all** seek a determination from the Court that this clause can be overridden by the court. In essence the relief requested is an amendment of that unambiguous term and the Court to mandate a payment of excess revenue, and to strike the language requiring a vote by an appointed body of a political subdivision of the Commonwealth. This the Court cannot do and there are therefore no issues left to be resolved.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

Nelson County's objections to the Court's opinion and order:

1. Nelson County adopts and incorporates by reference the Objection to Letter Opinion & Order filed by Appomattox County.

2. Nelson County objects to the Court's denial of her demurrer and its finding of ambiguity in the Member Use Agreement in connection with the distribution of Excess Revenue as the Agreement provides that "the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...", a discretionary power fully comporting with the mandate of Virginia Code § 15.2-5113. "A majority of board members shall constitute a quorum and the vote of a majority of board members shall be necessary for any action taken by the authority." *Id.*

3. Nelson County objects to the Court's denial of her plea in bar and its ruling that "there is an actual and justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue" as an abuse of the Court's discretion on the grounds that plaintiffs' claim lies in contract: that they are seeking a total of $2,545,402.00 in Excess Revenue. The other questions posed by plaintiffs seek advisory opinions or answers to inquiries that are merely speculative and thus not justiciable in a declaratory judgment action.

Phillip D. Payne IV

Of counsel

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, et als.,	)	
	)	
	)	
Defendants.	)	

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
20th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

Nelson County's Answer

Comes now Nelson County by counsel and files this her answer to the amended complaint.

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted.

3. Paragraph 3 is admitted except that Nelson County has insufficient information to either admit or deny Reid Wodicka's position.

4. Paragraph 4 is admitted.

5. Paragraph 5 is admitted.

6. Paragraph 6 is admitted.

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibits A, A1, and C. Denied as to Exhibit B as having been superseded in its entirety.

8. The allegations in paragraph 8 are denied.

9. Paragraph 9 is denied as no "Beck Analysis" was considered.

10. Paragraph 10 is denied. Exhibit E purports to be draft minutes.

11. Paragraph 11 is admitted to the extent a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted to the extent a tie vote occurred. Otherwise denied.

14. Nelson County admits that the distribution of Excess Revenue is discretionary and that such revenue may be used for other purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent an answer is required.

16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18 Paragraph 18 is admitted with respect to the MUA but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Nelson County has insufficient information either to either admit or deny the allegations in paragraph 29.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extent an answer is required.

32. Paragraph 32 is denied to the extent an answer is required.

33. Paragraph 33 is denied to the extent an answer is required.

34. Paragraph 34 is denied to the extent an answer is required.

35. Paragraph 35 is denied to the extent an answer is required.

36. Paragraph 36 is denied to the extent an answer is required.

37. Paragraph 37 is denied to the extent an answer is required.

38. Paragraph 38 is denied to the extent an answer is required.

39. Paragraph 39 is denied.

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. Nelson County denies all allegations not specifically admitted in this answer.

Affirmative Defense

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however such assets are denominated.

WHEREFORE, Nelson County prays that the amended complaint be dismissed and that she be awarded her costs and attorney's fees ion this behalf expended.

County of Nelson

By _____
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

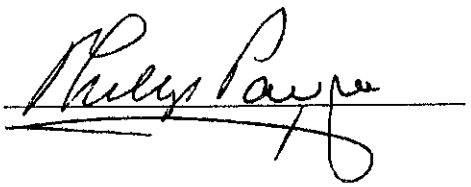
I certify that a true copy of Nelson County's answer was mailed first-class postage prepaid this 10th day of May, 2022, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



VIRGINIA:

IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL	)	
	)	
AND	)	
	)	
CITY OF LYNCHBURG	)	Case No. CL20-2216
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
REGION 2000 SERVICES AUTHORITY, *et.al.*,	)	
	)	
	)	
Defendants.	)	

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
4th day of May, 2023
VALERIE P. YOUNGER, CLERK
Teste: J Heald
Deputy Clerk

NOTICE OF APPEARANCE

Please take Notice that effective April 24, 2023, Jeremy E. Carroll counsel for the Respondents, joined the firm of Spilman Thomas & Battle, PLLC and Notice is given that said firm is hereby appearing as counsel, along with Jeremy E. Carroll and the contact information for future notices, pleadings and correspondence shall include counsel and said firm as follows:

Jeremy E. Carroll, Esq.
Spilman Thomas & Battle, PLLC
P.O. Box 90
310 First Street
Suite 1100
Roanoke, Va. 24011
Phone- (540) 512-1800
Fax- (540) 342-4480
Email jcarroll@spilmanlaw.com

An order allowing the firm of Guynn, Waddell, Carroll & Lockaby, P.C. to withdraw as counsel for Defendant will be circulated and presented to the Court for consideration and entry.

REGION 2000 SERVICE AUTHORITY

By: _____
Of Counsel

Jeremy E. Carroll (VSB No. 41331)
Spilman Thomas & Battle, PLLC
P.O. Box 90
310 First Street
Suite 1100
Roanoke, Va. 24011
Phone- (540) 512-1800
Fax- (540) 342-4480
Email: *jcarroll@spilmanlaw.com*
Counsel for Region 2000 Service Authority

Certificate of Service

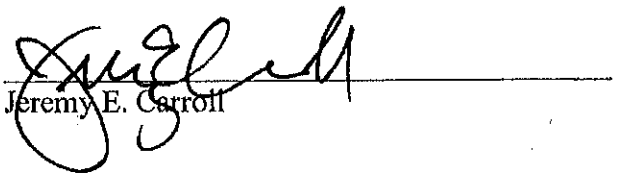
I hereby certify that a true and correct copy of the foregoing Notice of Appearance was served by first class mail postage prepaid on this the 2nd Day of May, 2023 to the following counsel on record:

F.E. "Tripp" Isenhour, III (VSB No. 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

Matthew C. Freedman, Esq., (VSB No. 78496)
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 — Telephone
(434) 847-9049 — Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
153 A Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Nelson County

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Appomattox County



Jeremy E. Carroll

spilman
thomas & battle

Jeremy E. Carroll, Esq.
540.512.1821
jcarroll@spilmanlaw.com

May 2, 2023

VIA FIRST CLASS MAIL

The Honorable Valerie P. Younger, Clerk
Campbell Circuit Court
P.O. Box 7
732 Village Highway
Rustburg, VA 24588-0007

Re: County of Campbell and City of Lynchburg v. Region 2000 Services Authority, et.al.
Case No. CL20-2216

Dear Ms. Younger:

Please see the enclosed Notice of Appearance for filing on behalf of the Respondents in the above referenced matter. By copy of this letter, I am forwarding copies of the notice to counsel of record. In my haste to file this notice, I mistakenly sent an earlier version of this notice to Lynchburg Circuit Court. I apologize for the error.

Thank you for your assistance and if you have any questions, please do not hesitate to contact me.

Very truly yours,

Jeremy E. Carroll

JEC/oel:
Enclosure
cc: F.E. "Tripp" Isenhour, III, Esq. via first class mail and e-mail (w/enc)
Matthew C. Freedman, Esq. via first class mail and e-mail (w/ enc)
Thomas E. Lacheney, Esq. via first class mail and e-mail (w/ enc)
Phillip D. Payne, IV, Esq. via first class mail and e-mail (w/enc)

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA, et al.,	)	
	)	
Petitioners,	)	
	)	
v.	)	**Case No.: CL22000180-00**
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Respondents.	)	
	)	

ORDER

On April 7, 2023, the parties came, by counsel, on the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox, upon the motion of the County of Campbell's and City of Lynchburg's Motion to Intervene in the proceedings, and upon the County of Campbell's and City of Lynchburg's Motion to Consolidate the instant matter with the matter currently pending in the Campbell County Circuit Court as County of Campbell, Virginia, et al. v. Region 2000 Services Authority, et al., Case No. CL20002216-00. Having considered the said motions and the arguments of counsel and based upon the reasons stated upon the record, the Court Adjudges, Orders, and Decrees as follows:

1. The County of Campbell's and the City of Lynchburg's Motion to Intervene is GRANTED, and they, as intervenors, shall be parties respondent to this matter. The intervenors shall have twenty-one (21) days from the entry date of this Order to file responsive pleadings.

2. The County of Campbell's and the City of Lynchburg's Motion to Consolidate is GRANTED, and this matter is transferred to the Campbell County Circuit Court, pursuant to the authority of Va. Code § 8.01-265, to be consolidated for the purposes of hearing and trial with the aforementioned case numbered CL20002216-00 pending in that court.

3. Because the Court ruled upon the County of Campbell's and the City of Lynchburg's Motion to Consolidate prior to entertaining argument upon the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox, the Court makes no ruling regarding that petition, and the parties shall be without prejudice in the hearing of that matter in the Campbell County Circuit Court.

Entered this 19TH day of MAY, 2023.

Judge Michael R. Doucette

I ask for this:

F.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

SEEN AND AGREED:

Matthew C. Freedman, Esquire (VSB# 78496)
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

SEEN:

Jeremy B. Carroll (VSB 41331)
Spilman, Thomas & Battle, PLLC
310 First Street, Suite 1100
P.O. Box 90
Roanoke, Virginia 24002-0090
(540) 512 1821
(540) 342 4480 (fax)
jcarroll@spilmanlaw.com
Counsel for Region 2000 Service Authority

SEEN AND OBJECTED TO FOR THE REASONS STATED ON THE RECORD:

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
153-A-Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Appomattox County

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Nelson County

A Copy, Teste:
NELSON COUNTY CIRCUIT COURT
Lisa D. Bryant, Clerk
By: _____
Deputy Clerk

MICHAEL R. DOUCETTE, JUDGE

LISA D. BRYANT, CLERK

TELEPHONE
(434) 263-7020

FACSIMILE
(434) 263-7027

CIRCUIT COURT OF NELSON COUNTY
84 COURTHOUSE SQ., 1st FLOOR
P.O. BOX 10
LOVINGSTON, VIRGINIA 22949

May 23, 2023

Valerie P. Younger, Clerk
Campbell County Circuit Court
732 Village Highway
Rustburg, VA 24588

RE: County of Nelson, Virginia, et al v. Region 2000 Services Authority, et. al
Nelson Circuit Case Number: CL22000180-00

County of Campbell, Virginia, et. al v. Region 2000 Services Authority, et. al
Campbell Circuit Case Number: CL20002216-00

Dear Ms. Younger:

Please find enclosed are the filings for the above styled case in our court. The Order dated May 19, 2023 transfers this matter to your court.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

Anna Driggers
Civil Deputy Clerk

VIRGINIA
CIRCUIT COURT
- CAMPBELL COUNTY
Received and Filed this the 5th day of June, 20 23
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

Cc: Phillip D. Payne IV: Attorney for Nelson County
Thomas E. Lacheney: Attorney for Appomattox County
F. E. "Tripp" Isenhour III: Attorney for Campbell County
Matthew C. Freedman: Attorney for the City of Lynchburg
Jeremy E. Carroll: Attorney for Region 2000 Service Authority

VIRGINIA:

IN THE CIRCUIT COURT OF NELSON COUNTY

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 5th day of June, 2023
VALERIE P. YOUNGER, CLERK
Teste: V Younger
Deputy Clerk

Nelson County,
Appomattox County
Petitioners,

Region 2000 Services Authority,

Serve:
William H. Hefty, Esquire
Hefty, Wiley and Gore
100 West Franklin Street, Suite 300
Richmond, Virginia 23220

Respondent.

CL22000180-00

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

Petition for Temporary Injunction

Comes now Nelson County and Appomattox County by counsel and file this petition seeking a temporary injunction stating their reasons therefor as follows:

1. Respondent Region 2000 Services Authority (the Authority) is an authority created pursuant to Chapter 51, Title 15.2 of the Code of Virginia, for the purpose of operating regional landfills for its member jurisdictions. The Authority's current landfill operations are located in Campbell County.

2. Petitioners are two of four current member jurisdictions, the others being the City of Lynchburg, and Campbell County.

3. The Authority is governed by a Member Use Agreement (the "MUA") a copy of which is attached marked "Exhibit A".

4. The Authority consists of a board of four members with each jurisdiction appointing one member (the "Board").

5. Section 2.2 of the MUA provides "that this Agreement shall not be amended or changed without the consent of the Authority and the consent of the governing body of each jurisdiction."

5.11

6. Relevant to this petition, Section 5.10 of the MUA provides: "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...."

7. On January 27, 2016, the Authority Board, by a 3 to 1 vote, Nelson County voting no, adopted the "Region 2000 Services Authority Fiscal Policy Guidelines" ("Guidelines"). The Guidelines were not submitted to the member jurisdictions' governing bodies for approval. A copy of the guidelines is attached marked "Exhibit B".

8. Relevant to this petition, the Guidelines provide that "[o]nce current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host [Campbell County] and 25% will be retained for future planning, as a means to self-fund projects, or any other item approved by the Board." PG 16

9. By memorandum dated June 8, 2021, counsel for the Authority William H. Hefty informed the Board that the available air space as of the date of the original transfer would be consumed by September 1, 2021. He concluded therefore that Excess Revenue must be distributed as directed in the Guidelines and that a "vote of the Authority is not annually required to specifically distribute the funds...." A copy of the memorandum is attached marked "Exhibit C".

10. The Guidelines abrogate Section 5.10 of the MUA by eliminating the Authority Board's ability to vote on the distribution of Excess Revenue.

11. Such a change represents an amendment to the MUA which was not approved by the member jurisdictions' governing bodies.

12. The Authority Board is without the authority to amend unilaterally the MOU and such action is *ultra vires.*

13. The automatic distribution of Excess Revenue in the amount of $933,117.00 to Campbell County by the Authority is budgeted for the 2023 fiscal year. The proposed budget is attached marked "Exhibit D".

14. The interests of Nelson and Appomattox Counties and of the Authority itself will be irreparably harmed by such unlawful distribution.

15. The consent of the member jurisdictions' governing bodies for approval of an amendment to the MOU being required, petitioner's success on the merits is likely.

WHEREFORE, Nelson and Appomattox Counties pray that a temporary injunction issue prohibiting the automatic distribution of Excess Revenue by the Authority and that after notice to respondent, a permanent injunction issue invalidating the Guidelines.

County of Nelson

By _____
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

VALIDATE CASE PAPERS
RCPT : 220000331
DATE : 05/27/2022 TIME: 11:02
CASE : 125CL2200180-00
ACCT : NELSON COUNTY
AMT. : $0.00

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority ("**Authority**"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("**Campbell**"), the County of Nelson, Virginia ("**Nelson**"), the County of Appomattox ("**Appomattox**"), the City of Lynchburg, Virginia ("**Lynchburg**") and the City of Bedford, Virginia ("**Bedford**"), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

[W0705513 | 0[3135.010204]

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED



ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("**Regulations**"), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 265 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("**Member Jurisdiction Default**").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:

Region 2000 Services Authority
Executive Director
828 Main Street – 12th Floor
Lynchburg, VA 24504

If to Appomattox

Appomattox County, Virginia
Aileen T. Ferguson
County Administrator
P.O. Box 863
Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[W1909333 (018125-070804)]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[W0703313 | 01313:070064 |

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

{W0705513 1 013135-000704 }

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[WORKSITE | 013135-010704 |

Region 2000 Services Authority
Fiscal Policy Guidelines

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

Table of Contents

Objectives

Reserve and Fund Policies

- **Closure and Post-Closure Reserve Fund**
- **Equipment Replacement Reserve**
- **Environmental Remediation Reserve**
- **Operating and Maintenance Reserve**
- **Debt Service Reserve**
- **Future Disposal Planning Reserve**

Debt Management Policy

Operating Budget Policies/Guidelines

FISCAL POLICY GUIDELINES - OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the Authority. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. Effective fiscal policy:

- Contributes significantly to the Authority's ability to prepare for and insulate itself from fiscal crisis by being able to better manage stressful financial internal and external events,
- Enhances the ability to obtain short-term and long-term credit financing by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the Authority rather than single issue areas, and
- Promotes the view of linking long-run financial planning with day-to-day operations.

To these ends, the following fiscal policy statements are presented.

Reserve and Fund Policies

Closure and Post-Closure Reserve Fund: This fund provides for the cost of capping completed areas of the landfill and at the end of the landfill's useful life to completely close any remaining area, install all monitoring and collection systems and perform all post-closure care activities per regulatory requirements. Contributions will be made to this Reserve on an annual basis as an operating expense.

Equipment Replacement Reserve: This fund provides for the future purchases, and regularly scheduled replacement of major operating equipment in an orderly fashion as to minimize annual operating costs, maximize any trade-in or surplus value, and to provide for the best overall purchasing value. Contributions will be made to this Reserve on an annual basis as an operating expense. Salvage value of retired equipment will also flow through this reserve.

The purpose is to stabilize the impact of equipment purchases on the operating fund. Contributions out of the operating fund are leveled out even though the cost of required equipment replacements could vary significantly from year to year.

Environmental Remediation Reserve: The Authority has chosen to establish a separate reserve fund to address potential environmental remediation issues. Annually, $50,000 will be contributed to this fund. The funds in the reserve will be available for the Authority to use for other purposes or to distribute to the member jurisdictions, if there is a balance in the reserve at the end of the Landfill life. However, if an environmental remediation issue occurs and the expense exceeds the balance of the remediation fund, the Authority would have to find other funding sources for addressing the environmental remediation. Contributions will be made to this Reserve on an annual basis as an operating expense.

Operating and Maintenance Reserve: The authority will provide an Operating and Maintenance Reserve fund (O &M) in an amount equal to not less than 90 days of its projected expenses (excluding debt service), net of reimbursable expenses and interest income, as prescribed in the current fiscal year's budget. The O & M Reserve will be established as separate account and will be used to the extent the Board does not desire to use other available funds to cover periods of revenue shortfall when the Authority's revenues are not sufficient to cover its net expenses. The reserve contribution will not be included in the calculation of the cost of service rate since the contribution originate from revenues generated from member jurisdiction in excess of the cost of service rate.

Debt Service Reserve: Funds in this account will be used to pay debt service owed by the Authority. This account will be funded by the Member Jurisdictions contributions as determined by the Member Use Agreement and the schedule of payments set forth by the Bondholders. An amount sufficient to satisfy the debt service payment will be budget each fiscal year until the debt service is satisfied and no further payment is required as set forth in the bond documents. Contributions will be made to this Reserve on an annual basis as an operating expense.

Future Disposal Planning Reserve: Funds in this account will be used for future planning and feasibility studies related to disposal options once the Lynchburg and Campbell landfills reach capacity. Contributions will be made to this Reserve on an annual basis as an operating expense.

Debt Management Policy

- The Authority will not use long-term debt to fund current operations.
- The Authority will not use short-term borrowing to fund current operations.

Whenever the Authority finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed.

Operating Budget Policies/Guidelines

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established by the Board.

The Authority shall establish its Member Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to

create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

1. The Authority will budget for all current operating expenditures to be paid for with current operating revenues.

2. The management and operations staff should, not only during the preparation of the budget but in the budget execution, use due care and promote cost savings and operating efficiencies at all times especially during periods of revenue shortfalls.

3. In preparing its annual budget, the Authority will base its revenue and expenditure projections on historic performance while also taking into consideration current trends, events and developments in regulatory and environmental activities.

4. One-time or other special revenues will not be used to finance continuing Authority operations, but instead will be used for funding specific one-time projects.

5. The Authority will prepare quarterly financial statements showing the progress of budget estimates compared to actual results. These quarterly reports and the Authority's budgets are prepared on a cash flow or modified cash flow basis and differ from the final audited year end reports.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year and therefore will vary based on both the incoming tonnage and disposal rates.

Once the current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host and 25% will be retained to use for future planning, as a means to self-fund projects, or any other item approved by the Board.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

Attachment 4d

Memorandum

To: Region 2000 Services Authority Board

From: William H. Hefty

Date: June 8, 2021

Re: Excess Revenue

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

EXCESS REVENUE UNDER THE MEMBER USE AGREEMENT

The current version of the Region 2000 Services Authority Member Use Agreement dated June 20, 2008 defines Excess Revenue as "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year."

Section 5.11 of the Member Use Agreement states that "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation."

Draper Aden has determined that the available air space at both landfills as of the date of original transfer of the landfills will run out as of September 1, 2021. On this date the concept of the payment of Excess Revenue under the Service Agreement to Campbell and Lynchburg will cease, and no payments of Excess Revenue will be available to Lynchburg or Campbell **under the Agreement.**

EXCESS REVENUE AFTER SEPTEMBER 1

Even though there is no Excess Revenue available for distribution under the Service Agreement, the Board will still collect payments from private haulers, so the concept will still remain. But once capacity



as of the date of transfer is achieved, there is no mention in the Member Use Agreement of payment to Lynchburg and Campbell. Excess Revenue just becomes a defined term. In an absence of a policy from the Authority Board, any revenue from commercial haulers would be general revenue available to the Authority as would any other revenue.

The Board, however, addressed this issue at its meeting on January 27, 2016. A draft of a document titled Region 2000 Services Authority Fiscal Policy Guidelines was presented to the Board for consideration. The draft policy used basically the same definition of Excess Revenue as contained in the Service Agreement, and then added the following sentence:

"Once the current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host and 25% will be retained to use for future planning, as a means to self-fund projects, or any other item approved by the Board."

There was discussion among the Board as to this provision. Following discussion, a motion was made to adopt the policy without the above language, and it was approved unanimously. A motion was then made by Frank Rogers to add the paragraph back in, which was seconded by John Spencer. The motion carried 3-1, with Steve Carter opposed. Thus, the policy adopted by the Board stated that after the initial air space was consumed, 75% of Excess Revenue would go to Campbell County.

This policy of the Board has not been changed, although it may be changed by the Board at any time with a majority vote, and so it is still in effect. Consequently, it is my opinion that the administration should follow the policy adopted by the Board and distribute the Excess Revenue collected after September 1. A vote of the Authority is not annually required to specifically distribute the funds, as the policy states that the Authority "will" distribute the amount as specified.

I also do not think it is relevant whether it is labeled "Excess Revenue" in the budget or given some other name. The calculation is the same regardless of the name, and the policy is clear what is being referred to. The important point is that the payment of Excess Revenue under the Member Use Agreement ends on September 1, and the funds are then general fund monies with no direction as to their use under the Member Use Agreement. The payment of the 75 % to Campbell County after that date was a policy decision of the Board which has not been rescinded.

FY 2023 Proposed Budget Summary

Revenue Tonnage Projection:

- Member tons, 70,910 tons. No change from FY 2022
- Market Rate tons, 124,416 tons. 2% increase over FY2022

Revenue:

- $7,788,390, 10.4% increase over FY 2022. Includes 25% Authority share of airspace reserve from FY 22 (projected) and 25% Authority share of airspace reserve for FY23 (proposed).

Operating Expenses:

$6,855,273, 17.4 % increase over FY 2022

Total Expenses

- $7,788,390, 16.57% increase over FY 2022

Proposed Employee Merit Based Salary Increase:

A 5% merit-based salary increase is proposed for July 1, 2022.
The US inflation rate in March 2022 was 8.5% and our Health Insurance rate will increase by 8% on July 1, 2022.

Proposed Tipping Fee:

Member Rate: $30.25 no increase over FY22.
Market Rate: $40.25 per ton, no increase over FY22.

Please note that we have not increased the member or market rate tipping fee for 6 budget years and only one tipping fee increase in the past 10 budget years.

The attached pro forma budget indicates a member rate tipping fee increase of $3.17 per ton for FY24 then a steady rise in tipping fees through FY29 to $39.09 per ton in FY29. The increase in tipping fees is mainly to fund Livestock Road closure/post closure reserve contributions.

Region 2000 Service Authority Historical Tipping Fees:

FY23: 30.25/40.25 (proposed)
FY22: 30.25/40.25
FY21: 30.25/40.25
FY20: 30.25/40.25
FY19: 30.25/40.25
FY18: 30.25/40.25
FY17: 28.75/38.75
FY16: 28.75/38.75
FY15: 28.75/38.75
FY14: 28.00/38.00

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED



Region 2000 Services Authority Disposal Fee Revenue

Schedule 1

Tonnage	FY2022 Rates $30.25/$40.25 (A) FY2022 Approved Budget	FY2021 Rates: $30.25/$40.25 (A) FY2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY2023 Rates $30.25/$40.25 FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Tonnage From Member Jurisdictions								
Lynchburg	35,160	35,160	32,783	2,377	6.76%	35,160	0	0.00%
Campbell	20,412	20,412	17,152	3,260	15.97%	20,412	0	0.00%
Nelson	9,984	9,984	9,546	438	4.39%	9,984	0	0.00%
Appomattox	5,354	5,354	5,048	306	5.71%	5,354	0	0.00%
Subtotal Member Jurisdictions	70,910	70,910	64,529	6,381	9.00%	70,910	0	0.00%
Lynchburg Contracts & Other Waste	-	-	-	-	0.00%	-		
Market Rate Tonnage	121,976	121,976	106,397	15,579	12.77%	124,416	2,440	2.00%
Subtotal Contract and Market Rate	121,976	121,976	106,397	15,579	12.77%	124,416	2,440	2.00%
Subtotal Revenue Generating Tonnage	192,886	192,886	170,927	21,959	11.38%	195,326	2,440	1.26%
Other Tonnage at No Charge (inert/brush/slag)	12,176	12,176	9,727	2,449	20.11%	12,176	0	0.00%
Total Tonnage	205,062	205,062	180,654	24,408	11.90%	207,502	2,440	1.19%

Disposal Fee Revenue	FY2022 Approved Budget	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
From Member Jurisdictions								
Lynchburg	$ 1,063,590	$ 1,063,590	$ 989,196	$ 74,394	6.99%	$ 1,063,590	0	0.00%
Campbell	$ 617,463	$ 617,463	$ 519,043	$ 98,420	15.94%	$ 617,463	0	0.00%
Nelson	$ 302,016	$ 302,016	$ 288,845	$ 13,171	4.36%	$ 302,016	0	0.00%
Appomattox	$ 161,959	$ 161,959	$ 153,250	$ 8,708	5.38%	$ 161,959	0	0.00%
Subtotal Member Jurisdictions	$ 2,145,028	$ 2,145,028	$ 1,950,334	$ 194,694	9.08%	$ 2,145,028	0	0.00%
Lynchburg Contracts & Other Waste	$ -	$ -	$ -	$ -	0.00%	$ -	0	0.00%
Market Rate Tonnage	$ 4,909,537	$ 4,909,537	$ 4,273,929	$ 635,608	12.95%	$ 5,007,725	98,188	2.00%
Subtotal Contract and Market Rate	$ 4,909,537	$ 4,909,537	$ 4,273,929	$ 635,608	12.95%	$ 5,007,725	98,188	2.00%
FY22 Airspace Reserve 25%						$ 324,598		
FY23 Airspace Reserve 25%	$ -		$ -	$ -		$ 311,039		
Total	$ 7,054,565	$ 7,054,565	$ 6,224,263	$ 830,302	11.77%	$ 7,788,390	733,825	10.40%

Per Ton Disposal Fees	FY2022 Approved Budget	FY 2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	% Difference (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Member Disposal Fee	$ 30.25	$ 30.250	$ 30.224	$ 0.026	0.09%	$ 30.250	0.00	0.00%
Cost of Service (COS) Tipping Fee	$ 30.25	$ 30.250	$ 28.290	$ 1.960	6.48%	$ 30.250	0.00	0.00%
Market Rate	$ 40.25	$ 40.250	$ 40.169	$ 0.081	0.20%	$ 40.250	0.00	0.00%

Region 2000 Services Authority Expenses

FY23 Budget Proposal

Schedule 2

FY2023 Rates
$30.25/$40.25

Expenses	(A) FY 2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Personnel (Schedule 3)	$ 1,621,713	$ 1,236,780	$ 384,933	23.74%	$ 1,651,837	$ 30,124	1.86%
Landfill O & M (Schedule 4)	$ 1,547,244	$ 1,412,990	$ 134,254	8.68%	$ 1,604,762	$ 57,518	3.72%
Landfill Equipment Replacement Reserve	$ 463,375	$ 386,146	$ 77,229	16.67%	$ 705,000	$ 241,625	52.14%
Closure and Post-Closure Reserve Livestock Road	$ 450,000	$ 375,000	$ 75,000	16.67%	$ 600,000	$ 150,000	33.33%
Future Disposal Planning Reserve	$ -	$ -	$ -	0%	$ -	$ -	0.00%
O & M Reserve	$ -	$ -	$ -	0%	$ -	$ -	0.00%
Annual Debt Service -2011 Bond Debt	$ 829,225	$ 808,744	$ 20,481	2.47%	$ 829,017	$ 208	0.03%
2015 Bond Debt	$ 1,112,462	$ 808,808	$ 303,654	27.30%	$ 1,112,891	$ 429	0.04%
Phase V Funding - 2021 Bond Debt	$ -	$ 26,370	$ (26,370)	0.00%	$ 542,049	$ 542,049	
Internal Loan		$ -	$ -			$ -	
Annual Debt Service Subtotal	$ 1,941,687	$ 1,617,552	$ 324,135	16.69%	$ 2,483,957	$ 542,270	27.93%
Operating Expenses	$ 6,024,019	$ 5,028,469	$ 969,180	16.09%	$ 7,045,557	$ 1,021,538	16.96%
Reimbursable Personnel Costs (Schedule 5)	$ (46,715)	$ (39,715)	$ (7,000)	14.98%	$ (47,784)	$ 1,069	2.29%
Reimbursable O & M Costs (Schedule 5)	$ (121,500)	$ (115,329)	$ (6,171)	5.08%	$ (121,500)	$ -	0.00%
Late fees/Recycling Revenue/Fin charges	$ (20,000)	$ (37,820)	$ 17,820	-89.10%	$ (20,000)	$ -	0.00%
Interest Income-Operating (19% of Actual)	$ (1,000)	$ (36)	$ (964)	96.37%	$ (1,000)	$ -	0.00%
Late Fee, Recycling & Int Income	$ (21,000)	$ (37,856)	$ 16,856	-80.27%	$ (21,000)	$ -	0.00%
Net Cost of Service Operating Expense Total	**$ 5,834,804**	**$ 4,835,569**	**$ 972,865**	**16.67%**	**$ 6,855,273**		

Airspace Reserve	FY 2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change From FY22 Budget	%Change from FY22 Budget
Campbell County (Split is 75%)	$ 846,514	$ 947,934	$ 58,213	5.79%	$ 933,117	$ 86,603	10.23%
Airspace Reserve Subtotal	$ 846,514	$ 947,934	$ 58,213	4.02%	$ 933,117	$ 86,603	10.23%
Total Expenses	**$ 6,681,318**	**$ 5,908,285**	**$ 906,296**	**12.19%**	**$ 7,788,390**	**$ 1,107,072**	**16.57%**
Total Revenue Generating Tonnage	**192,886**	**170,927**	**21,959**	**10.72%**	**195,326**	**2,440**	**1.26%**
Disposal Cost per Ton	**$ 30.2500**	**$ 28.290**	**$ 1.960**	**6.86%**	**$ 35.097**	**$ 4.8466**	**16.02%**

Schedule 2
5/18/2022 9:09 AM
U:\Admin\Sandy\Services Authority\Financial & other info budget related etc\FY2022 Reports\April 2022\ME April 22 - BUDGET PREP FY23

Personnel

Schedule 3

	Account	(A) FY 2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Solid Waste Staff							
	Management							
41111	Salaries - Solid Waste Director	$ 130,495	$ 114,183	$ 16,312	12.50%	$ 143,870	$ 13,375	10.25%
41112	Salaries-Environ Compl & Safety	$ 60,525	$ 53,929	$ 6,596	10.90%	$ 65,510	$ 4,985	8.24%
41129	Salaries-Environ Technician	$ 51,513	$ 46,459	$ 5,054	9.81%	$ 54,000	$ 2,487	4.83%
41113	Salaries-Office Manager	$ 65,805	$ 62,625	$ 3,280	4.98%	$ 51,975	$ (13,930)	-21.14%
41114	Salaries-Finance Associate	$ 35,543	$ 28,001	$ 7,542	21.22%	$ 36,800	$ 1,257	3.54%
	Management	$ 343,981	$ 305,197	$ 38,784	11.28%	$ 352,155	$ 8,174	2.38%
	Salaries & Wages-Operations							
41121	Salaries & Wages-Operations Mgr	$ 68,636	$ 62,110	$ 6,526	9.51%	$ 83,237	$ 14,601	21.27%
41123	Salaries&Wages-Scale Operators	$ 89,277	$ 77,869	$ 11,408	12.78%	$ 98,717	$ 9,440	10.57%
41124	Salaries&Wages-Working FieldSupervisor	$ 50,942	$ 49,193	$ 1,749	3.43%	$ 56,163	$ 5,221	10.25%
41125	Salaries&Wages-Equipment Operators	$ 292,748	$ 254,295	$ 38,453	13.14%	$ 305,345	$ 12,597	4.30%
41127	Salaries&Wages- Maint Workers	$ 30,405	$ 5,560	$ 24,845	81.71%	$ 32,760	$ 2,355	7.75%
41128	Salaries&Wages-Mechanics	$ 89,955	$ 57,609	$ 32,346	35.96%	$ 101,332	$ 11,377	12.65%
	Operations	$ 621,963	$ 506,636	$ 115,327	18.54%	$ 677,554	$ 55,591	8.94%
	Salary	$ 965,944	$ 811,833	$ 154,111	15.95%	$ 1,029,710	$ 63,766	6.60%
	Total Salaries	$ 1,014,241	$ 811,833	$ 154,111	15.19%	$ 1,029,710	$ 63,766	1.53%
	Employee Benefits							
42210	VRS-Retirement	$ 54,549	$ 34,608	$ 19,941	36.56%	$ 55,381	$ 832	1.53%
42220	VRS Life Insurance (1.34%)	$ 13,956	$ 10,611	$ 3,344	23.96%	$ 14,168	$ 213	1.53%
42300	Employer Cost-Health Insurance	$ 210,585	$ 154,481	$ 56,104	26.65%	$ 227,345	$ 16,840	8.00%
42700	Employer Cost-Worker's Comp	$ 35,000	$ 24,326	$ 10,674	30.50%	$ 25,000	$ (10,000)	-28.57%
42100	Employer Cost-FICA	$ 78,627	$ 60,054	$ 18,573	23.62%	$ 79,826	$ 1,199	1.53%
42600	Unemployment Insurance	$ 8,000	$ -	$ 8,000	100.00%	$ 8,000	$ -	0.00%
	Operator Retention Bensfits							
	Employee Benefits Subtotal	$ 400,635	$ 284,600	$ 116,636	29.11%	$ 409,719	$ 9,084	2.27%
	Overtime							
41200	Salaries and Wages - Overtime	$ 36,000	$ 29,784	$ 6,216	17.27%	$ 38,408	$ 2,408	6.69%
	Overtime Subtotal	$ 36,000	$ 29,784	$ 6,216	17.27%	$ 38,408	$ 2,408	6.69%
	Total Personnel Costs-Services Authority Staff	$ 1,450,876	$ 1,125,617	$ 276,963	19.09%	$ 1,477,837	$ 75,258	1.86%
	Local Government Council Staff							
43131	Prof Services-LGC-Salaries	$ 70,812	$ 58,114	$ 12,698	17.93%	$ 70,000	$ (812)	-1.15%
43132	Prof Services-LGC-Benefits	$ 40,795	$ 29,838	$ 10,957	26.86%	$ 44,000	$ 3,205	7.86%
43133	Prof Services-LGC Overhead	$ 59,230	$ 23,212	$ 36,018	60.81%	$ 60,000	$ 770	1.30%
	Total Personnel Costs-Region 2000 Staff	$ 170,837	$ 111,164	$ 59,673	34.93%	$ 174,000	$ 3,163	1.85%
	Total Personnel Costs	$ 1,621,713	$ 1,236,780	$ 384,933	23.74%	$ 1,651,837	$ 78,421	1.86%

Landfill Operating and Maintenance Expenses

Schedule 4

Account	Operations and Maintenance Cost Type	(A) FY2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Contractual Services							
43166	Software support-Paradigm	$ 7,000	8,833	$ (1,833)	-26.18%	$ 7,000	$ -	0.00%
43321	Communications M&R Service/Radio	$ 13,000	10,883	$ 2,117	16.28%	$ 13,000	$ -	0.00%
43313	Building M & R Services	$ 6,000	6,789	$ (789)	-13.15%	$ 6,000	$ -	0.00%
43171	Site Maintenance-Concord Turnpike	$ -	424	$ (424)	0.00%	$ -	$ -	0.00%
43172	Site Maintenance-Livestock Road	$ 35,000	54,490	$ (19,490)	-55.69%	$ 38,500	$ 3,500	10.00%
43170	Sedimentation Basin Cleaning	$ -	-	$ -	0.00%	$ -	$ -	0.00%
43169	Janitorial Services	$ 7,800	6,500	$ 1,300	16.67%	$ 7,800	$ -	0.00%
43110	Med/Dental/Pharm/Lab Services	$ -	-	$ -	0.00%	$ -	$ -	0.00%
43150	Legal Services	$ 30,000	77,242	$ (47,242)	-157.47%	$ 30,000	$ -	0.00%
43120	Accounting and auditing service	$ 9,000	11,592	$ (2,592)	-28.80%	$ 9,000	$ -	0.00%
43140	Engineering/Monitoring Services-Lynchburg	$ -	12,149	$ (12,149)	0.00%	$ -	$ -	0.00%
43140a	Engineering/Monitoring Services-Campbell	$ 125,000	160,122	$ (35,122)	-28.10%	$ 125,000		0.00%
43141	Professional Consulting Service	$ -	52,770	$ (52,770)	0.00%	$ -	$ -	0.00%
43160	Environmental Lab Services-Lynchburg	$ -	(562)	$ 562	0.00%	$ -	$ -	0.00%
43160a	Environmental Lab Services-Campbell	$ 8,000	13,133	$ (5,133)	-64.16%	$ 8,000	$ -	0.00%
43200	Temporary Help Service Fees	$ 30,000	17,242	$ 12,758	42.53%	$ 30,000	$ -	0.00%
43600	Advertising	$ 6,000	224	$ 5,776	96.27%	$ 6,000	$ -	0.00%
43176	Software Purchases-Other	$ 3,000	2,750	$ 250	8.33%	$ 3,000	$ -	0.00%
43167	Pest Control services	$ 1,000	800	$ 200	20.00%	$ 1,000	$ -	0.00%
43168	Investigative Services	$ 100	89	$ 12	11.50%	$ 100	$ -	0.00%
46011	Uniform Rental Services / Clothing Allowance beginning FY2020	$ 10,000	8,866	$ 1,134	11.34%	$ 10,000	$ -	0.00%
43161	Tire Shredding Services	$ 5,000	15,462	$ (10,462)	-209.24%	$ 5,000	$ -	0.00%
43165	Misc Contractual Services	$ 1,000	-	$ 1,000	100.00%	$ 1,000	$ -	0.00%
43177	Website, Media & Public Communications	$ 2,500	1,440	$ 1,060	42.40%	$ 2,500	$ -	0.00%
42850	Employee Med Exp-drug tests, ph	$ 1,500	535	$ 965	64.33%	$ 1,500	$ -	0.00%
46031	Heavy Equipment-Outside Repair	$ 60,000	74,688	$ (14,688)	-24.48%	$ 66,000	$ 6,000	10.00%
43173	Mechanical M&R Services	$ 4,000	10,491	$ (6,491)	-162.26%	$ 4,000	$ -	0.00%
43121	Payroll support services	$ 12,000	10,500	$ 1,500	12.50%	$ 12,000	$ -	0.00%
46017	Software Maint Contract-Accounting	$ 800	-	$ 800	100.00%	$ 800	$ -	0.00%
43162	HHW Disposal	$ -	(10,539)	$ 10,539	0.00%	$ -	$ -	0.00%
43163	Wood Waste Grinding	$ 10,000	-	$ 10,000	100.00%	$ 10,000	$ -	0.00%
	Contractual Services Subtotal	$ 387,700	546,911	$ (159,211)	-41.07%	$ 397,200	$ 9,500	2.45%

Landfill Operating and Maintenance Expenses

FY23 Budget Proposal

Schedule 4

Account	Operations and Maintenance Cost Type	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Supplies & Materials							
46001	Office Supplies/Audio Visual Supplies	$ 6,000	3,957	$ 2,043	34.06%	$ 6,000	$ -	0.00%
46002	Forms & Stationary	$ 1,500	272	$ 1,228	81.86%	$ 1,500	$ -	0.00%
46005	Custodial Supplies	$ 2,500	11	$ 2,489	99.58%	$ 2,500	$ -	0.00%
46033	Apparel/Protective Wear/Personal Protective Equipment	$ 3,000	2,226	$ 774	25.80%	$ 3,000	$ -	0.00%
46012	Books & Publications	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46013	Subscriptions	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46018	Safety Supplies	$ 3,000	4,054	$ (1,054)	-35.12%	$ 3,000	$ -	0.00%
46019	Awards & Recognitions	$ -	1,422	$ (1,422)	0.00%	$ -	$ -	0.00%
46020	Grounds Maintenance Supplies	$ 3,000	1,239	$ 1,761	58.70%	$ 3,000	$ -	0.00%
46026	Food & Dietary Supplies	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46022	Minor Equipment-Tools	$ 7,000	7,500	$ (500)	-7.14%	$ 7,000	$ -	0.00%
46021	Chemicals/gases	$ 500	917	$ (417)	-83.49%	$ 500	$ -	0.00%
43310	R & M- Office	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46009	Vehicle M&R Equipment Parts	$ 155,684	110,219	$ 45,466	29.20%	$ 171,252	$ 15,568	10.00%
46007	R&M Supplies-Building	$ 5,000	753	$ 4,247	84.93%	$ 5,000	$ -	0.00%
43312	R & M-Mechanical-Materials	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46016	Odor Control Operations & Materials	$ 100,000	44,897	$ 55,103	55.10%	$ 25,000	$ (75,000)	-75.00%
46032	Communications M & R Materials	$ 2,000	-	$ 2,000	100.00%	$ 2,000	$ -	0.00%
46025	Haul Road M&R Materials	$ 180,000	89,507	$ 90,493	50.27%	$ 198,000	$ 18,000	10.00%
46027	Daily Cover/Posi-Shell	$ 110,000	67,801	$ 42,199	38.36%	$ 121,000	$ 11,000	10.00%
45210	Postal Services	$ 2,000	1,086	$ 914	45.72%	$ 2,000	$ -	0.00%
45220	Messenger Services	$ -	59	$ (59)	0.00%	$ -	$ -	0.00%
43500	Printing & Binding	$ 1,000	147	$ 853	85.30%	$ 1,000	$ -	0.00%
46035	Shop Supplies	$ 15,000	24,122	$ (9,122)	-60.81%	$ 15,000	$ -	0.00%
42820	Education-Tuition Assistance	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46023	Computer Materials & Repair	$ 10,000	9,823	$ 177	1.77%	$ 10,000	$ -	0.00%
46024	Mechanical M&R Materials	$ -	-	$ -	0.00%	$ -	$ -	0.00%
	Supplies & Materials Subtotal	$ 607,184	370,010	$ 237,174	39.06%	$ 576,752	$ (30,432)	-5.01%
	Gas/Diesel Fuel/Oil & Grease							
46008	Vehicle & Equipt Fuel-Diesel	$ 206,000	187,586	$ 18,414	8.94%	$ 283,250	$ 77,250	37.50%
46028	Vehicle & Equipt Fuel-Gasoline	$ 4,800	3,448	$ 1,352	28.16%	$ 6,000	$ 1,200	25.00%
46029	Vehicle & Equipt/Oil & Grease	$ 19,200	13,412	$ 5,788	30.15%	$ 19,200	$ -	0.00%
46008	Gas/Diesel Fuel/Oil & Grease Subtotal	$ 230,000	204,447	$ 25,553	11.11%	$ 308,450	$ 78,450	34.11%
						$ -		0.00%
	Rentals & Leases					$ -		0.00%
45410	Lease/Rent of Equipment-Office (Copier/postal meter)	$ 5,500	4,480	$ 1,020	18.55%	$ 5,500	$ -	0.00%
45411	Lease/Rent of Equipment-Landfill	$ 10,000	18,877	$ (8,877)	-88.77%	$ 10,000	$ -	0.00%
45420	Lease/Rent of Buildings	$ -	-	$ -	0.00%	$ -	$ -	0.00%

Landfill Operating and Maintenance Expenses

Schedule 4

Account	Operations and Maintenance Cost Type	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Rentals & Leases Subtotal	$ 15,500	23,357	$ (7,857)	-50.69%	$ 15,500	$ -	0.00%
	Utilities & Natural Gas							
45230	Telephone/Internet	$ 20,000	11,914	$ 8,086	40.43%	$ 20,000	$ -	0.00%
45110	Electrical Services	$ 35,000	28,171	$ 6,829	19.51%	$ 35,000	$ -	0.00%
45130	Water & Sewer	$ 1,500	1,746	$ (246)	-16.43%	$ 1,500	$ -	0.00%
45120	Utilities - Propane Gas	$ 10,000	10,678	$ (678)	-6.78%	$ 10,000	$ -	0.00%
45231	Cellular Services & Pager	$ 3,960	2,220	$ 1,740	43.94%	$ 3,960	$ -	0.00%
	Utilities Subtotal	$ 70,460	54,729	$ 15,731	22.33%	$ 70,460	$ -	0.00%
						$ -	$ -	0.00%
45500	Travel & Training-Includes Continuing Education	$ 4,000		$ 4,000	100.00%	$ 4,000	$ -	0.00%
45510	Travel Mileage-Personal Vehicle	$ -	622	$ (622)	0.00%	$ -	$ -	0.00%
45530	Travel-Subsistence & Lodging	$ -	11	$ (11)	0.00%	$ -	$ -	0.00%
45540	Off-Site Training	$ -	2,005	$ (2,005)	0.00%	$ -	$ -	0.00%
46014	On-Site Training	$ 4,000	2,765	$ 1,235	30.89%	$ 4,000	$ -	0.00%
	Travel & Training Subtotal	$ 8,000	5,402	$ 2,598	32.47%	$ 8,000	$ -	0.00%
	Miscellaneous							
45800	Miscellaneous	$ 3,500	1,489	$ 2,011	57.44%	$ 3,500	$ -	0.00%
45810	Dues and Assoc Membership-Misc	$ 1,800	866	$ 934	51.89%	$ 1,800	$ -	0.00%
45801	Bank Service Charges	$ 3,600	6,185	$ (2,585)	-71.80%	$ 3,600	$ -	0.00%
45802	Cash Overage and (Shortage)	$ -	-	$ -	0.00%	$ -	$ -	0.00%
45803	Finance Charges paid to vendors	$ -	70	$ (70)	0.00%	$ -	$ -	0.00%
45804	Bad Debt Expense	$ 3,000	-	$ 3,000	100.00%	$ 3,000	$ -	0.00%
45840	VDEQ landfill fee - Misc	$ 33,000	31,134	$ 1,866	5.66%	$ 33,000	$ -	0.00%
	Misc Expenses Subtotal	$ 44,900	39,744	$ 5,156	11.48%	$ 44,900	$ -	0.00%
	Payments to Other Entities							
43164a	Leachate Treatment-LR facility	$ 20,000	7,167	$ 12,833	64.16%	$ 20,000	$ -	0.00%
45308	General Liability insurance	$ 42,000	45,894	$ (3,894)	-9.27%	$ 47,883	$ 5,883	14.01%
	Payments to Other Entities Subtotal	$ 62,000	53,061	$ 8,939	14.42%	$ 62,000	$ -	14.01%
						$ -		
	Sub-Total SA O & M Expenses	1,425,744	1,297,661	$ 128,083	8.98%	1,483,262	$ 57,518	4.03%
	Reimbursable O & M Expenses (see Reimbursable Schedule for Detail)	$ 121,500	115,329	$ 6,171	5.08%	$ 121,500	$ -	0.00%
	Grand Total Operations and Maintenance Cost	$ 1,547,244	$ 1,412,990	$ 134,254	8.68%	$ 1,604,762	$ 57,518	3.72%

Reimbursable Landfill Operating and Maintenance Expenses Personnel Costs

Schedule 5

Account	Operations and Maintenance Cost Type	(A) FY22 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	Projected through 6/30/21	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Reimbursable Landfill O & M Expenses								
	City of Lynchburg								
43140	Engineering/Monitoring Services	$ 60,000	$ 31,532	$ 28,468	47.4%	$ 61,758	$ 60,000	$ -	0.00%
43160	Environmental Lab Services	$ -	$ 3,783	$ (3,783)		$ 2,302	$ -	$ -	
43162	HHW Disposal	$ 28,050	$ 29,282	$ (1,232)	-4.4%	$ 28,457	$ 28,050	$ -	0.00%
	City of Lynchburg Subtotal	$ 88,050	$ 64,597	$ 23,453	26.6%	$ 92,517	$ 88,050	$ -	0.00%
	Campbell County								
43140a	Engineering/Monitoring/Remediation Services	$ 22,840	$ 45,512	$ (22,672)	-99.3%	$ 13,458	$ 22,840	$ -	0.00%
43160a	Environmental Lab Services	$ 5,000	$ 5,220	$ (220)	-4.4%	$ 1,750	$ 5,000	$ -	0.00%
43162	HHW Disposal	$ 5,610	$ -	$ 5,610	100.0%	$ -	$ 5,610	$ -	0.00%
43164a	Leachate Treatment	$ -	$ -	$ -		$ -	$ -	$ -	0.00%
	Campbell County Subtotal	$ 33,450	$ 50,732	$ (17,282)	-51.7%	$ 15,208	$ 33,450	$ -	0.00%
	Reimbursable Landfill O & M Expenses	$ 121,500	$ 115,329	$ 6,171	5.1%	$ 107,726	$ 121,500	$ -	0.00%
	Reimbursable Landfill Personnel Costs								
	City of Lynchburg								
	Concord Turnpike Personnel Costs	$ 40,715	$ 34,661	$ 6,054	14.9%	$ 39,816	$ 41,784	$ -	0.00%
	City of Lynchburg Subtotal	$ 40,715	$ 34,661	$ 6,054	14.9%	$ 39,816	$ 41,784	$ -	0.00%
	Campbell County								
	Environmental Compliance & Safety	$ 6,000	$ 5,054	$ 946	15.8%	$ 2,365	$ 6,000	$ -	0.00%
	Campbell County Subtotal	$ 6,000	$ 5,054	$ 946	15.8%	$ 2,365	$ 6,000	$ -	0.00%
	Reimbursable Landfill Personnel Costs	$ 46,715	$ 39,715	$ 7,000	15.0%	$ 42,181	$ 47,784	$ -	0.00%

Region 2000 Services Authority FY23

Schedule 7

Capital Equipment Fund

FY23 Capital Equipment Items (Preliminary)	Cost	Fund
Estimated Balance @ 6/30/2022		$ 423,435
FY 2023 Preliminary Purchases		
30 Ton Haul Truck	$ 450,000	
Undercarriage for 963 Track Loader	$ 45,000	
Remanufactured Compactor Wheels	$ 85,000	
Brush Mower for Skid Steeer	$ 8,000	
Street Broom for Skid Steer	$ 6,000	
Open Top Bin Replacement	$ 20,000	
Mobile Radio Replacements	$ 12,000	
Subtotal	$ 626,000	
Estimated Transfer from Operating Fund for FY2023		$ 705,000
Estimated Balance @ 6/30/2023		$ 502,435

Schedule 6

Region 2000 Services Authority
Balance Sheet

Assets		4/30/2022
Cash - 2015 Bond Funds		
Cash-US Bank-Bond Balance	$	125,417.73
Cash-US Bank-Bond Fund Payments	$	557,157.43
Total 2015 Bond Funds	$	682,575.16
Cash - 2020 Bond Funds		
Cash-US Bank-Bond Balance	$	-
Cash-US Bank-Bond Fund Payments	$	596,232.60
Cash - US Bank 2022 Bond Fund Balance	$	6,671,418.26
Cash-US Bank 2021 Bond Fund Payments	$	26,369.82
Total 2020 Bond Funds	$	7,294,020.68
Cash - Closure/Post-Closure		
Cash -SunTrust Closure/Post-Closure	$	58,435.57
Total C/PC Concord Tpk	$	58,435.57
LGIP-Concord Tpk - C/PC	$	2,218,486.84
Total Closure/PC - Concord Tpk	$	2,276,922.41
LGIP-Livestock Road - Purchased Contribution C/PC	$	992,032.33
LGIP-Livestock Road - SA Contribution C/PC thru FY20	$	1,378,738.27
Total Closure/PC - Livestock Rd	$	2,370,770.60
Total Closure/Post Closure	$	4,647,693.01
Cash-Operating Accounts		
Total Bank of the James Depository Account	$	26,714.00
Total SunTrust Operating Account	$	2,161,409.43
Suntrust CD for DEQ/Tires	$	6,000.00
LGIP-Environmental Remediation - FY2009 thru FY2017	$	572,753.43
LGIP-O&M Reserve	$	1,061,627.65
LGIP-Year End Fund Balance	$	1,423,838.72
LGIP- Year End Fund Balance - FY20	$	1,139,486.77
LGIP - Year End Fund Balance - FY21	$	1,475,383.91
Total Cash and LGIP	$	20,481,502.76
All Receivables for Operations	$	693,233.67
Receivable from City for CT Post Closure Care	$	637,144.43
Internal Loan Receivable	$	1,551,135.19
GASB 68 Deferred Pension Outflow & OPEB GLI	$	172,197.00
Prepaid Expenses	$	1,329.17
All Fixed Assets -less depreciation	$	12,614,388.04
Construction in Progress - LR projects	$	-
Total Assets	$	36,150,930.26
Liabilities		
Accounts Payable	$	54,508.25
Accrued OPEB Liabilities	$	512,748.55
GASB 68 Deferred Pension & OPEB Liabilities	$	62,004.00
Net Pension Liability	$	(456,125.00)
Accrued Interest Payable	$	43,499.36
Accrued Vacation Pay	$	82,516.69
Accrued Other Liabilities	$	-
Total Current Liabilities	$	299,231.85
Accrued P/C Cost-Concord Tpk - City of Lynchburg (71.6%)	$	1,784,590.30
Accrued P/C Cost-Concord Tpk - SA (28.4%)	$	705,727.85
Accrued Closure-P/C Cost-Livestock Road	$	10,172,479.81
Accrued Post-Closure-Concord Tpk - Other	$	182,574.03
Total Closure/Post-Closure	$	12,845,371.99
Debt		
Internal Loan Payable	$	1,551,135.19
2015 Bond Payable	$	2,437,000.00
2020 Bond Payable	$	3,145,000.00
2021 Bond Payable	$	6,775,000.00
Total Liabilities	$	27,052,739.03
Reserves/Fund Balance		
Restricted - Environmental Remediation Reserve	$	450,000.00
Restricted - YE Fund Balance Reserve	$	4,019,986.00
Restricted - Equipment Replacement Reserve	$	585,808.00
Restricted - Future Disposal Planning Reserve	$	86,242.38
Restricted - O & M Reserve	$	1,061,721.03
	$	6,193,757.41
Fund Balance	$	2,904,433.82
Total Liabilities & Equity	$	36,150,930.26

Current Balance Sheet

Financial Pro Forma
Region 2000 Services Authority
Financial Pro Forma

		Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020
1	**Disposal Rates**												
2	Cost of Service Rate	$22.62	$22.15	$25.50	$27.95	$25.98	$28.02	$28.75	$29.57	$30.68	$30.20	$28.89	$30.35
3	Member Rate	$25.00	$25.03	$25.03	$27.04	$28.03	$28.18	$28.75	$28.76	$28.77	$30.26	$30.27	$30.35
4	Other Contracts	$28.56	$28.26	$29.13	$29.59	$31.53	$34.02	$36.00	$38.15	$38.75	$40.25	$38.89	$40.35
5	Market Rate (Private Haulers)	$34.83	$34.94	$35.03	$37.00	$37.89	$37.98	$38.75	$38.75	$38.75	$40.26	$40.30	$40.35
6	Inert	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7													
8	**Operating Revenue**												
9	Member Cities	$2,137,667	$2,245,735	$2,283,851	$2,265,005	$2,176,730	$2,128,711	$2,191,706	$2,130,813	$2,115,109	$2,175,953	$2,213,395	$2,243,699
10	Lynchburg Contracts & Other Waste	$870,645	$1,146,292	$751,732	$887,096	$887,293	$874,370	$909,338	$487,898	$0	$0	$0	$0
11	Market Rate and Other Contract Tonnage	$3,614,392	$3,692,249	$3,452,718	$3,972,934	$5,162,917	$3,902,163	$4,061,766	$4,430,738	$4,582,148	$4,833,731	$4,974,168	$4,633,406
12	Total Operating Revenue	$6,622,704	$7,084,276	$6,488,301	$7,125,036	$8,226,940	$6,905,244	$7,162,810	$7,049,449	$6,697,257	$7,009,684	$7,187,563	$6,877,105
13													
14	**Operating Expenditures**												
15	Personnel	$1,077,668	$1,176,899	$1,154,400	$1,171,431	$1,260,128	$1,310,327	$1,318,903	$1,329,463	$1,419,579	$1,461,075	$1,482,722	$1,504,072
16	Landfill O&M	$1,156,838	$1,220,182	$1,444,126	$1,348,614	$1,335,570	$1,583,454	$1,399,379	$1,777,472	$1,524,150	$1,554,748	$1,570,122	$1,544,287
17	Equipment Replacement Reserve Contribution	$406,524	$434,982	$457,941	$457,941	$307,941	$300,000	$400,000	$408,000	$366,160	$450,000	$438,049	$426,385
18	Equipment Lease Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	Authority Closure and Post-Closure Contributions	$465,732	$406,661	$518,702	$900,000	$985,000	$781,111	$790,252	$704,905	$649,511	$600,237	$389,567	$390,000
20	O&M Reserve Contribution	$0	$0	$0	$188,850	$200,000	$141,716	$0	$0	$0	$0	$73,324	$75,000
21	Environmental Remediation Reserve	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$0	$0	$0
22	Future Disposal Planning Reserve	$50,000	$50,000	$50,000	$0	$0	$0	$0	$0	$50,000	$40,000	$36,278	$25,000
23	Other					$67,000	$0	$0	$0	$0	$0	$0	$0
24	Subtotal Operating Expenses	$3,206,762	$3,338,724	$3,675,169	$4,116,836	$4,205,639	$4,166,608	$3,958,534	$4,269,840	$4,059,400	$4,106,060	$3,990,062	$3,964,744
25	Interest and Other Income	($132,462)	($37,931)	($31,503)	($17,895)	($42,102)	($20,609)	($11,733)	($12,538)	($23,557)	($21,250)	($34,069)	($36,908)
26	Closure Liability Accrual from Lynchburg				($429,600)								
27	Revenue Offset from Reserves												
28	Reimburable Expenses	($271,835)	($282,384)	($346,673)	($177,969)	($243,041)	($364,640)	($245,186)	($375,383)	($224,373)	($248,783)	($232,185)	($137,650)
29	**Total Operating Expenditures**	$2,802,465	$3,018,409	$3,296,994	$3,491,372	$3,920,496	$3,781,359	$3,701,615	$3,881,919	$3,811,470	$3,836,027	$3,723,807	$3,790,186
30													
31	**Revenues Available for Debt Service**	$3,820,239	$4,065,867	$3,191,307	$3,633,663	$4,306,444	$3,123,885	$3,461,195	$3,167,530	$2,885,787	$3,173,657	$3,463,756	$3,086,919
32													
33	**Debt Service (DS)**												
34	Series 2008 Debt (payment to escrow account)	$1,768,309	$2,209,522	$2,202,162	$2,200,609	$1,738,376	$0	$0	$0	$0	$0	$0	$0
35	Series 2011 Debt (payment to escrow account)	$0	$0	$0	$487,625	$628,583	$1,979,303	$2,101,854	$955,852	$852,128	$851,373	$850,352	$853,281
36	Property Acquisition (Internal Loan)	$0	$0	$0	$0	$0	$0	$223,172	$304,462	$109,409	$0	$0	$0
37	Phase IV Landfill (payment to escrow account)	$0	$0	$0	$0	$0	$0	$16,677	$807,517	$1,111,197	$1,109,942	$1,105,378	$1,103,497
38	Phase V Landfill	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
39	**Total Debt Service**	$1,768,309	$2,209,522	$2,202,162	$2,688,233	$2,366,960	$1,979,303	$2,341,703	$2,067,831	$2,072,734	$1,961,315	$1,955,730	$1,956,778
40													
41	**Total Expenses**												
42	Subtotal Operating Expenses and Debt Service	$4,570,774	$5,227,931	$5,499,156	$6,179,605	$6,287,456	$5,760,662	$6,043,318	$5,949,750	$5,884,204	$5,797,342	$5,679,537	$5,746,964
43	Offset from Operating Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44	Offset from Airspace Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
45	Total Operating Expenses and Debt Service	$4,570,774	$5,227,931	$5,499,156	$6,179,605	$6,287,456	$5,760,662	$6,043,318	$5,949,750	$5,884,204	$5,797,342	$5,679,537	$5,746,964
46													
47	**Distibution of Airspace Reserve**												
48	City of Lynchburg	$547,331	$604,284	$302,678	$289,298	$363,317	$354,051	$398,350	$354,847	$291,861	$369,507	$430,738	$430,091
49	Campbell County	$900,635	$994,352	$686,467	$656,120	$823,993	$802,978	$903,447	$804,784	$661,932	$838,033	$976,902	$707,716
50	Total	$1,447,966	$1,598,636	$989,145	$945,418	$1,187,310	$1,157,029	$1,301,797	$1,159,631	$953,793	$1,207,540	$1,407,640	$1,137,807
51													
52	**Net Operating Revenues**	$603,964	$257,709	$0	$12	$752,174	($12,447)	($182,305)	($59,932)	($140,740)	$4,802	$100,386	($7,666)
53	**Additional Reserve Contributions (Withdrawals)**	$0	$0	$0	$0	($752,174)	$0	$182,305	$0	$0	($4,802)	$0	$0
54	**Net Operating Revenues after Reserve Contr.**	$603,964	$257,709	$0	$12	$0	($12,447)	$0	($59,932)	($140,740)	$0	$100,386	($7,666)

Financial Pro Forma
Region 2000 Services Authority
Financial Pro Forma

		Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
1	**Disposal Rates**									
2	Cost of Service Rate	$30.25	$30.25	$31.84	$35.01	$36.27	$37.54	$38.77	$40.01	$40.68
3	Member Rate	$30.25	$30.25	$30.25	$33.42	$34.67	$35.95	$37.18	$38.42	$39.09
4	Other Contracts	$40.25	$40.25	$40.25	$43.42	$44.67	$45.95	$47.18	$48.42	$49.09
5	Market Rate (Private Haulers)	$40.25	$40.25	$40.25	$43.42	$44.67	$45.95	$47.18	$48.42	$49.09
6	Inert	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7										
8	**Operating Revenue**									
9	Member Cities	$2,385,554	$2,145,028	$2,145,021	$2,369,521	$2,458,745	$2,549,283	$2,636,608	$2,724,346	$1,869,942
10	Lynchburg Contracts & Other Waste	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Market Rate and Other Contract Tonnage	$4,961,779	$4,909,537	$5,007,733	$5,401,632	$5,558,180	$5,717,036	$5,870,253	$6,024,194	$4,120,245
12	Total Operating Revenue	$7,347,333	$7,054,565	$7,152,755	$7,771,153	$8,016,925	$8,266,320	$8,506,861	$8,748,540	$5,990,187
13										
14	**Operating Expenditures**									
15	Personnel	$1,516,460	$1,621,713	$1,651,837	$1,684,874	$1,718,571	$1,752,943	$1,788,001	$1,823,762	$1,254,922
16	Landfill O&M	$1,622,050	$1,547,244	$1,604,762	$1,636,857	$1,669,594	$1,702,986	$1,737,046	$1,771,787	$1,219,159
17	Equipment Replacement Reserve Contribution	$500,000	$463,375	$705,000	$600,000	$400,000	$250,000	$100,000	$50,000	$25,000
18	Equipment Lease Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	Authority Closure and Post-Closure Contributions	$353,546	$450,000	$600,000	$300,000	$1,875,000	$2,650,000	$2,975,000	$3,200,000	$2,317,786
20	O&M Reserve Contribution	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	Environmental Remediation Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	Future Disposal Planning Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0
23	Other	$19,000	$0	$0	$0	$0	$0	$0	$0	$0
24	Subtotal Operating Expenses	$4,011,056	$4,082,332	$4,561,599	$4,221,731	$5,663,166	$6,355,929	$6,600,048	$6,845,550	$4,816,868
25	Interest and Other Income	($46,370)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($14,167)
26	Closure Liability Accrual from Lynchburg									
27	Revenue Offset from Reserves									
28	Reimburable Expenses	($149,907)	($168,215)	($169,284)	($172,670)	($176,123)	($179,646)	($183,238)	($186,903)	($128,607)
29	**Total Operating Expenditures**	$3,814,779	$3,893,117	$4,371,315	$4,028,061	$5,466,043	$6,155,283	$6,395,810	$6,637,647	$4,674,095
30										
31	**Revenues Available for Debt Service**	$3,532,554	$3,161,448	$2,781,440	$3,743,092	$2,550,883	$2,111,036	$2,111,051	$2,110,892	$1,316,093
32										
33	**Debt Service (DS)**									
34	Series 2008 Debt (payment to escrow account)	$0	$0	$0	$0	$0	$0	$0	$0	$0
35	Series 2011 Debt (payment to escrow account)	$834,121	$829,225	$829,016	$829,423	$69,122	$0	$0	$0	$0
36	Property Acquisition (Internal Loan)	$0	$0	$0	$0	$310,227	$310,227	$310,227	$310,227	$310,227
37	Phase IV Landfill (payment to escrow account)	$1,112,212	$1,112,462	$1,112,891	$1,112,820	$370,913	$0	$0	$0	$0
38	Phase V Landfill	$0	$43,950	$542,049	$1,178,769	$1,178,541	$1,178,729	$1,178,744	$1,178,585	$687,420
39	**Total Debt Service**	$1,946,333	$1,985,636	$2,483,957	$3,121,012	$1,928,803	$1,488,956	$1,488,971	$1,488,812	$997,647
40										
41	**Total Expenses**									
42	Subtotal Operating Expenses and Debt Service	$5,761,112	$5,878,753	$6,855,272	$7,149,073	$7,394,845	$7,644,240	$7,884,781	$8,126,460	$5,671,741
43	Offset from Operating Reserve	$0	($43,950)	$0	$0	$0	$0	$0	$0	$0
44	Offset from Airspace Reserve	$0	$0	($635,637)	($311,040)	($311,040)	($311,040)	($311,040)	($311,040)	($311,040)
45	Total Operating Expenses and Debt Service	$5,761,112	$5,834,804	$6,219,635	$6,838,033	$7,083,805	$7,333,200	$7,573,741	$7,815,420	$5,360,701
46										
47	**Distibution of Airspace Reserve**									
48	City of Lynchburg	$430,671	$62,208	$0	$0	$0	$0	$0	$0	$0
49	Campbell County	$976,751	$903,436	$933,120	$933,120	$933,120	$933,120	$933,120	$933,120	$629,486
50	Total	$1,407,422	$965,643	$933,120	$933,120	$933,120	$933,120	$933,120	$933,120	$629,487
51										
52	**Net Operating Revenues**	$178,799	$254,118	$0	$0	$0	$0	$0	$0	($1)
53	**Additional Reserve Contributions (Withdrawals)**	$0	$0	$0	$0	$0	$0	$0	$0	$0
54	**Net Operating Revenues after Reserve Contr.**	$178,799	$254,118	$0	$0	$0	$0	$0	$0	($1)

CLERK NELSON COU Y
CIRCUIT COURT

COVER SHEET FOR FILING CIVIL ACTIONS

COMMONWEALTH OF VIRGINIA

Case No. CL22000180-00 (CLERK'S OFFICE USE ONLY)

Nelson County MAY 27 2022 Circuit Court

Nelson County (PLAINTIFF(S)) v./In re: Region 2000 Services Authority (DEFENDANT(S))

Appomattox County

FILED

I, the undersigned [ ] plaintiff [ ] defendant [X] attorney for [X] plaintiff [ ] defendant hereby notify the Clerk of Court that I am filing the following civil action. (Please indicate by checking box that most closely identifies the claim being asserted or relief sought.)

GENERAL CIVIL

Subsequent Actions

- [ ] Claim Impleading Third Party Defendant
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Counterclaim
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Cross Claim
- [ ] Interpleader
- [ ] Reinstatement (other than divorce or driving privileges)
- [ ] Removal of Case to Federal Court

Business & Contract

- [ ] Attachment
- [ ] Confessed Judgment
- [ ] Contract Action
- [ ] Contract Specific Performance
- [ ] Detinue
- [ ] Garnishment

Property

- [ ] Annexation
- [ ] Condemnation
- [ ] Ejectment
- [ ] Encumber/Sell Real Estate
- [ ] Enforce Vendor's Lien
- [ ] Escheatment
- [ ] Establish Boundaries
- [ ] Landlord/Tenant
  - [ ] Unlawful Detainer
- [ ] Mechanics Lien
- [ ] Partition
- [ ] Quiet Title
- [ ] Termination of Mineral Rights

Tort

- [ ] Asbestos Litigation
- [ ] Compromise Settlement
- [ ] Intentional Tort
- [ ] Medical Malpractice
- [ ] Motor Vehicle Tort
- [ ] Product Liability
- [ ] Wrongful Death
- [ ] Other General Tort Liability

ADMINISTRATIVE LAW

- [ ] Appeal/Judicial Review of Decision of (select one)
  - [ ] ABC Board
  - [ ] Board of Zoning
  - [ ] Compensation Board
  - [ ] DMV License Suspension
  - [ ] Employee Grievance Decision
  - [ ] Employment Commission
  - [ ] Local Government
  - [ ] Marine Resources Commission
  - [ ] School Board
  - [ ] Voter Registration
  - [ ] Other Administrative Appeal

DOMESTIC/FAMILY

- [ ] Adoption
  - [ ] Adoption – Foreign
- [ ] Adult Protection
- [ ] Annulment
  - [ ] Annulment – Counterclaim/Responsive Pleading
- [ ] Child Abuse and Neglect – Unfounded Complaint
- [ ] Civil Contempt
- [ ] Divorce (select one)
  - [ ] Complaint – Contested*
  - [ ] Complaint – Uncontested*
  - [ ] Counterclaim/Responsive Pleading
  - [ ] Reinstatement – Custody/Visitation/Support/Equitable Distribution
- [ ] Separate Maintenance
  - [ ] Separate Maintenance Counterclaim

WRITS

- [ ] Certiorari
- [ ] Habeas Corpus
- [ ] Mandamus
- [ ] Prohibition
- [ ] Quo Warranto

PROBATE/WILLS AND TRUSTS

- [ ] Accounting
- [ ] Aid and Guidance
- [ ] Appointment (select one)
  - [ ] Guardian/Conservator
  - [ ] Standby Guardian/Conservator
  - [ ] Custodian/Successor Custodian (UTMA)
- [ ] Trust (select one)
  - [ ] Impress/Declare/Create
  - [ ] Reformation
- [ ] Will (select one)
  - [ ] Construe
  - [ ] Contested

MISCELLANEOUS

- [ ] Amend Death Certificate
- [ ] Appointment (select one)
  - [ ] Church Trustee
  - [ ] Conservator of Peace
  - [ ] Marriage Celebrant
- [ ] Approval of Transfer of Structured Settlement
- [ ] Bond Forfeiture Appeal
- [ ] Declaratory Judgment
- [ ] Declare Death
- [ ] Driving Privileges (select one)
  - [ ] Reinstatement pursuant to § 46.2-427
  - [ ] Restoration – Habitual Offender or 3rd Offense
- [ ] Expungement
- [ ] Firearms Rights – Restoration
- [ ] Forfeiture of Property or Money
- [ ] Freedom of Information
- [X] Injunction
- [ ] Interdiction
- [ ] Interrogatory
- [ ] Judgment Lien-Bill to Enforce
- [ ] Law Enforcement/Public Official Petition
- [ ] Name Change
- [ ] Referendum Elections
- [ ] Sever Order
- [ ] Taxes (select one)
  - [ ] Correct Erroneous State/Local
  - [ ] Delinquent
- [ ] Vehicle Confiscation
- [ ] Voting Rights – Restoration
- [ ] Other (please specify)

[ ] Damages in the amount of $ ..... are claimed.

5/26/2022
DATE

[ ] PLAINTIFF [ ] DEFENDANT [X] ATTORNEY FOR [X] PLAINTIFF [ ] DEFENDANT

Phillip Payne
PRINT NAME

POB 299
ADDRESS/TELEPHONE NUMBER OF SIGNATOR

Lovingston, Va. 22949

EMAIL ADDRESS OF SIGNATOR (OPTIONAL)

*"Contested" divorce means any of the following matters are in dispute: grounds of divorce, spousal support and maintenance, child custody and/or visitation, child support, property distribution or debt allocation. An "Uncontested" divorce is filed on no fault grounds and none of the above issues are in dispute.

FORM CC-1416 (MASTER) PAGE ONE 07/16

OFFICIAL RECEIPT
NELSON CIRCUIT COURT
CIVIL

DATE : 05/27/2022 **TIME :** 11:02:05 **CASE # :** 125CL2200018000
RECEIPT # : 22000003311 **TRANSACTION # :** 22052700004
CASHIER : ALD **REGISTER # :** H464 **FILING TYPE :** INJ **PAYMENT :** FULL PAYMENT
CASE COMMENTS : NELSON COUNTY v. REGION 2000 SERVICES AUT
SUIT AMOUNT : $0.00
ACCOUNT OF : NELSON COUNTY
PAID BY : NELSON COUNTY
CASH : $0.00
DESCRIPTION 1 : INJ:INJUNCTION P PETITION FOR TEMPORARY INJUNCTION
2 : PLAINTIFF: NELSON COUNTY
3 : NO HEARING SCHEDULED

ACCOUNT CODE	DESCRIPTION	PAID
049	WRIT TAX (CIVIL)	$0.00
106	TECHNOLOGY TRST FND	$0.00
123	LEGAL AID SERVICES	$0.00
147	INDIGENT ASSISTANCE (INA)	$0.00
170	COURT TECHNOLOGY FUND	$0.00

ACCOUNT CODE	DESCRIPTION	PAID
206	SHERIFF FEES	$0.00
219	LAW LIBRARY	$0.00
229	COURTHOUSE MAINTENANCE FEE (CHMF)	$0.00
304	CIVIL FILING FEE (LAW & EQUITY)	$0.00

TENDERED : $ 0.00
AMOUNT PAID : $ 0.00

CLERK OF COURT : LISA D. BRYANT

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
	)	
and	)	
	)	
APPOMATTOX COUNTY, VIRGINIA,	)	Case No. CL22000180-00
Petitioners,	)	
v.	)	
REGION 2000 SERVICES AUTHORITY	)	
Respondent.	)	

VIRGINIA:
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 5th day of June 2023
VALERIE P.J. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

MOTION FOR LEAVE TO INTERVENE

COME NOW the County of Campbell, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Campbell") and the City of Lynchburg, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Lynchburg"), by counsel, and pursuant to Rule 3:14 of the Virginia Supreme Court, hereby move the Court for leave to intervene as parties Respondent in this proceeding. In support of their Motion, Campbell and Lynchburg state as follows:

INTRODUCTION

The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Charter was issued by the Virginia State Corporation Commission on December 28, 2007. The Authority's Articles of Incorporation were amended and restated, and a Certificate of Restatement was issued thereto by the Virginia State Corporation Commission effective June 20, 2008. The Authority's principal office address is 361 Livestock Rd., Rustburg, Virginia 24588, an address within the confines of Campbell County, Virginia, which is also the location of the landfill managed by the Authority.

The Authority is governed by its Amended and Restated Articles of Incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter. The Bylaws are attached hereto as Exhibit "A", the Amended and Restated Articles of Incorporation are attached hereto as Exhibit "A1", the initial MUA dated January 31, 2008 is attached hereto as Exhibit "B", and the first amendment to the MUA, dated June 20, 2008, is attached hereto as Exhibit "C".

The Authority, together with all four of its member jurisdictions, are currently before the bar of the Campbell County Circuit Court in that certain matter pending as County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00. All five parties thereto are represented by counsel. The amended Complaint pending in the Campbell County matter is attached hereto as Exhibit "D", the Demurrer of the County of Appomattox is attached hereto as Exhibit "E", and the Demurrer and Plea in Bar of the County of Nelson is attached hereto as Exhibit "F".

Following a hearing on February 25, 2022, the Judge of the Campbell County Circuit Court issued a letter ruling dated March 18, 2022, which ruling was materially unfavorable to the positions of the counties of Appomattox and Nelson. The letter ruling is attached hereto as Exhibit "G" and the Order following that ruling is attached hereto as Exhibit "H". Following the entry of the Order attached hereto as Exhibit "H", the County of Appomattox filed an Answer in the Campbell County matter, which Answer is attached hereto as Exhibit "I"; and the County of Nelson filed an Answer, which Answer is attached hereto as Exhibit "J". Following the Court's unfavorable ruling towards the Petitioners, and within days of the filing of Appomattox and

Nelson's Answers, Appomattox County and Nelson County filed a separate pleading concerning the same operative dispute, in another venue, without notice to the parties before another court.

All previously cited exhibits are hereby expressly incorporated herein by reference.

ARGUMENT

Virginia Supreme Court Rule 3:14 provides that "[a] new party may by leave of court file a pleading to intervene as a plaintiff or defendant to assert any claim or defense germane to the subject matter of the proceeding." A claim or defense is "germane" if it is "relevant to or closely allied" to the subject matter of the pending proceeding. Stephen v. Dickens, 63 Va. Cir. 403, 404 (Cir. Ct. City of Norfolk 2003) (citations omitted). When a new party's claim is germane to the subject matter of the pending proceeding, leave to intervene "should be granted liberally by the trial court in furtherance of the ends of justice." See Layton v. Seawall Enters., Inc., 231 Va. 402, 406 (1986). To become a party by intervention, the intervener must "assert some right involved in the suit." Id. (citing Lile's Equity Pleading and Practice at 91 (3rd ed. 1952)).

Campbell and Lynchburg respectfully represent that their interests are at stake in the instant matter, and that Campbell and Lynchburg have the same right to be represented by counsel and raise arguments that the counties of Appomattox and Nelson do in the Campbell County matter—*to-wit:* they are member jurisdictions of the Authority and stand to materially benefit from the distribution of excess revenue required by the MUA and the policy in question.

Further, in addition to the right to intervene, Campbell and Lynchburg assert that the case at bar may not proceed without Campbell and Lynchburg being before the Court. Without naming it as such, the Counties of Appomattox and Nelson seek a declaratory judgment on the issue of distribution of excess revenue pursuant to a written document. Problematically for Petitioners, the Supreme Court of Virginia has specifically held that Courts may not provide declaratory relief

unless all parties with an interest are before the court. See Erie Ins. Group v. Hughes, 240 Va. 165, 169 (1990).

Appomattox and Nelson's actions in filing the case at bar amount to a transparent attempt at forum shopping following an unfavorable ruling, respectively, to their Demurrers and a Plea in Bar. Attempting to secure injunctive relief without notice to counsel for known represented parties evidences an intent to circumvent justice rather than to obtain it. Campbell and Lynchburg should be allowed to intervene as parties in the instant matter to present, by counsel, their arguments concerning Petitioners request for an injunction, and they should be allowed to be heard on their Motion to Consolidate, filed contemporaneously herewith.

CONCLUSION

WHEREFORE, Campbell and Lynchburg, by counsel, respectfully request:

1) that the Court grant them leave to intervene in this action as parties Respondent and to file an Answer or other responsive pleading to Petitioners' Petition for Temporary Injunction within twenty-one (21) days of the entry of the order allowing intervention;
2) that the Court order that counsel of record for Campbell and Lynchburg be copied on all pleadings filed in this matter;
3) that counsel of record for Campbell and Lynchburg be notified in writing in advance of any mediation, settlement conference, arbitration or other alternative dispute resolution in this action so that they may have a reasonable opportunity to attend and participate;
4) that the Court take no action in this matter until Campbell and Lynchburg have had an opportunity to be heard by the Court in this matter; and
5) that a hearing be set on this Motion for the purpose of allowing oral argument.

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB No. 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of June, 2022, a true and correct copy of the foregoing Motion for Leave to Intervene was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

F.E. "Tripp" Isenhour, III, Esquire

COMMONWEALTH OF VIRGINIA

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 13 2022
FILED

NELSON CIRCUIT COURT
Civil Division
BOX 10
LOVINGSTON VA
(434) 263-7020

ORIGINAL FOR RETURN

Proof Of Service

Virginia:
In the NELSON CIRCUIT COURT

Case number: 125CL22000180-00
Service number: 001
Service filed: May 27, 2022
Judge:

Served by: RICHMOND CITY

Style of case: NELSON COUNTY vs REGION 2000 SERVICES AUTHORITY

Service on: WILLIAM H HEFTY ESQ
HEFTY, WILEY & GORE
100 WEST FRANKLIN STREET
SUITE 300
RICHMOND VA 23220

Attorney:

CIVIL PROCESS

Instructions:

Hearing date :
Service issued: Friday, May 27, 2022

For Sheriff Use Only

NAME SAME AND ADDRESS SAME AS FRONT

☐ PERSONAL SERVICE
Being unable to make personal service, a copy was delivered in the following manner:

☐ Delivered to person found in charge of usual place of business or employment during business hours and giving information to its purport.

☐ Delivered to family member (not temporary sojourner or guest) age 16 or older at usual place of abode of party named above giving information of its purport. List name, age of recipient and relation of recipient to party name above.

☐ Posted on the front door or such other door as appears to be the main entrance of usual place of abode, address listed above. (Other authorized recipient not found.)

☐ Served an officer or managing employee who is not an officer of the corporation.

☐ Evicted ☐ Not Evicted
☐ Served on registered agent ☐ Affidavit attached

☐ Not found

☐ NO EFFECTS FOUND

DEPUTY SHERIFF
H. Jackson
FOR
Sheriff Antionette V. Irving

DATE JUN 06 2022

VIRGINIA:

IN THE CIRCUIT COURT OF NELSON COUNTY

Nelson County, *et al.*, Petitioners,	)	
	)	NOTICE
v.	)	CL2200018000
Region 2000 Services Authority, Respondent.	)	

PLEASE TAKE NOTICE that on August 3, 2022, at 9:30 o'clock a.m., or as soon thereafter as the matter may be heard, in the Circuit Court of Nelson County, Lovingston, Virginia, petitioners' prayer for a temporary injunction will come on for hearing.

Nelson County

By Phillip Payne
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's notice was mailed first-class postage prepaid this 16th day of June, 2022, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 16 2022
FILED

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



6/3/

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
and	)	
APPOMATTOX COUNTY, VIRGINIA,	)	Case No. CL22000180-00
Petitioners,	)	
v.	)	
REGION 2000 SERVICES AUTHORITY	)	
Respondent.	)	

This motion was never received by our court until it was addressed in a hearing on 04/07/23

MOTION TO CONSOLID

COME NOW, the interveners, County of Campb Commonwealth of Virginia (hereinafter "Campbell") and Subdivision of the Commonwealth of Virginia (hereinafter ' the authority of Allstate Ins. Co. v. Wade, 265 Va. 383 (200[illegible] Motion for Leave to Intervene filed contemporaneously herewith, move the Court to consolidate this case for purposes of discovery and trial with the case of County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00, and in support thereof respectfully state as follows:

1. The instant matter requests that the Court interpret the Member Use Agreement and a certain Financial Policy Guideline document concerning "Excess Revenue", as that term is defined in the Member Use Agreement of the Region 2000 Services Authority.

2. The matter before the Court in Campbell County, Virginia requests that the Court interpret the Member Use Agreement concerning "Excess Revenue", as that term is defined in the

Member Use Agreement of the Region 2000 Services Authority. In the Campbell County, Virginia matter, all necessary parties are before the Court, represented by counsel, have appeared and filed pleadings, and have appeared before the Court for *ore tenus* argument.

3. The witnesses for both cases will be the same.

4. Both cases involve interpretation of the written Member Use Agreement of the Region 2000 Services Authority as it relates to the defined term "Excess Revenue".

5. Consolidating the two cases for the purposes of discovery and trial not only serves the purpose of judicial economy, but also avoids the possibility of conflicting court orders.

6. The matter pending in Campbell County, Virginia has been pending for some time, and the Court has issued a substantive ruling on the initial responsive pleadings filed by the County of Nelson and the County of Appomattox.

7. The matter pending in Campbell County, Virginia is pending in the jurisdiction where the landfill is located and where the staff of the Region 2000 Services Authority work.

WHEREFORE, Campbell and Lynchburg, by counsel, respectfully request:

1) that the Court consolidate this case with the case of County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00; and

2) that a hearing be set on this Motion for the purpose of allowing oral argument.

(Remainder of Page Intentionally Left Blank)

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB No. 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

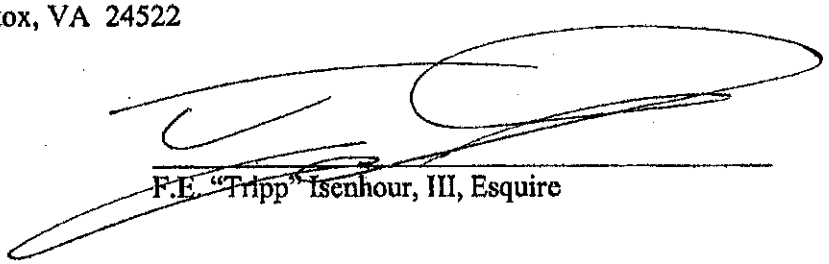
CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of June, 2022, a true and correct copy of the foregoing Motion to Consolidate was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522



F.E. "Tripp" Isenhour, III, Esquire

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:

EXHIBIT
A

(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE REGION 2000 SERVICES AUTHORITY

Article 1. The Region 2000 Services Authority (the "Authority") has been created and established as a body politic and corporate in the Commonwealth of Virginia, and its Articles of Incorporation are hereby amended and restated. The principal office of the Authority shall be located with the Virginia's Region 2000 Partnership Local Government Council at 828 Main Street, 12th Floor, Lynchburg, Virginia 24505 and shall consistently reside with the Local Government Council offices in the future.

Article 2. The names of the localities participating in the Authority are the Counties of Appomattox, Campbell and Nelson, and the Cities of Bedford and Lynchburg.

Article 3. The Authority shall consist of a board of five members, with one member appointed by the local governing body of each jurisdiction. The terms of the initial members of the board shall expire June 30, 2010. Members shall then be appointed for four year terms. The names and addresses of the initial members of the Board are:

Appomattox County

Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522

Campbell County

R. David Laurrell, County Administrator
P.O. Box 100, Rustburg, VA 24588

Nelson County

Stephen A. Carter, County Administrator
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg

L. Kimball Payne, III, City Manager
900 Church Street, Lynchburg, VA 24504

City of Bedford

Charles Kolakowski, City Manager
P.O. Box 807, Bedford, VA 24523

Article 4. Each local governing body also may select an alternate board member to have all of the voting and other rights of a board member if the board member is not present at a meeting of

EXHIBIT
A1

the Authority. The term for each alternate shall be the same as the term of the board member. The following persons are appointed to serve as the initial alternates to the board of Authority:

Appomattox County

John K. Spencer
P.O. Box 863, Appomattox, VA 24522

Campbell County
Clifton M. Tweedy
P.O. Box 100, Rustburg, VA 24588

Nelson County
Susan E. McSwain
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg
David A. Owen
900 Church Street, Lynchburg, VA 24504

City of Bedford
Barrett F. Warner
P.O. Box 807, Bedford, VA 24523

Article 5. The Authority is created and established under the provisions of the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 (Section 15.2-5100 et. seq. of the Code of Virginia) (the "Act"). The authority shall have all powers and duties set forth in the Act, as the same may be from time to time amended. The initial project of the Authority shall be to own and operate as a regional entity the landfills that are currently owned and operated by the City of Lynchburg and Campbell County, and to accept municipal solid waste generated within each of the participating jurisdictions (and from outside the jurisdictions if approved by the Authority) in those landfills in accordance with a Member Use Agreement to be approved by each of the local governing bodies, as it may be amended from time to time. It is anticipated that the use of the landfills will be phased, with the Campbell County Landfill being temporarily closed while the Lynchburg landfill is being utilized to its operating capability. The initial capital cost to purchase the landfill's, including the site improvements, landfill capacity and land, buildings, equipment and rolling stock, and the closure and post-closure reserve funds, less the outstanding debt and the closure and post-closure liability for each locality, result in a payment to the City of Lynchburg of $1,714,840, and a payment from Campbell County of $270,000, for a net capital cost of $1,444,840. The preliminary estimate of the cost per ton to the localities for solid waste delivered to the landfills owned by the Authority is $23.91 per ton. It is impractical at this time to determine a per ton charge for private haulers using the landfills. Both the capital cost figure and the cost per ton are preliminary figures and are subject to change.

Article 6. All members of the board shall serve without compensation, but may be reimbursed by the Authority for their actual expenses incurred in the course of their duties.

Article 7. Existing members of the Authority may withdraw from membership, and other localities may join the Authority, as provided in Section 15.2-5112 of the Code of Virginia , as amended. In the event other localities join the Authority, they will be asked to reimburse the localities which initially created the Authority for a fair share of the development costs of the Authority.

Article 8. All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangement through the Virginia's Region 2000 Local Government Council. Subject to the approval of the Authority Board, it is the intent of the Member Jurisdictions that the Executive Director of Virginia's Region 2000 Local Government Council be appointed by the Authority to serve as the chief administrative or executive officer of the Authority pursuant to Section 15.2-5113(E) of the Code of Virginia.

City of Bedford, Virginia

By: _____

[Signature Page to Follow]

City of Lynchburg, Virginia

By: _____

[Signature Page to Follow]

County of Appomattox, Virginia

By: W. H. Cuffee

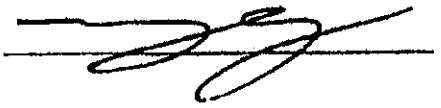
[Signature Page to Follow]

County of Campbell, Virginia

By: Hugh J. Pendleton Jr.

[Signature Page to Follow]

County of Nelson, Virginia

By: 

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January, 2006, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT
B

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

County Administrator
P.O. Box 336
Lovingston, VA 22949

If to City of Bedford

Bedford, Virginia
Charles Kolakowski
City Manager
P.O. Box 807
Bedford, VA 24523

If to City of Lynchburg

Lynchburg, Virginia
L. Kimball Payne, III
City Manager
900 Church Street
Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Mary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Puckett

Title Chairman

ATTEST:

Catherine H. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

2223

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

Stephen A. Carter
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Catherine W. Frost
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority ("**Authority**"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("**Campbell**"), the County of Nelson, Virginia ("**Nelson**"), the County of Appomattox ("**Appomattox**"), the City of Lynchburg, Virginia ("**Lynchburg**") and the City of Bedford, Virginia ("**Bedford**"), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time; and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction **("Member Jurisdiction Default")**.

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(h) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[WORKSITE 1 013125-000064]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

FINAL REPORT

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

MARCH 19, 2008

R·W·BECK

EXHIBIT
D

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

Table of Contents

Table of Contents
List of Tables
List of Figures

Section 1 Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction 1-1
1.2 Use of Financial Inventory 1-1
1.3 Assets 1-2
1.3.1 Site Improvements 1-2
1.3.2 Landfill Capacity and Land 1-2
1.3.3 Buildings 1-3
1.3.4 Equipment and Rolling Stock 1-3
1.3.5 Closure and Post-Closure Reserve Funds 1-4
1.3.6 Potential Assets 1-4
1.3.7 Assets to be Used but not Owned by the Authority 1-5
1.4 Liabilities 1-5
1.4.1 Existing Debt and Leases 1-5
1.4.2 Closure and Post-Closure Costs 1-6
1.4.3 Existing Closed Landfills 1-6
1.5 Asset and Liability Summary 1-7
1.6 Final Financial True-Up 1-9

Section 2 FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction 2-1
2.2 Authority Revenues for FY 2009 2-1
2.3 Authority Expenses for FY 2009 2-2
2.3.1 Personnel 2-3
2.3.2 Landfill Operations and Maintenance 2-3
2.3.3 Equipment Acquisition and Replacement 2-4
2.3.4 Closure and Post-Closure 2-5
2.3.5 Debt Service 2-6
2.3.6 Other Reserve Funds 2-7
Debt Service Reserve 2-7
Potential Environmental Remediation 2-8

Future Disposal Planning Reserve 2-9
2.3.7 Reimbursable Expenses 2-9
2.3.8 Distribution of Excess Revenue 2-10
2.4 Summary of Annual Budget 2-11
2.5 Other Financial Issues 2-12
2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill 2-13
2.5.2 Disposal Payments 2-13
2.5.3 Participation by Additional Communities 2-14
2.5.4 Future Use of Reserve Funds 2-14

List of Tables

Table 1-1 Categories of Assets and Liabilities 1-1
Table 1-2 Site Improvement Asset Summary by Landfill 1-2
Table 1-3 Landfill Capacity and Land Asset Summary by Landfill 1-3
Table 1-4 Buildings Asset Summary by Landfill 1-3
Table 1-5 Equipment and Rolling Stock Asset Summary by Landfill 1-4
Table 1-6 Summary of Existing Closure and Post-Closure Liabilities and Savings by Landfill 1-6
Table 1-7 Asset and Liability Summary by Landfill 1-7
Table 2-1 Summary of Disposal Fee Revenue 2-2
Table 2-2 Summary of Planned Debt Service 2-7
Table 2-3 Summary of Planned Debt Service 2-8
Table 2-4 Financial Responsibilities at Inactive Portions of Landfills 2-10
Table 2-5 Excess Revenue 2-10
Table 2-6 Current Airspace Contribution Estimate (as of July 1, 2008) 2-11
Table 2-7 FY 2009 Operating Expenses and Debt Service 2-12
Table 2-8 Total Net Revenue 2-12
Table 2-9 Pre-Paid Disposal Fees 2-14

List of Figures

Figure 2-1: Annual Vehicle Replacement 2-5

Appendix: Financial Schedules

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

Copyright 2008, R. W. Beck, Inc.
All rights reserved.

Section 1
Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction

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

Table 1-1
Categories of Assets and Liabilities

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

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

1.2 Use of Financial Inventory

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

1.3 Assets

1.3.1 Site Improvements

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

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

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

Table 1-2
Site Improvement Asset Summary by Landfill

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

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

1.3.2 Landfill Capacity and Land

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

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

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

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

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

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

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

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

1.3.3 Buildings

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

Table 1-4
Buildings Asset Summary by Landfill

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

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

1.3.4 Equipment and Rolling Stock

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

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

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

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

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

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

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

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

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

1.3.5 Closure and Post-Closure Reserve Funds

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

1.3.6 Potential Assets

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

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

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

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

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

1.3.7 Assets to be Used but not Owned by the Authority

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

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

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

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

1.4 Liabilities

1.4.1 Existing Debt and Leases

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

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

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

1.4.2 Closure and Post-Closure Costs

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

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

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

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

1.4.3 Existing Closed Landfills

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

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

1.5 Asset and Liability Summary

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

Table 1-7
Asset and Liability Summary by Landfill

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

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

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

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

- Equipment and rolling stock.

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

After the above transactions, the Authority is left with:

- Debt in the amount of $9,905,712 associated with the assets in Table1-7 [3];
- Ownership of the two landfills, including site improvements; landfill capacity and land; buildings; and equipment and rolling stock;
- Closure and post-closure liability totaling $6,255,604; and
- Closure and post-closure reserve equal to the closure and post-closure liability.

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

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

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

1.6 Final Financial True-Up

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

[This page intentionally left blank]

Section 2
FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction

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

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

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

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

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

2.2 Authority Revenues for FY 2009

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

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

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

Table 2-1
Summary of Disposal Fee Revenue

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

2.3 Authority Expenses for FY 2009

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

2.3.1 Personnel

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

- Benefits:
  - Pension plan: 12.6 percent of total salaries
  - Health insurance: $363.38 per employee per month
  - Dental insurance: $11.50 per employee per month
  - Workers compensation insurance: $18,928 annually[1]
  - FICA: 7.7 percent of total salaries
- Overtime: 2 percent of total salaries

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

2.3.2 Landfill Operations and Maintenance

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

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

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

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

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

2.3.3 Equipment Acquisition and Replacement

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

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

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

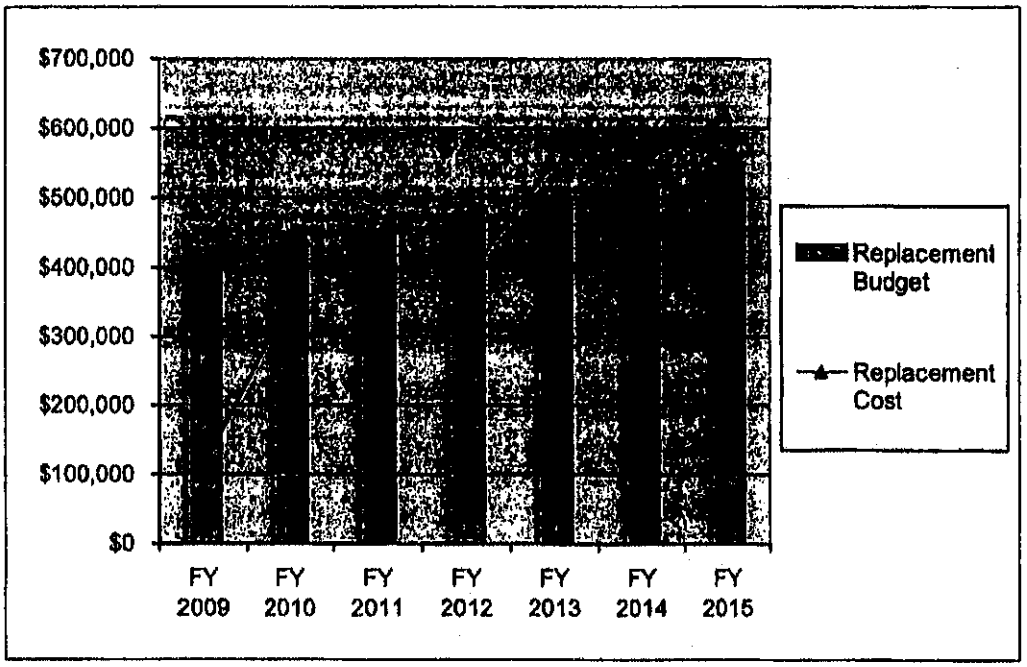


Figure 2-1: Annual Vehicle Replacement

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

2.3.4 Closure and Post-Closure

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

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

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

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

2.3.5 Debt Service

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

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

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

Table 2-2
Summary of Planned Debt Service

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

[1] The amount shown is adjusted for inflation based on the year financed.
[2] Includes existing site improvement, landfill capacity and land, and buildings.
[3] Amount shown is net of any equipment sold by the Authority.
[4] Estimate provided by Draper Aden Associates.

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

2.3.6 Other Reserve Funds

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

Debt Service Reserve

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

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

Table 2-3
Summary of Planned Debt Service

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

Potential Environmental Remediation

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

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

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

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

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

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

Future Disposal Planning Reserve

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

Operations and Maintenance Reserve Fund

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

2.3.7 Reimbursable Expenses

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

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

Table 2-4
Financial Responsibilities at Inactive Portions of Landfills

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

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

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

2.3.8 Distribution of Excess Revenue

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

Table 2-5
Excess Revenue

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

[1] ($31.320 - $22.5286) x 42,753 tons = $375,858
[2] ($35.000 - $22.5286) x 117,628 tons = $1,466,984

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

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

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

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

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

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

2.4 Summary of Annual Budget

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

Table 2-7
FY 2009 Operating Expenses and Debt Service

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

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

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

Table 2-8
Total Net Revenue

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

2.5 Other Financial Issues

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

2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill

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

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

2.5.2 Disposal Payments

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

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

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

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

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

Table 2-9
Pre-Paid Disposal Fees

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

2.5.3 Participation by Additional Communities

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

2.5.4 Future Use of Reserve Funds

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

FY 2009 Disposal Fee Revenue

Schedule 1

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

[illegible]	FY 2009
Member Disposal Fee	$25.00
Cost of Service (COS) Tipping Fee	$22.53
Avg. Rate - Lynchburg Contracts & Other Waste	$31.32
Market Rate	$35.00

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

FY 2009 Expenses

Schedule 2

Expenses

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

FY 2009 Expenses

Schedule 2

Reimbursable Expenses and Interest Income

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

Net Cost of Service Operating Expense Total	**($5,788,120)**
Total Tonnage	**$256,923**
Disposal Cost per Ton	**$22.53**

Airspace Reserve		
Authority	($368,588)	
Lynchburg	($547,069)	
Campbell	($927,205)	
Airspace Reserve Subtotal		**($1,842,842)**
O&M Reserve Contribution		**($238,592)**

Total Expenses		**($7,869,554)**

Personnel

Schedule 3

Solid Waste Staff

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

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

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

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

Local Government Council Staff

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

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

Overhead	48.9%	Salary + Benefits	$36,574

Total Personnel Costs - Region 2000 Staff	$111,384

Total Personnel Costs	$1,311,325

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

City of Lynchburg	
Engineering/Monitoring Services	$25,600
Environmental Lab Services	$20,500
Tire Shredding	$8,200
HHW Disposal	$15,400
Wood Waste Grinding	$61,500
Leachate Treatment	$60,800
Campbell County	
Engineering/Monitoring/Remediation Services	$102,500
Environmental Lab Services	$51,300
Leachate Treatment	$7,700
Reimburable Landfill O&M Expenses Subtotal	**$353,500**
Total	**$1,759,200**

Schedule 5

Equipment

Description	Original Cost	Year Acquired	Remaining Life	Acquisition Cost	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Hydro Seeding System with Air Gap Filwell	$8,879	1992	0.0	$266	Y	2009	$13,510	5
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$8,850	1993	0.0	$266	Y	2009	$13,138	10
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$8,275	1994	0.0	$248	Y	2009	$11,984	5
Emergency Light Tower, Amida Model 5060-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$12,359	1994	5.0	$4,607	Y	2015	$20,758	10
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$5,045	1995	0.0	$151	Y	2009	$7,128	7
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Portable Radios (18)	$32,400	1995	0.0	$972	Y	2009	$45,780	10
Mobile Radios (20) (mounted on equipment)	$36,000	1995	2.0	$4,800	Y	2011	$53,442	15
J. D. Rubber Tire Loader	$111,719	2006	10.0	$93,099	Y	2019	$154,006	12
Dozer (D6)	$286,793	1993	0.0	$20,076	Y	2009	$425,746	12
Tractor (John Deere 6200)	$44,872	1994	0.0	$1,346	N	0	$0	12
Street Flusher	$146,217	2006	10.0	$121,848	Y	2019	$201,562	12
Dump Truck	$41,358	1994	0.0	$1,241	Y	2009	$58,899	12
Pick-up 4X4	$22,002	2001	1.0	$2,750	Y	2010	$27,477	8
Dump Truck #1 w/Hook-Lift	$100,359	2002	2.0	$25,090	Y	2011	$125,335	8
Dump Truck #2 w/Hook-Lift	$144,933	2006	8.0	$144,933	Y	2017	$181,001	8
Truck	$25,980	2002	1.0	$3,711	Y	2010	$31,654	7
Forklift	$20,835	1997	1.0	$1,738	Y	2010	$26,721	12
Flatbed Trailer	$2,552	1997	1.0	$213	Y	2010	$3,518	12
Flatbed Trailer	$2,552	1998	2.0	$425	Y	2011	$3,518	12
Small Trailer (1996 Homestead Cargo - used for Freon recovery)	$1,395	1998	2.0	$233	Y	2011	$1,923	12
Snow Spreader for 4x4 truck (Western)	$2,100	1998	0.0	$63	Y	2009	$2,755	8
Pan Scraper (Wheel Scraper)	$319,000	2002	1.0	$45,571	Y	2010	$388,671	7
John Deere Riding Mower	$3,999	2002	2.0	$1,000	Y	2011	$4,994	8
Bushhog Mower (attach)	$5,400	2001	1.0	$675	Y	2010	$6,744	8
Compactor (Bomag)	$486,423	2007	4.5	$437,781	Y	2013	$564,102	5
Compactor (BOMAG)	$311,034	2004	1.0	$62,207	Y	2010	$360,704	5
973 Track Loader (CAT)	$291,624	2004	1.0	$58,325	Y	2010	$338,194	5
Open Top Bins (10)	$30,000	1998	0.0	$900	Y	2009	$39,363	10
Lawn Mower (Gravely M12S)	$5,629	1994	0.0	$175	Y	2009	$8,442	6
Chainsaw	$319	2001	0.0	$10	Y	2009	$389	5
Large Generator (KOHLR 20ROZJ61)	$10,000	1994	0.0	$300	Y	2009	$14,453	12
Freon Remover	$595	2005	2.0	$238	Y	2011	$860	5
Dodge Neon	$11,930	2004	6.0	$7,158	Y	2015	$15,853	10
Fuel Truck	$106,965	2005	9.0	$81,724	Y	2018	$150,209	12
Dozer (D3)	$60,987	1993	0.0	$4,269	Y	2009	$90,536	12
Ford Taurus	$13,484	2006	6.0	$10,113	Y	2015	$16,840	8
Hydroseeder (2007 Finn LF120)	$50,985	2007	4.0	$40,788	Y	2013	$59,127	5
Horizontal Silo	$69,500	2007	9.0	$62,550	Y	2018	$91,190	10
Riding Lawn Mower (John Deere)	$3,600	2004	3.0	$1,543	Y	2012	$4,386	7
Riding Lawn Mower (John Deere - LX 280)	$3,790	2006	5.0	$2,707	Y	2014	$4,618	7
Subtotal	$3,363,290			$1,294,246				

Equipment

	Replacement Schedule (FY)						
Inventory	2009	2010	2011	2012	2013	2014	2015
Hydro Seeding System with Air Gap Filtwell	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 6KW Air Cooled Diesel Generator	$0	$0	$0	$0	$0	$0	$2,688
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Portable Radios (18)	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929
Mobile Radios (20) (mounted on equipment)	$0	$0	$5,149	$5,149	$5,149	$5,149	$5,149
J. D. Rubber Tire Loader	$0	$0	$0	$0	$0	$0	$0
Dozer (D8)	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035
Tractor (John Deere 6200)	$0	$0	$0	$0	$0	$0	$0
Street Flusher	$0	$0	$0	$0	$0	$0	$0
Dump Truck	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758	$6,758
Pick-up 4X4	$0	$4,251	$4,251	$4,251	$4,251	$4,251	$4,251
Dump Truck #1 w/Hook-Lift	$0	$0	$19,392	$19,392	$19,392	$19,392	$19,392
Dump Truck #2 w/Hook-Lift	$0	$0	$0	$0	$0	$0	$0
Truck	$0	$5,470	$5,470	$5,470	$5,470	$5,470	$5,470
Forklift	$0	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240
Flatbed Trailer	$0	$397	$397	$397	$397	$397	$397
Flatbed Trailer	$0	$0	$397	$397	$397	$397	$397
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$0	$0	$217	$217	$217	$217	$217
Snow Spreader for 4x4 truck (Western)	$426	$426	$426	$426	$426	$426	$426
Pan Scraper (Wheel Scraper)	$0	$67,170	$67,170	$67,170	$67,170	$67,170	$67,170
John Deere Riding Mower	$0	$0	$773	$773	$773	$773	$773
Bushhog Mower (attach)	$0	$1,043	$1,043	$1,043	$1,043	$1,043	$1,043
Compactor (Bomag)	$0	$0	$0	$0	$130,293	$130,293	$130,293
Compactor (BOMAG)	$0	$83,314	$83,314	$83,314	$83,314	$83,314	$83,314
973 Track Loader (CAT)	$0	$78,114	$78,114	$78,114	$78,114	$78,114	$78,114
Open Top Bins (10)	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098
Lawn Mower (Gravely M12S)	$1,663	$1,663	$1,663	$1,663	$1,663	$1,663	$0
Chainsaw	$90	$90	$90	$90	$90	$90	$90
Large Generator (KOHLR 20ROZJ61)	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634
Freon Remover	$0	$0	$159	$159	$159	$159	$159
Dodge Neon	$0	$0	$0	$0	$0	$0	$2,027
Fuel Truck	$0	$0	$0	$0	$0	$0	$0
Dozer (D3)	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215
Ford Taurus	$0	$0	$0	$0	$0	$0	$2,805
Hydroseeder (2007 Finn LF120)	$0	$0	$0	$0	$13,657	$13,657	$13,657
Horizontal Silo	$0	$0	$0	$0	$0	$0	$0
Riding Lawn Mower (John Deere)	$0	$0	$0	$758	$758	$758	$758
Riding Lawn Mower (John Deere - LX 280)	$0	$0	$0	$0	$0	$796	$796
Subtotal	$88,670	$331,670	$357,757	$356,515	$522,915	$523,713	$529,371
	Present Value	$2,166,011					

Equipment

Equipment	Original Cost	Year Acquired	Remaining Life	Net Financing Needed	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Scale	$61,000	[redacted]	0.0	$1,530	Y	2009	$85,284	10
Above ground fuel tank	$18,000	[redacted]	0.0	$540	Y	2009	$23,042	10
2003 Pick-up truck	$20,737	[redacted]	0.5	$1,728	Y	2009	$23,754	6
Scalehouse software and hardware (including accounting system)	$17,000	[redacted]	0.5	$1,700	Y	2009	$18,996	5
1973 Fruehauf Tank Trailer	$5,125	[redacted]	4.5	$577	Y	2013	$0	40
2000 Mad Vac Trailer	$18,607	[redacted]	11.5	$10,699	Y	2020	$22,952	20
2002 Lowboy Trailer	$23,863	[redacted]	8.5	$13,522	Y	2017	$28,018	15
2004 Caterpillar 836G-11 Compactor	$392,970	[redacted]	6.4	$314,376	Y	2015	$408,806	8
Waste Oil Furnace	$5,495	[redacted]	9.0	$4,946	N	0	$5,632	10
Leachate truck (8100 International)	$40,000	[redacted]	2.0	$6,667	Y	2011	$51,203	12
Gas Meter and Water Level Indicator	$4,250	[redacted]	13.0	$2,908	N	0	$4,929	19
Subtotal	$597,047			$359,192				

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

Total	$3,987,337	$1,880,438

Equipment

Schedule 5

Collection	2009	2010	2011	2012	2013	2014	2015
Scale	$8,455	$8,455	$8,455	$8,455	$8,455	$8,455	$8,455
Above ground fuel tank	$2,984	$2,984	$2,984	$2,984	$2,984	$2,984	$2,984
2003 Pick-up truck	$4,680	$4,680	$4,680	$4,680	$4,680	$4,680	$4,680
Scalehouse software and hardware (including accounting system)	$4,388	$4,388	$4,388	$4,388	$4,388	$4,388	$4,388
1973 Fruehauf Tank Trailer	$0	$0	$0	$0	$0	$0	$0
2000 Mid Vac Trailer	$0	$0	$0	$0	$0	$0	$0
2002 Lowboy Trailer	$0	$0	$0	$0	$0	$0	$0
2004 Caterpillar 836G-11 Compactor	$0	$0	$0	$0	$0	$0	$63,251
Waste Oil Furnace	$0	$0	$0	$0	$0	$0	$0
Leachate truck (8100 International)	$0	$0	$5,777	$5,777	$5,777	$5,777	$5,777
Gas Meter and Water Level Indicator	$0	$0	$0	$0	$0	$0	$0
Subtotal	$20,507	$20,507	$26,284	$26,284	$26,284	$26,284	$89,535
	Present Value	$185,296					

Administrative Equipment	2009	2010	2011	2012	2013	2014	2015
Personnel Vehicle	$0	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0	$0
	Present Value	$0					

Total	$109,176	$352,177	$384,040	$384,796	$549,199	$549,997	$818,905

Summary	Total Acquisition Cost	Annual Payment
Vehicle Acquisition	$1,660,436	$290,413
Vehicle Replacement Fund		$406,525
Total		$696,938

Landfill Capital **Schedule 6**

Lynchburg				
Existing Site Improvements	Original Cost	Acquisition Cost		
Land, Site Prep., Grading, Clearing, Access Roads, Fencing	$194,925	$72,656	2009	5
Pipe, Sewer 18" Concrete 3993 LF Landfill-Concord Turnpike	$253,684	$94,558	2009	5
Landfill Site Preparation, Grading, Clearing, Re-Routing Waterways, Wood Waste Area	$2,040,762	$760,668	2009	5
Storm Drainage	$99,189	$36,972	2009	5
Pipe, Water, 8" Diameter, Approx. 1,785LF	$69,614	$25,948	2009	5
Pipe, Sewer, 8" Diameter, Approx. 1,180LF	$88,158	$32,860	2009	5
Concrete Pad	$58,327	$21,741	2009	5
Asphalt Paving, Entrance & Access Roads, C&G, Oper. Bldg. Prkng-800SY Appx. $15000, & Admin Bldg $2500	$664,945	$247,850	2009	5
Guardrail	$33,531	$12,498	2009	5
Fencing, Wood & Chain Link	$23,717	$8,840	2009	5
Sediment Basin #3	$6,649	$2,478	2009	5
Erosion Control System, Straw Bales, Siltation Control Fences, Brush Barriers, Riprap	$135,354	$50,451	2009	5
Electrical Wiring	$45,690	$17,031	2009	5
Pipe, Water, 1" Copper, 68LF	$2,985	$1,113	2009	5
Pipe, Sewer, 12" RCP, W/One Manhole, 30LF	$4,377	$1,632	2009	5
Pipe, Water, 1 1/2" Copper, 180LF	$996	$371	2009	5
Pipe, Sewer, 24" Di, 60LF	$4,710	$1,755	2009	5
Landfill, Earthwork, Pushed Area For Rock Tenn	$1,039	$387	2009	5
Pipe, Sewer, 4" PVC, 115LF	$3,545	$1,321	2009	5
Pipe, Sewer, 4" PVC, 2 Lines, 130LF(total)	$3,206	$1,195	2009	5
Pipe, Sewer, 2" Copper W/Meter Box & Yoke, 90LF	$1,850	$689	2009	5
Pipe, Sewer, 8" VC, 128LF	$7,787	$2,903	2009	5
Pipe, Sewer, 8" VC, 128LF	$3,894	$1,451	2009	5
Pipe, Sewer, 8" Di Cl. 50, 292LF	$23,027	$8,583	2009	5
Asphalt & Concrete Paving, Curbs, Gutters, Sidewalk Ditches, & Shoulder Stone	$31,770	$11,842	2009	5
Curbs & Gutters, 220LF	$5,505	$2,052	2009	5
Curb & Gutter, 211LF	$2,496	$930	2009	5
Asphalt Paving, Nickerson Drive	$4,219	$1,573	2009	5
Asphalt Paving, Industrial Dump Site, Access Road, Turnaround Area	$36,978	$13,783	2009	5
Lighting System, Roadway, 41 Poles w/400W Mounted Lights, Aerial Cables, Remote Control Wiring, 24Hr.	$126,932	$47,312	2009	5
Gate, Rear Entry to Landfill, 30'	$13,758	$5,128	2009	5
Pipe-Leachate 2,500 LF	$84,435	$9,091	2009	5
Land Improvements	$5,797	$624	2009	5
Pipe	$9,275	$999	2009	5
Landfill Monitoring System (Infrared Analyzer for Methane & Carbon Dioxide)	$3,456	$1,728	2009	5
	$4,096,580	**$1,501,011**		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Construction and Components of Phase III Landfill Development	$1,898,134	$754,265	2009	5
Land, Sanitary Landfill Concord Turnpike - 9.80 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.02 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.75 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 8.13 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 0.40 Acres Tax Map	$1,998	$745	2009	5
Land, Sanitary Landfill Concord Turnpike - 22.84 Acres Tax Map	$38,985	$14,531	2009	5
Land, Sanitary Landfill Concord Turnpike - 28.70 Acres Tax Map	$52,176	$19,448	2009	5
Land, Sanitary Landfill Concord Turnpike - 2.67 Acres Tax Map	$74,475	$27,760	2009	5
Land, Sanitary Landfill Concord Turnpike - Approx. 2 Acres Tax Map	$71,751	$26,744	2009	5
Land, Sanitary Landfill, Property Fronting Concord Turnpike Tax Map	$10,148	$3,783	2009	5
Land, Sanitary Landfill, Tyreeanna Rd.,Tax Maps	$45,803	$17,072	2009	5
Landfill Liner System, Clay Liner	$505,261	$188,330	2009	5
Landfill Liner System, Leachate Collection 6" Perforated PVC Pipe in 1 1/2' VDOT #3 Stone	$120,887	$45,059	2009	5
Landfill Liner System, HDPE Liner, 60 Mils. Dense, GEONET Liner, Non-Woven, GEOT Extile Heat Bonded	$844,507	$314,779	2009	5
Landfill Liner System, Cushion Layers, Soil and Stone	$728,874	$271,678	2009	5
Landfill, Design & Engineering	$458,198	$170,787	2009	5
Environmental Assessments, Tyreeanna Land Purchase	$53,405	$19,906	2009	5

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

Landfill Capital **Schedule 6**

Lynchburg				
None	$0	—		
Total	**$0**			
Campbell				
Mothballing Costs	$532,472	2009	$532,472	13
Transition of equipment, scales, supplies etc.	$25,000	2014	$28,285	8
Scale House Improvements	$179,000	2014	$202,522	8
Reconfigure Livestock Rd - Calohan Rd Intersection	$0	2014	$0	8
Total	**$736,472**		**$763,279**	
Campbell	$13,026,047	2014	$15,483,876	8

Closure and Post-Closure

Schedule 7

Regional Entity Start Date 7/1/2008

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

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

Borrowing Costs and Debt Service Reserve

Schedule 8

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

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

Interest Earned on Reserve Accounts

Schedule 9

Environmental Remeditation	$50,000	$1,250
Future Diposal Planning and Engineering	$50,000	$1,250
Total	**$100,000**	**$2,500**

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

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:

CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 5th day of June, 2023
VALERIE P. YOUNGER, CLERK
By: V. Younger. Clerk
~~Deputy~~ Clerk

EXHIBIT A

(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE REGION 2000 SERVICES AUTHORITY

Article 1. The Region 2000 Services Authority (the "**Authority**") has been created and established as a body politic and corporate in the Commonwealth of Virginia, and its Articles of Incorporation are hereby amended and restated. The principal office of the Authority shall be located with the Virginia's Region 2000 Partnership Local Government Council at 828 Main Street, 12th Floor, Lynchburg, Virginia 24505 and shall consistently reside with the Local Government Council offices in the future.

Article 2. The names of the localities participating in the Authority are the Counties of Appomattox, Campbell and Nelson, and the Cities of Bedford and Lynchburg.

Article 3. The Authority shall consist of a board of five members, with one member appointed by the local governing body of each jurisdiction. The terms of the initial members of the board shall expire June 30, 2010. Members shall then be appointed for four year terms. The names and addresses of the initial members of the Board are:

Appomattox County

Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522

Campbell County

R. David Laurrell, County Administrator
P.O. Box 100, Rustburg, VA 24588

Nelson County

Stephen A. Carter, County Administrator
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg

L. Kimball Payne, III, City Manager
900 Church Street, Lynchburg, VA 24504

City of Bedford

Charles Kolakowski, City Manager
P.O. Box 807, Bedford, VA 24523

Article 4. Each local governing body also may select an alternate board member to have all of the voting and other rights of a board member if the board member is not present at a meeting of

EXHIBIT
booker A1

the Authority. The term for each alternate shall be the same as the term of the board member. The following persons are appointed to serve as the initial alternates to the board of Authority:

Appomattox County

John K. Spencer
P.O. Box 863, Appomattox, VA 24522

Campbell County
Clifton M. Tweedy
P.O. Box 100, Rustburg, VA 24588

Nelson County
Susan E. McSwain
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg
David A. Owen
900 Church Street, Lynchburg, VA 24504

City of Bedford
Barrett F. Warner
P.O. Box 807, Bedford, VA 24523

Article 5. The Authority is created and established under the provisions of the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 (Section 15.2-5100 et. seq. of the Code of Virginia) (the "Act"). The authority shall have all powers and duties set forth in the Act, as the same may be from time to time amended. The initial project of the Authority shall be to own and operate as a regional entity the landfills that are currently owned and operated by the City of Lynchburg and Campbell County, and to accept municipal solid waste generated within each of the participating jurisdictions (and from outside the jurisdictions if approved by the Authority) in those landfills in accordance with a Member Use Agreement to be approved by each of the local governing bodies, as it may be amended from time to time. It is anticipated that the use of the landfills will be phased, with the Campbell County Landfill being temporarily closed while the Lynchburg landfill is being utilized to its operating capability. The initial capital cost to purchase the landfill's, including the site improvements, landfill capacity and land, buildings, equipment and rolling stock, and the closure and post-closure reserve funds, less the outstanding debt and the closure and post-closure liability for each locality, result in a payment to the City of Lynchburg of $1,714,840, and a payment from Campbell County of $270,000, for a net capital cost of $1,444,840. The preliminary estimate of the cost per ton to the localities for solid waste delivered to the landfills owned by the Authority is $23.91 per ton. It is impractical at this time to determine a per ton charge for private haulers using the landfills. Both the capital cost figure and the cost per ton are preliminary figures and are subject to change.

Article 6. All members of the board shall serve without compensation, but may be reimbursed by the Authority for their actual expenses incurred in the course of their duties.

Article 7. Existing members of the Authority may withdraw from membership, and other localities may join the Authority, as provided in Section 15.2-5112 of the Code of Virginia , as amended. In the event other localities join the Authority, they will be asked to reimburse the localities which initially created the Authority for a fair share of the development costs of the Authority.

Article 8. All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangement through the Virginia's Region 2000 Local Government Council. Subject to the approval of the Authority Board, it is the intent of the Member Jurisdictions that the Executive Director of Virginia's Region 2000 Local Government Council be appointed by the Authority to serve as the chief administrative or executive officer of the Authority pursuant to Section 15.2-5113(E) of the Code of Virginia.

City of Bedford, Virginia

By: _____

[Signature Page to Follow]

City of Lynchburg, Virginia

By: _____

[Signature Page to Follow]

County of Appomattox, Virginia

By: W. H. Coyle

[Signature Page to Follow]

County of Campbell, Virginia

By: Hugh I. Pendleton Jr.

[Signature Page to Follow]

County of Nelson, Virginia

By: _____

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January, 2008, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

EXHIBIT
B

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

County Administrator
P.O. Box 336
Lovingston, VA 22949

If to City of Bedford

Bedford, Virginia
Charles Kolakowski
City Manager
P.O. Box 807
Bedford, VA 24523

If to City of Lynchburg

Lynchburg, Virginia
L. Kimball Payne, III
City Manager
900 Church Street
Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Mary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Puckett

Title Chairman

ATTEST:

Catherine H. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

2223

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

_____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Patricia W. Rast
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

{W0703513 1 013135 010704 }

EXHIBIT
tabbies
C

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority:

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time; and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction (**"Member Jurisdiction Default"**).

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia J. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL,
A Political Subdivision of the
Commonwealth of Virginia,

AND

CITY OF LYNCHBURG,
A Municipal Corporation of the
Commonwealth of Virginia,

Plaintiffs,

V.

REGION 2000 SERVICES AUTHORITY,
SERVE: Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588
(Campbell County)
Defendant,

COUNTY OF APPOMATTOX,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139
(Powhatan County)
An Interested Party,

AND

COUNTY OF NELSON,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949
(Nelson County)
An Interested Party.

CASE NO. CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
4th day of December, 20 20
VALERIE P. YOUNGER, CLERK
Teste: [signature]
Deputy Clerk

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

EXHIBIT
tabbies
D

AMENDED COMPLAINT

COME NOW the Plaintiffs, the County of Campbell, a political subdivision of the Commonwealth of Virginia, by counsel, and the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, by counsel, pursuant to Sections 8.01-184 *et seq.* of the Code of Virginia, 1950, as amended, and request the Court to make a declaration concerning the meaning and usage of a contractual term, identified herein this Amended Complaint as "Excess Revenue", as it is used in the context of a certain Member Use Agreement of the Region 2000 Services Authority, as amended. The term "Parties" or "parties", when used in this Amended Complaint, refers only to the County of Campbell, the City of Lynchburg, and the Region 2000 Services Authority collectively. In support thereof, the Plaintiffs state the following for their Amended Complaint against the Defendant:

INTRODUCTION

1. The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Certificate of Incorporation was issued by the Virginia State Corporation Commission effective December 28, 2007. The Authority's Articles of Incorporation were amended and restated, and a Certificate of Restatement was issued thereto by the Virginia State Corporation Commission effective June 20, 2008. The Authority's principal office address is 361 Livestock Road, Rustburg, Virginia 24588. The Authority is governed by a Board of Directors, currently consisting of four (4) directors, who are appointed by the Authority's members. The current members of the Authority are the County of Campbell, the City of Lynchburg, the County of Appomattox, and the County of Nelson, all political subdivisions of the Commonwealth of Virginia. The Authority was founded with the County of Campbell, the County of Nelson, the City of Bedford, Virginia, and

the City of Lynchburg as its members. In 2008, the County of Appomattox joined the Authority. Following its reversion to a town in 2013, the City of Bedford, Virginia withdrew from the Authority's membership.

2. The County of Campbell is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Francis J. Rogers, IV. The principal office address for the County of Campbell is 47 Courthouse Lane, Rustburg, VA 24588. Francis J. Rogers, IV is the appointed board director for the Authority from the County of Campbell.

3. The City of Lynchburg is a municipal corporation of the Commonwealth of Virginia, governed by an elected City Council, whose principal agent is the Interim City Manager, Reid Wodicka. The principal office address for the City of Lynchburg is 900 Church Street, 3rd Floor, Lynchburg, VA 24504. By virtue of his interim appointment, Reid Wodicka serves as the board director for the Authority from the City of Lynchburg.

4. The County of Appomattox is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Susan M. Adams. The principal office address for the County of Appomattox is 153-A Morton Lane, Appomattox, VA 24522. Susan M. Adams is the appointed board director for the Authority from the County of Appomattox.

5. The County of Nelson is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Stephen A. Carter. The principal office address for the County of Nelson is 84 Courthouse Square, Lovingston, VA 22949. Stephen A. Carter is the appointed board director for the Authority from the County of Nelson.

6. Venue is proper in this forum, pursuant to Section 8.01-262 of the Code of Virginia, 1950, as amended, as Campbell County, Virginia is the principal business location of the Authority, and a significant amount of the operative facts alleged herein occurred within Campbell County, Virginia.

DOCUMENTS GOVERNING THE AUTHORITY

7. The Authority is governed by its Amended and Restated Articles of Incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter. The Bylaws are attached hereto as Exhibit "A", the Amended and Restated Articles of Incorporation are attached hereto as Exhibit "A1", the initial MUA dated January 31, 2008 is attached hereto as Exhibit "B", and the first amendment to the MUA, dated June 20, 2008, is attached hereto as Exhibit "C", all of which are incorporated herein by reference. A second amendment to the MUA was approved by the governing bodies of the County of Campbell, the County of Appomattox, the County of Nelson, and the City of Lynchburg in 2012; however, such second amendment has no bearing on the issue of Excess Revenue and is therefore not included herein as an exhibit. The term MUA, as used throughout this Amended Complaint, shall be deemed to include the initial MUA and the amended versions thereof previously mentioned.

8. Incorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis". The Beck Analysis is attached hereto as Exhibit "D", and incorporated herein by reference. The firm of R.W. Beck, Inc. prepared the Beck Analysis following lengthy consultation with the members of the Authority, and its terms were used to guide the formation and conduct of the Authority.

FACTUAL BACKGROUND

9. Every year of the Authority's existence, with the exception of 2019, the Authority calculated and distributed Excess Revenue to the County of Campbell and the City of Lynchburg to compensate those localities for their airspace contributions based upon the calculations made in the Beck Analysis, as updated by the Authority's staff year after year.

10. At the September 25, 2019 meeting of the Board of Directors of the Authority, it was stated auditors determined the Authority generated $1,407,595 in Excess Revenue in 2018-2019. The staff of the Authority recommended the Authority distribute $976,871 to the County of Campbell and $430,724 to the City of Lynchburg because that proposed distribution would have *followed the pattern* of 30.6% of Excess Revenue being distributed to the City of Lynchburg and 69.4% to the County of Campbell. The minutes of the September 25, 2019 meeting are attached hereto as Exhibit "E", and are incorporated herein by reference.

11. At the September 25, 2019 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue to the County of Campbell and the City of Lynchburg. Said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds due to those localities.

12. At the September 16, 2020 meeting of the Board of Directors of the Authority, the staff of the Authority presented the said Board of Directors with the following:

> Auditors have determined that the Authority generated $1,137,807 in Excess Revenue in 2019-2020. The Member Use Agreement says that these funds may be distributed by the Authority based on contributed airspace which works out a 30.6% part for Lynchburg and a 69.4% part for Campbell. Currently the Authority has $1,407,595 in an account from excess revenue from 2018-2019. Staff would appreciate your direction as to what to do with the Excess Revenue from 2019-2020.

The minutes of the September 16, 2020 meeting are not yet available to be included herein.

13. Further, at the September 16, 2020 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue pursuant to the MUA. The said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue due to those localities.

14. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from Appomattox and Nelson counties have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is discretionary, and that Excess Revenue generated may be applied to expenses or planned expenses of the Authority rather than to compensate the County of Campbell and the City of Lynchburg for their airspace.

15. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from the County of Campbell and the City of Lynchburg have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is *not* discretionary, or to the extent it is discretionary, said discretion must be exercised in good faith in accordance with the MUA and the parties' previous dealings under the MUA, and further that Excess Revenue generated must be granted to the County of Campbell and the City of Lynchburg pursuant to the MUA.

16. As of September 16, 2020, a total of $2,545,402.00 in Excess Revenue has accumulated with the Authority, and the Board of Directors thereof have deadlocked twice now as to the proposed distribution of such Excess Revenue.

17. As such, there now exists an actual and justiciable controversy between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA.

MEANING AND USAGE OF THE TERM "EXCESS REVENUE"

18. The term "Excess Revenue" is used in the MUA, and in the Beck Analysis.

19. Pursuant to the definition of "Excess Revenue" in the MUA, and as illustrated in the Beck Analysis, Excess Revenue is intended to compensate the County of Campbell and the City of Lynchburg for the airspace those localities transferred to the Authority.

20. The Beck Analysis and the MUA both call for distribution of Excess Revenue to the City of Lynchburg and the County of Campbell because these two (2) jurisdictions transferred the capacity of their existing permitted landfills to the Authority at the time the Authority was created. The counties of Appomattox and Nelson retained complete ownership and sole use of their existing landfills.

21. At the time of the said transfer, the City of Lynchburg and the County of Campbell were compensated by a lump sum for the capacity transferred, but *not* the airspace. The airspace, pursuant to the MUA, was to be paid for by way of Excess Revenue payments over the life of the landfills.

22. "Airspace", a term commonly used in the solid waste industry, is the projected cubic yardage of a landfill available to be filled with waste. Airspace is an asset separate and distinct from the "capacity" of a landfill, which includes such things as the land underlying a landfill together with its improvements, such as the permits, landfill liner, and operational buildings. Gary Christie, the Executive Director of the Region 2000 Planning District Commission, which manages the Authority, described the difference between "airspace" and "capacity" in a memorandum to Nelson County Administrator Steve Carter dated August 6, 2019 (The "Christie Memo"). The Christie Memo is attached hereto as Exhibit "F" and incorporated herein by reference.

23. The background of the creation of the Authority is illustrative in understanding the meaning and usage of the term "Excess Revenue" under the MUA. The use and meaning of the term "Excess Revenue" was considered by the parties at length prior to the creation of the Authority while the governing documents of the Authority were being finalized.

24. Scott Pasternak, the manager of R.W. Beck, Inc., presented the members of the Authority with a number of options for compensating the member localities for the assets transferred to the Authority, as well as a number of options for the payment of any Excess Revenue generated. Mr. Pasternak's September 8, 2005 memorandum is attached hereto as Exhibit "G" (the "Pasternak Memo"), and the relevant portion of the draft report of the Beck Analysis, dated May 4, 2005 is attached hereto as Exhibit "H". In both documents, questions regarding the proposed authority's organization and funding were presented. Both Exhibit "G" and Exhibit "H" are incorporated herein by reference.

25. In the Pasternak Memo, Mr. Pasternak presented the following options for payment of landfill assets transferred to the Authority by the members:

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

26. In the Pasternak Memo, Mr. Pasternak presented the following options for the distribution of any Excess Revenue created:

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

27. The initial member jurisdictions decided that in response to the issue presented in paragraph 25 of this Amended Complaint, airspace would be paid for over time by cash payments, and that in response to the issue presented in paragraph 26 of this Amended Complaint, decided that Excess Revenue would be the mechanism to pay for that airspace. Accordingly, in the final Beck Analysis, the language agreed to by the parties was as follows:

> Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The *excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed* to the Authority.

The Beck Analysis, Exhibit "D" at page 2-10 (Emphasis added).

28. The language of the MUA also incorporated this decision into the terms of those documents. Excess Revenue, therefore, was defined in the MUA as:

> the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. *Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority.* The amount of excess revenue will depend upon the cost of service rate each year.

MUA, Exhibit "C" at page 3 (Emphasis added).

29. This same interpretation was presented to the Board of Supervisors of Campbell County, Virginia on February 5, 2007, at a meeting wherein Bob White, the then Deputy

Director of the Region 2000 Local Government Council, requested Campbell County's approval of the creation of the Authority and Campbell County's membership in it. A portion of the minutes of the February 5, 2007 meeting are attached hereto as Exhibit "I" and incorporated herein by reference. As shown in Exhibit "I", Mr. White represented to the Board that "Campbell County would save nearly $17 million as a result of savings from tipping fees *and excess revenue* from fees charged to haulers." (Emphasis added).

30. More recently, the Christie Memo makes clear that the staff of the Authority have consistently taken the position that Excess Revenue payments are compensation for airspace paid over time. In that memo, in response to a question of whether all landfill assets purchased by the Authority were paid for at the time of the commencement of operations, Mr. Christie writes that airspace was not part of the assets initially purchased "because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. *That's never changed.*" The Christie Memo, Exhibit "F" at page 3 (Emphasis added).

CLAIM FOR RELIEF – DECLARATORY JUDGMENT

31. Plaintiffs repeat, re-allege, and re-plead the allegations set forth in paragraphs 1 through 30 of this Amended Complaint in the same force and effect as if each allegation were again fully and specifically set forth in this paragraph in detail.

32. This Amended Complaint seeks a declaration from the Court concerning the meaning and usage of the term "Excess Revenue" as that term is used in the MUA. The parties hereto have expressed competing and mutually exclusive interpretations of that term, and the Plaintiffs now pray this Court grant them its aid and guidance, representing that the same be needed for the orderly administration of the Authority.

33. The meaning and usage of the term "Excess Revenue" is material to the conduct of the parties herein under the MUA.

34. The first question to be resolved by the Court is whether Excess Revenue is intended to compensate the City of Lynchburg and the County of Campbell for airspace transferred to the Authority.

35. The second question to be resolved by the Court is whether Excess Revenue may be applied to any expense or expenditure other than to be distributed to the County of Campbell and the City of Lynchburg.

36. The third question to be resolved by the Court is whether the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is not discretionary under 1) the MUA; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings.

37. The fourth question to be resolved by the Court is whether Excess Revenue, pursuant to the MUA and the other documents governing the Authority, must be distributed once accumulated.

38. The fifth question to be resolved by the Court is if the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is deemed by the Court to be discretionary, then under 1) the MUA and other documents governing the Authority; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings, should Excess Revenue be granted to the City of Lynchburg and the County of Campbell to compensate such localities for their airspace contributions to the Authority.

39. The Board of Directors of the Authority has expressed competing and incompatible interpretations of the meaning and usage of the term "Excess Revenue".

40. The dispute between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA gives rise to a justiciable controversy involving specific adverse claims between the parties.

41. The specific adverse claims between the parties are based upon facts that are now ripe for adjudication.

42. The Plaintiffs have no adequate remedy at law to resolve this matter.

WHEREFORE, the Plaintiffs, the County of Campbell and the City of Lynchburg, by counsel, respectfully pray this Court 1) enter an Order declaring the meaning and usage of the term "Excess Revenue" under the MUA; 2) answer the first, third, and fourth questions presented, as shown in paragraphs 34, 36, and 37 of this Amended Complaint, in the affirmative; 3) answer the fifth question presented, as shown in paragraph 38 of this Amended Complaint, in the affirmative if the said third question presented is answered in the negative; 4) answer the second question presented, as shown in paragraph 35 of this Amended Complaint, in the negative; 5) award the Plaintiffs all costs incurred, court costs, reasonable attorney fees, and any other amounts the Court deems appropriate; and 6) award the Plaintiffs any other relief the Court deems proper and just.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
(SIGNATURES SHOWN ON THE FOLLOWING PAGES)

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By: _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire (VSB# 76871)
County Attorney
P. O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505
(434) 846-2731 – Telephone
(434) 846-0496 – Facsimile
feisenhour@co.campbell.va.us

Respectfully submitted,

CITY OF LYNCHBURG, VIRGINIA

By: Walter C. Erwin, III
Of Counsel

Walter C. Erwin, III, Esquire (VSB# 15640)
City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
walter.erwin@lynchburgva.gov

Matthew C. Freedman, Esquire (VSB# 78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
matthew.freedman@lynchburgva.gov

Region 2000 Services Authority

Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
September 25, 2019
2:00 p.m.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

Draft Minutes

Board Members Present

Susan Adams.....Appomattox County
Steve Carter .....Nelson County
Frank Rogers.....Campbell County
Gaynelle Hart, Alternate for Bonnie Svrcek.....City of Lynchburg

1. **Welcome**

   Frank Rogers, Vice-Chair, welcomed everyone and opened the meeting at 2:00 p.m.

2. **Public Comment**

   John Hardie voiced his opposition to more waste coming to the Livestock Road Landfill from a neighboring locality.

   Judy Doering spoke, also declaring her opposition to Bedford County waste.

3. **Approval of July 31, 2019 Meeting Minutes**

   The motion was made by Susan Adams, and seconded by Steve Carter, to approve the meeting minutes of July 31, 2019. The motion was unanimously approved.

4. **Financial Update**

   a) Year to Date Report – Rosalie Majerus reviewed the current financial report.
      - Revenue tonnage is where it should be in the budget, as is the total revenue received to date.
      - Cost of Service is currently $31.73/ton versus a budget of $30.25/ton. This is mainly due to a number of one-time costs.

EXHIBIT
E

b) Forgiveness of Late Penalty of $7,972.21 for First Piedmont Waste Disposal
First Piedmont was late with a payment, but due to being a good customer the Authority was asked to forgive the late penalty in the amount of $7,972.21.

A motion was made by Steve Carter, and seconded by Gaynelle Hart, to forgive the late penalty. The motion was unanimously approved.

Clarke Gibson presented another account with a late penalty dating back to 2011, with an out of town contractor. He asked the Authority to forgive the late penalty of $5,867.15.

Steve Carter made the motion to forgive the late charge of $5,867.15. The motion was seconded by Gaynelle Hart, and unanimously approved.

5. Bedford County Request for a Contract for 15,000 Tons of Solid Waste per Year for Five Years

Gary Christie explained that he has received a formal request from Bedford County for a contract with the Services Authority to bring up to 15,000 tons of solid waste to the Livestock Road Landfill per year for five years, with five one year renewable optional years at the commercial rate. The solid waste would not include sludge, and reciprocal landfill space would not be available.

One month of landfill space would be lost for each year that 15,000 tons were received, while there would be about $450,000 in additional revenue going into the operation funds at $30.25/ton. There would also be $10.00/ton going into the excess revenue account.

Staff recommended moving forward with negotiations of the five year contract at the rate of $40.25 with $30.25 going to operations and $10.00 to excess revenue. Subsequent years would be billed at $40.25 based on the cost of living, not necessarily fluctuating with the cost of service rate. A clause would be suggested that allows for negotiation or termination of the contract within 12 months, if the loss of a major waste customer (like County Waste) is anticipated. He also suggested tracking this excess revenue as a separate contract, dividing it equally among the jurisdictions who are not receiving excess revenue payments currently.

Frank Rogers reported that this item was taken before the Campbell County Board of Supervisors and they voted unanimously to reject the Bedford County trash.

Mr. Rogers made a motion to decline Bedford County's request for a contract for 15,000 tons of solid waste per year for five years. The motion was seconded by Susan Adams.

The vote was:
Susan Adams – Yes
Steve Carter – Yes
Frank Rogers – Yes
Gaynelle Hart – Nay

Bedford's request was denied.

Mr. Carter made a motion to suggest the Authority correspond with Bedford County requesting membership. Susan Adams seconded the motion. The motion carried unanimously.

6. Distribution of 2018-2019 Excess Revenue

Gary explained that the auditors have determined that the Authority generated $1,407,595 in excess revenue in 2018-2019. The distribution pattern has been 30.6% to Lynchburg and 69.4% to Campbell County. He recommends distribution of:

$430,724 to Lynchburg
$976,871 to Campbell County

Frank Rogers made the motion to approve the excess revenue distribution. The motion was seconded by Gaynelle Hart.

Before the vote was taken, Mr. Rogers addressed those present, reminding everyone that excess revenue has been a topic of conversation for several years. He stated that over time Campbell County and Lynchburg have contributed a great deal of capacity to the benefit of the region. This capacity was paid for over time through the levy of excess revenues. The value of Campbell County's contribution can be equated to an excess of $24M, of which to date a little over $8M of the full 10 year term of the arrangement has been received for this capacity. Mr. Rogers hoped the Authority would continue in this practice and affirm the payment of excess revenues again this year.

Susan Adams suggested using some of this money to offset debt service as well as add to landfill closure cost funds. She also suggested using funds toward operational costs by reducing tipping rates.

The vote was:
Susan Adams – Nay
Steve Carter – Nay
Gaynelle Hart – Yes
Frank Rogers – Yes

The vote failed to approve the motion for excess revenue distribution.

7. Authorization to Expend $45,000 from Closure/Post Closure Funds for the Extension of Components of the Gas Collection System at the Phase IV Cell of the Livestock Road Landfill

At the last Authority meeting staff described the next landfill gas collection system expansion project to be constructed in 1 ½ to 2 years when the third lift in the current operating Phase IV is complete.

Clarke Gibson reported that staff recommends with proceeding with construction of an initial part of this project, which is a permanent phase construction along the southeastern fill slope with a second lift in Phase IV at a cost of $45,000. He recommended using the available closure funds to fund the project. With approval, this project could be completed by Thanksgiving.

No action was taken at this time.

However, later in the meeting Steve Carter asked to revisit this item. He asked Mr. Gibson to explain the expansion of the gas system at Livestock Road and if it is beneficial to the neighborhood as well as the Authority. Mr. Gibson answered that it is. It will increase the landfill gas collection volumes and will help with odor complaints. Since the first phase of the gas collection system was installed there has been over a 90% reduction in complaints. He assured Mr. Carter that it is cost effective at this time.

The motion was made by Steve Carter to authorize the expenditure of $45,000 from the closure-post closure fund for expansion of the gas collection system. The motion was seconded by Frank Rogers and was unanimously approved.

Gary Christie suggested having a meeting arranged at the landfill for those interested to see the cell IV and get an update on what is on site.

8. RFP for use of Landfill Gas at Livestock Road

Bob Dick with SCS was available to answer questions on the draft RFP for a Landfill Gas to Energy Development Project at the Livestock Road facility. He advised that this RFP is structured so the Authority retains responsibility for permit design, finance and construction of the gas collection and control system facilities, in accordance with what staff directed. This allows the Authority to stay in full control of maintaining regulatory compliance and odor controls.

Mr. Dick added that Authority staff has advised there would be some slight modifications to the RFP in terms of wordsmithing. They will also convey to private sector proposers that the Authority will aggressively continue to extract the gas for odor control purposes, which will have some detrimental effect on the quality of the gas.

A motion was made by Gaynelle Hart to accept the RFP for landfill gas at the Livestock Road facility. Frank Rogers seconded the motion and it was unanimously approved.

9. Update on Gas Collection at Concord Turnpike

Brendan Hefty reported that his office is working on an agreement with the previous operator of the gas collection system at the Concord Turnpike Landfill to work out an agreement for hiring a third party appraiser to come to a valuation of the above ground equipment.

Clarke Gibson reported that SCS is the Authority's appraiser, and Virginia LandGas has hired an appraiser. The two appraisers got together and a third party was agreed on. A site visit has been made, but a report has not yet been given. He also reported that about $10,000 has been spent in capital upgrades to the system and $2500/month in ongoing labor costs.

10. Director's Report

a) Cost of a Landfill Capacity Survey – Clarke reported that an estimate for another consultant to do a permitting capacity study would be about $7,500 - $8,000. No action was taken.

b) Solid Waste Management Plan Update Cost – The Solid Waste Management Plan is required to be updated every five years, and the update is due next spring. A task order is being prepared with Draper Aden on the scope and cost and Mr. Gibson hopes to have the final task order ready by December.
c) Tonnage Chart through August – Tonnage is reported to be on track or above budget projections.
d) Hazardous Household Waste Collection – October 12, 2019 – The next hazardous waste collection is scheduled for October 12.
e) CY 2018 Recycling Rate – The approved 2018 recycling rate from the DEQ has been received. The rate was approved at 38% of the waste stream. The mandated recycling rate from the state is 25%.

11. Other Business

- Susan Adams suggested having Authority meetings at the landfill to better help with decision making. Gary Christie advised that at the December meeting the schedule would be set for the next year and locations can be discussed.

12. Adjourn – There being no further business, the meeting adjourned at 3:05 pm

The next meeting will be on December 4, in the Haberer Building, at 2:00 pm.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

Memorandum

To: Steve Carter, Nelson County Administrator

From Gary Christie

RE: Distinctions between Airspace and Landfill Capacity

Date: August 6, 2019

CC: Region 2000 Services Authority Members
CVPDC and Services Authority Management Team

Bonnie passed along your note of Friday the 5th about Kim Payne's letter of July 20, 2012. Here's some information that might be helpful.

The Region 2000 Services Authority Member Use Agreement Section 3.1 envisioned the Authority paying for the infrastructure of the landfills at Lynchburg and Campbell through a one-time payment. The Agreement also envisioned in Section 5.11 the Authority paying for the airspace within those landfills through Excess Revenue payments.

In the beginning of the Authority we bought the assets of both landfills as determined by a Burns McDonnell (then RW Beck) analysis. Assets that we bought included:

- Real estate
- Access rights
- Designated buildings
- Equipment
- Rolling stock

The price for those assets were determined by Burns McDonnell based on:

- Site Improvements
- Landfill Capacity and Land
- Buildings
- Equipment and rolling stock
- Closure and post closure funds that a locality may have on hand

The details on how the price of the infrastructure was set comes from a 3-19-2008 report, Financial Inventory and Fiscal Year 2009 Annual Budget, which was our first budget. Section 1.3 describes each asset; Section 1.3.2 describes "Landfill Capacity and Land" consisting of the following components:

- Engineering and construction costs of landfill cells, collection system
- Permitting costs
- Reports and studies (e.g. environmental assessments, surveys, etc.)



- liner systems and leachate

The detailed list of prices for each item of the "landfill capacity and land asset" for Concord Turnpike is itemized on Schedule 6 within the report. Items like land, site preparation, pipes, electrical wiring, asphalt paving lighting, gates, liners, engineering, etc., are listed at an original cost of $8,601,589. We didn't pay full price for the infrastructure because some of the infrastructure had been previously used. Burns McDonnell determined how much to discount the original price based on how much life was left in the cells, or how much airspace had been used.

Because the some of the airspace at the landfill had been used previously that number was discounted to $4,260,064, called an acquisition cost. Everything we paid for at Concord Turnpike that we bought from the City is listed on Schedule 6 totaling $4,260,064. Airspace is not on that list.

We measured how much to discount the "Landfill Capacity and Land" assets based on the amount of airspace that had been previously used. If the asset was valued at its original price, it would have a full life of airspace available. Since none of the assets had a full life of airspace available, then the amount of airspace not available serves as the measure to reduce our payment for the asset and we can determine the acquisition price.

So airspace does factor into the formula to determine how much we pay for the infrastructure which we call landfill capacity. However, Burns McDonnell did not include airspace one of the components to determine the price of the landfill's assets.

We bought the assets in 2009 based on the formula described in the 3-19-2008 report which gave the Authority a discount from the original asset's value based on airspace. In 2011 Clarke and Buzz realized that there wasn't as much airspace in the landfill as we expected and had another survey done by a different company. This second survey showed about 24% less airspace than our first survey.

Because we use airspace as the factor to discount the value of the asset from its original purchase price, we needed to adjust the purchase price downward. Thus, Kim's letter of July 20, 2012 recognizes the lower value of the asset since the life of the landfill would be shorter based on the reduced amount of airspace and provides instructions on how the City wanted to refund the money owed.

The 7-20-12 letter discusses airspace because the price of what we pay is discounted by the life of the asset as determined by remaining airspace. But it doesn't say or imply that the remaining airspace is part of the infrastructure asset that we bought when we took over the Concord Turnpike operation.

The 7-20-12 letter doesn't include airspace as part of the Concord Turnpike assets because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. That's never changed.

Seth Cunningham and Scott Pasternak of Burns McDonnell reiterated that in a memorandum of June 10, 2015. Seth reiterated again that the "landfill capacity and land" component of the price did not include airspace in an e-mail of 9-21-17.

You'll see airspace in all of the communications about the infrastructure assets we bought because available airspace is how we judge how much to discount the asset. Just because we base the discount on available airspace doesn't mean that the value of the airspace is included in the price of the asset. It is not.

The terms are pretty consistent throughout Burns McDonnell's paper work: Landfill Capacity refers to the ground based infrastructure that holds the solid waste while airspace refers to the space within the infrastructure that is filled by the solid waste.

Hope that helps and I'm happy to talk with you about these distinctions at your convenience.

Attachments:

- Financial Inventory and fiscal Year 2009 Annual Budget, R. W. Beck, March 19, 2008
- August 5, 2011 memorandum from R. W. Beck on the Payment from Lynchburg
- June 10, 2015 memorandum from Burns & McDonnell on Excess Revenue Review
- September 21, 2017 E-mail from Seth Cunningham

CLERK NELSON COUI /
CIRCUIT COURT
JUN 0 6 2022
FILED

MEMORANDUM

R·W·BECK

To: Mr. Bryan David, Amherst County
Mr. Jack Gross, City of Bedford
Mr. David Laurrell, Campbell County
Mr. Steve Carter, Nelson County
Mr. Kim Payne, City of Lynchburg

CC: Mr. Bob White, Virginia's Region 2000 Partnership Local Government Council
Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

From: Scott Pasternak

Subject: Regional Solid Waste Financial Compensation and Planning Issues

Date: September 8, 2005

The purpose of this memo is to summarize key financial and planning issues that R. W. Beck would like to receive input on from the participating communities concerning the Regional Solid Waste Management Analysis that R. W. Beck is completing on behalf of the Virginia's Region 2000 Partnership Local Government Council (Council). We would expect that these issues would be discussed during a meeting in October.[1]

Issue 1: How should each landfill community be compensated for the net assets that would become part of the new regional system?

As a part of the transition to the Regional Entity, the assets from the landfills would need to formally transfer from each landfill community to the Regional Entity. As a part of this process, decisions need to be made concerning how the communities should be compensated. In the interest of reducing potential debt service costs, R. W. Beck would recommend the consideration of either option B or C.

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

[1] This meeting will ideally occur after we receive a response from the Virginia Department of Environmental Quality concerning regulatory solid waste issues.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
tabbies
G

Issue 2: How should potential excess revenue or short-term deficits generated by the Regional Entity be used or distributed?

There is a possibility that the Regional Entity may generate excess revenue.[2] If this does occur, the need will exist to decide how this excess revenue should be used and/or distributed. It is important to note that scenarios could occur where the Regional Entity would incur short-term deficits. In general, the Regional Entity would benefit from using excess revenue to establish a reserve fund, which could be used to off-set any potential short-term deficits. Once the reserve fund is established, additional excess revenue could be distributed to member communities. The following options focus on the use of excess revenue (note: more than one option could be selected):

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

BOTH COMBINE

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

Issue 3: How will local governments pay for the tonnage that they send to the landfill from their collection vehicles and/or convenience stations?

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

Recommendation: Each individual community pays a fee based on the tonnage brought to the facility based on the established member community disposal rate. Each local government would need to decide whether it would fund this expense either through rates, assessments or the general fund.

[2] It should be emphasized that the potential for excess revenue will likely depend on whether waste from BFI is disposed of within Region 2000 in the future given BFI's on-going efforts to permit and develop a transfer station in Appomattox County.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issues 4: How should the rate structure be established?

Decisions will need to be made concerning how disposal rates will be established for the Regional Entity. Since there are no regulations concerning these rates, this will be a policy decision by the Regional Entity and the member communities.

Recommendation: Member communities pay a rate based on the cost of service. The cost of service could be calculated directly by Regional Entity staff or by an independent third party (e.g. consulting firm). The Regional Entity would need to reevaluate this rate once every one to two years.

PAY SAME GATE RATES BASED ON MARKET AS COMMERCIAL WITH REBATES

Non member local governments and private companies would pay a "market rate," which could vary based on quantity and time periods. The Regional Entity could also consider inter-local agreements and contracts with these entities.

Issue 5: How should the Regional Entity address potential cases where another community wants to join the Regional Entity?

In the future, there may be other communities that express an interest in joining the Regional Entity. If this occurs, having a policy in place of how to address this would be beneficial.

Recommendation: Require the interested community to fund an analysis that would evaluate the financial and operational feasibility of their participation. If it is feasible, require the prospective member to pay a pro rata fee of all expenses to date related to the feasibility and establishment of the Regional Entity.

Issue 6: What resource should the Regional Entity use for administration support functions?

While the Regional Entity will make efforts to be as self-sufficient as possible, the Regional Entity will need some outside assistance concerning various administrative functions. These functions may include payroll, human resources support, etc.

Option A: Contract with the Council

Option B: Contract with one of the participating communities

Option C: Contract with a private company that provides these services

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issue 7: How will the participating landfill communities fund their existing financial assurance liability for closure and post-closure?

Each of the three landfill communities will need to compensate the Regional Entity for existing financial assurance liabilities for closure and post-closure since the Regional Entity will assume this responsibility in the future. The amount will be based on the quantity of air space consumed by each landfill community. In the establishment of the Regional Entity there will be a need to fund the closure and post-closure reserves for the Regional Entity.

Of the three landfill communities, the City of Lynchburg has saved funds for its future closure and post-closure costs. Amherst and Campbell Counties have decided to address this issue using a different approach, where they will fund this liability in the future.

Option A: Community would transfer the current liability amount to the Regional Entity upon creation of the Regional Entity. This option is feasible for the City of Lynchburg since it already has reserves in place for this purpose. R. W. Beck would recommend that the City of Lynchburg pursue this option.

Option B: For Amherst and Campbell Counties there may be a need to identify an alternative to the immediate transfer of the reserve amount to the Regional Entity. One approach to this would be to account for the closure and post-closure liability as a part of the asset/liability inventory being conducted. Through this approach, the community's net asset contribution reflects a liability for the closure and post-closure costs, which would reduce the asset valuation. Depending on the value of the assets and closure and post closure liabilities, there may be cases where the community has a negative net-asset value. In these circumstances, the community would need to pay the Regional Entity over time either through a higher rate or receiving less excess revenue (if applicable). The Regional Entity would also need to build a reserve fund that would be used in the future to fund future closure and post-closure costs. Efforts also need to be undertaken to evaluate whether this approach would satisfy financial assurance requirements.[3]

Issue 8: How would the participating communities like to address disposal needs after the existing landfills reach capacity?

After the landfills in the region reach final capacity, decisions will need to be made concerning the next disposal method. While the need for this would be approximately 15 – 20 years from now, it is important to being planning these decisions as early as possible given the time required

[3] R. W. Beck is currently completing this as a part of the regulatory analysis for this project.

to permit and develop solid waste facilities. Note, a specific decision on this issue is not required at this time.

Option A: Consider expanding an existing site or developing a new site within Region 2000. Could consider a "host fee" as an incentive to encourage a participating community.

Option B: Further examine opportunities to direct haul waste to the Appomattox County Landfill, which has approximately 1,000 permitted acres.

Option C: Consider the development of a transfer station, which would be used to send waste outside of Region 2000.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

REGION 2000 SERVICES AUTHORITY

Regio. 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019
2:00 p.m.

AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair
   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair
   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)

5. **Request from Wheelabrator** ..... Clarke Gibson

7. **Director's Report** ..... Clarke Gibson

8. **Meeting Schedule and Location**

   a) January 22
   b) March 25
   c) May 20
   d) August 26
   e) December 2

9. **Closed Session**

10. **Next Meeting:** January 22, 2020

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019

2:00 p.m.

WORKING AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair

   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair

   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)
   a) Audit report
   b) Year to Date Revenues/Expenditures
   c) Budget Schedule
      i. January 22 – initial budget discussions/presentation
      ii March Budget Work Session
      iii. May Approval

5. **Request from Wheelabrator** ..... Clarke Gibson

   Bays Trash Disposal/Wheelabrator of Bedford asks if we will accept an industrial dust and slag material, much like we were taking from Griffin Pipe.

   Recommend:

   a) $36.23 per ton for dust (10% discount for high density waste) – estimated 2,500 tons per year would generate $90,575 for operating fund and $14,950 for Excess Revenue fund. The price would fluctuate as the commercial rate changes over the years, but would always be 10% less than the commercial rate.

b) $0 for slag (inert material with beneficial use) – estimated 2,000 tons per year that could be used on our internal roads and reduce the amount of stone material purchased for road maintenance
c) 5 year contract with two one year optional renewals

6. **Director's Report** ..... Clarke Gibson

a) Report on Livestock Road Gas Collection System RFP
b) Tonnage *(Attached)*
c) Report on Hazardous Household Waste Collection event in October
d) Safety Meeting
e) Odor Update
f) Solid Waste Management Plan

7. **2020 Meeting Schedule and Location (suggesting 5 meetings instead of six)**

a) January 22
b) March 25
c) May 20
d) August 26
e) December 2

8. **Other Business**

9. **Closed Session**

Closed Session: Consultation with legal counsel pertaining to probable litigation regarding the Concord Turnpike Gas Collection System and consideration of salary increases for two Service Authority employees.

Return to Open Session

I move that the Board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed or considered in a closed session.

10. **Next Meeting:** January 22, 2020

March 4, 2005

R·W·BECK

VIA EMAIL

Mr. Robert White
Deputy Director
Region 2000 Regional Commission
915 Main Street, Suite 202
Lynchburg, VA 24504

Re: Regional Solid Waste Management Analysis – Draft Report

Dear Mr. White:

R. W. Beck is pleased to submit our draft report to the Region 2000 Regional Commission (Commission) of the "Regional Solid Waste Management Analysis" that we have completed.

R. W. Beck would emphasize that to provide the report to the Commission by the requested deadline, we have not completed our final internal review. We will continue to review the report to ensure that all information is as accurate as possible.

The analysis and recommendations presented in this study would not be possible without the assistance of staff from the Commission and each of the participating communities. We would like to express our sincere appreciation to those who participated in the conduct of this analysis.

If you have any questions concerning the enclosed report please call me at (512) 450-0991. We look forward to our meeting next week to discuss the draft report.

Sincerely,

R. W. BECK, INC.

Scott Pasternak
Manager

cc: Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
H

R. W. BECK
Regional Solid Waste Management Analysis

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables

Section 1 Executive Summary 1-1
- 1.1 Introduction 1-1
- 1.2 Project Purpose 1-2
- 1.3 Planning Level Financial Review 1-2
- 1.4 Waste Stream Analysis 1-2
- 1.5 Cost Analysis of Existing Transfer/Disposal Operations 1-3
- 1.6 Regional Alternative: Joint Use of Existing Facilities 1-3
- 1.7 Regional Alternative: Waste-to-Energy 1-4
- 1.8 Regional Alternative: Transfer Station 1-5
- 1.9 Creation of a Regional Authority 1-5
- 1.10 Key Findings and Recommendations 1-6

Section 2 Waste Stream Analysis 2-1
- 2.1 Introduction 2-1
- 2.2 Historical Tonnage Amounts 2-1
- 2.3 Population Forecast 2-3
- 2.4 Projected Tonnage Amounts (2006–2015) 2-4

Section 3 Cost Analysis of Existing Transfer/Disposal Operations 3-1
- 3.1 Introduction and Methodology 3-1
- 3.2 Cost Analysis for Participating Communities 3-1
- 3.3 Cost Analysis for Appomattox and Bedford Counties 3-8

Section 4 Regional Alternative: Joint Use of Existing Facilities 4-1
- 4.1 Overview 4-1
- 4.2 Regulatory Considerations 4-2
- 4.3 Cost Analysis 4-2
- 4.4 Advantages and Disadvantages 4-15
- 4.5 Industry Trends 4-15
- 4.6 Conclusion 4-16

Table of Contents

Section 5 Regional Alternative: Waste-to-Energy 5-1
- 5.1 Overview 5-1
- 5.2 Cost Analysis 5-2
- 5.3 Incremental Cost Analysis 5-3
- 5.4 Advantages and Disadvantages 5-4
- 5.5 Industry Trends 5-4
- 5.6 Conclusion 5-5

Section 6 Regional Alternative: Transfer Station 6-1
- 6.1 Overview 6-1
- 6.2 Cost Analysis 6-1
- 6.3 Incremental Cost Analysis 6-5
- 6.4 Advantages and Disadvantages 6-5
- 6.5 Industry Trends 6-6
- 6.6 Conclusion 6-6

Section 7 Creation of a Regional Authority 7-1
- 7.1 Introduction 7-1
- 7.2 Reasons to Consider a Regional Authority 7-1
- 7.3 Legal Process 7-1
- 7.4 Next Steps to Develop a Regional Planning Authority 7-2

Section 8 Economic Comparison and Recommendations 8-1
- 8.1 Introduction 8-1
- 8.2 Economic Comparison of Regional Alternatives 8-1
- 8.3 Key Findings and Recommendations 8-13
- 8.4 Additional Opportunities for Regionalization 8-15
- 8.5 Waste Generation Assessments as a Cost Recovery Tool 8-18

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

Copyright 2005, R. W. Beck, Inc.
All rights reserved.

1. Facilities
2. Land
3. Buildings
4. Equipment
5. Permits

For each asset, the value should be calculated based on valuation criteria typically used in the solid waste industry and be based on the asset's remaining useful life.

Similarly, the value of each community's solid waste liabilities would need to be calculated. A valuation of liabilities may include the following:

1. Closure costs
2. Post-closure costs
3. Existing debt service

The total value of a community's liabilities contributed would be applied against the value of assets contributed, yielding a net asset (or net liability) contribution figure. This approach would serve as the basis for each community's net asset contribution valuation.

7.4.3 Compensation Scenarios

There would be a need to determine how each community would be compensated for (1) the net assets that would become part of the new regional system and (2) potential excess revenue that would not be generated by individual facilities when a regional system is created. Such compensation could be provided via a number of methodologies including the development of rate structures for each community that reflect the net value of their respective net solid waste assets contributed or the development of a single rate structure for all communities that reflects any new debt the new regional entity would issue to compensate each community for their respective net solid waste assets. To the extent that excess revenue will be generated in the future, there will be a need to determine how to allocate these funds to the communities with landfills.

Note that in the event any community's liabilities contributed exceed its assets, the first scenario could be employed in its present form to compensate other communities. If the second scenario were to be used under such a circumstance, a surcharge should be added to the rate of the net liability contributing community to enable the other communities to recover the amount of this net liability.

7.4.4 Financial Analysis

After determining the specific operational plan for the regional authority, there would be a need to complete a thorough financial analysis. This analysis would build from the evaluation completed in this report. This evaluation would provide a more

2/20/07
2/5/07

BOARD OF SUPERVISORS MINUTES

// REGIONAL LANDFILL LOCAL OPERATIONS

Clifton M. Tweedy, Deputy County Administrator, along with Bob White, Region 2000 Local Government Council, requested the Board's approval to form a Regional Landfill Authority with Amherst County, Nelson County, the City of Bedford and the City of Lynchburg. Jeffrey T. Crate of Draper Aden Associates was also present.

The regional concept calls for the three communities that have landfills, Amherst County, City of Lynchburg and Campbell County, to come together with the City of Bedford and Nelson County under one management group and operate one landfill at a time. Once this concept was approved by the member localities, the working group was directed to move into the implementation phase. The first step was to work with the Department of Environmental Quality (DEQ) to determine if the concept would meet their regulatory needs. DEQ has been supportive of the concept. The group was also asked to look at allowing Amherst County to operate its landfill at the same time as Campbell County and the City of Lynchburg. While it would cost a little more, doing this would still make sense from a regional perspective. Any increased costs would be borne by Amherst County. The third task was to come up with a detailed implementation schedule and budget formation.

Mr. White reviewed the cost savings to the members of the regional landfill. Over the course of the life of the current landfills, the region could save over $35 million. Campbell County would save nearly $17 million as a result of savings from tipping fees and excess revenue from fees charged to haulers.

The next steps would involve legal, engineering and staffing activities related to forming the Authority by May 2007. This would cost the member localities approximately $181,000, of which Campbell County would be required to pay $30,838. It was the goal to have the Authority up and running by July, 2008 at a cost of approximately $549,500 (Campbell County's share would be $120,890). The working group requested the Board's approval to move forward with the implementation phase.

In answer to questions raised at the last meeting regarding services provided at the local level, Mr. Tweedy looked at the savings on a yearly basis. The projected annual savings was approximately $980,000. The County could operate three days a week to accept the citizens free tonnage, white goods, bulk items, tires, etc. at a cost of $50,000 per year. To operate six days a week would cost an additional $60,000 mostly for personnel costs. The cost to haul waste from the green box sites (transfer sites) to Lynchburg for the first six years would cost around $180,000. The County would be able to save these costs when the landfill comes back to Campbell County. With a contingency of $100,000, the net annual savings was estimated at $650,000. An additional $75,000 could be saved if the Board chose to close the landfill and ask the citizens to take their bulk items to the City of Lynchburg.

The Public Works Committee has discussed the formation of an in-house construction group to build ball fields, demolish buildings and take care of nuisances. This has been included in the priorities and initiatives and could reduce the net annual savings by $150,000. If this is

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

EXHIBIT I

approved, the current equipment should be adequate for four or five years, then the Board would need to consider the purchase of new equipment.

Mr. Tweedy indicated that a decision on the provision of local services was not required at this meeting. The Authority would not begin operations until July, 2008, so the Campbell County landfill would continue normal operations through June 30, 2008 and then it would take some time to transition to the authority. The management of the Authority would be set up along the same lines as the regional jail with each locality appointing one member to the Authority.

Supervisor Gunter expressed some concern if the County only accepts bulk items on three days. Mr. Tweedy advised the majority of bulk items were currently received on Friday, Saturday and Monday. The transfer sites were not a part of the regional landfill and would be operated on a normal basis. Supervisor Gunter commented the County would need to consider several sources to explain this new initiative to the citizens. Mr. Tweedy agreed indicating information would be transmitted via the newspaper, the County Chronicle and possibly flyers handed out at busy transfer sites.

In answer to a question by Supervisor Falwell, any usable equipment currently owned by each locality would be purchased by the Authority. Believing the Authority might become a reality, Campbell County has delayed the purchase of some equipment. Other equipment may be retained for the in-house construction group; therefore, by the time the transfer of equipment is made to the authority, Campbell County would have very little useful equipment. The compactors at the transfer sites were owned by the hauler and would remain at the transfer sites.

Supervisor Pendleton commented the concept of a regional landfill has been discussed many times and while there were still details to be worked out, he offered the following motion to approve the formation of a regional landfill.

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors approves Campbell County as a member of the proposed regional landfill authority with the intent to offer the citizens of Campbell County equal or better waste management services; authorizes funding of approximately $40,000 from the Fiscal Year 2007 Budget; authorizes approximately $121,000 to be included in the Fiscal Year 2008 budget; and authorizes the continuation of an in-house construction group for County construction projects.

The vote was: Aye: Boyer, Carter, Falwell, Gunter, Pendleton, Puckett, Rosser
Nay: None

// REGIONAL SOLID WASTE STUDY

The Board was provided the final report prepared by R. W. Beck on a plan to handle waste regionally. The Plan has received preliminary approval by DEQ. The partners would include the Counties of Amherst, Campbell, Nelson and the Cities of Bedford and Lynchburg. The plan included a temporary closure of the Campbell County landfill while the Lynchburg landfill was being used. Based on additional study it was determined that it was not feasible to operate the Amherst landfill as a single facility so that facility would continue to operate concurrently with Lynchburg and then Campbell County until it was full. Amherst County would pay a slightly higher tipping fee to support the change. Final approval of the plan would be scheduled for the Board's February 20th meeting.

Supervisor Pendleton reiterated his request for information on the effects of the plan on Campbell County citizens such as being allowed to bring in two tons of waste to the landfill free of charge each year. He was concerned the cost savings may not be as high as projected if the County has to incur additional costs to provide these services. Supervisor Gunter wanted to know how it would affect the transfer sites. Administrator Laurrell indicated a cost comparison of current services would be provided to the Board. Mr. Tweedy added the County may need to consider manned transfer sites whether or not the County went to a regional landfill.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
12th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

DEMURRER

The County of Appomattox, by counsel, files the following Demurrer to the "Amended Complaint" filed by the Plaintiffs:

1. The plaintiffs allege in their amended complaint that "The Authority is governed by its Amended and Restated Articles of incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter" and incorporates all of these documents by reference into its pleading. (Amended Complaint ¶ 7)

2. In ¶ 8 of their amended complaint, the Plaintiffs falsely assert that "[i]ncorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis" A review of the MUA will confirm that no such reference is

EXHIBIT
tabbies
E

made to the listed document and it is in no way a part of the MUA.

3. The Plaintiffs ask this court to make certain declarations with respect to a definition contained in the MUA on "Excess Revenue."

4. The interpretation of a contract presents a question of law. City of Chesapeake v. States Self-Insurers Risk Retention Group, Inc., 271 Va. 574, 628 S.E.2d 539 (2006) (Citing Bentley Funding Group, L.L.C. v. SK & R Group, L.L.C., 269 Va. 315, 324, 609 S.E.2d 49, 53 (2005)).

5. The contract is construed as written, without adding terms that were not included by the parties. Id (Citing Wilson v. Holyfield, 227 Va. 184, 187, 313 S.E.2d 396, 398 (1984))

6. When the terms in a contract are clear and unambiguous, the contract is construed according to its plain meaning. Id (Citing Bridgestone/Firestone, Inc. v. Prince William Square Assocs., 250 Va. 402, 407, 463 S.E.2d 661, 664 (1995). "Words that the parties used are normally given their usual, ordinary, and popular meaning. No word or clause in the contract will be treated as meaningless if a reasonable meaning can be given to it, and there is a presumption that the parties have not used words needlessly." D.C. McClain, Inc. v. Arlington County, 249 Va. 131, 135-36, 452 S.E.2d 659, 662 (1995).

7. The Plaintiffs are asking this court to turn a **definition** in the contract into the sole and controlling language concerning the issue of "Excess Revenue," when the terms of the MUA clearly and unequivocally state terms contrary to the position taken by the Plaintiffs.

8. Pursuant to the MUA, "Excess Revenue" is calculated by determining "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee." (Plaintiff's Exhibit C to Amended Complaint p.3). It is calculated by determining the "excess" that is charged to private haulers to dump at the landfill. In other words, the charges to "private haulers" sets the parameters for any "excess revenue" calculation.

9. The MUA by its terms is clear and unambiguous that:

> "The Authority shall set the Tipping Fees for Private Haulers on a cost-plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs." (Amended Complaint Exhibit C p. 11 §5.1(b)).

10. The clear term of the contract shows that "private hauler" revenues can be used to "create a capital or other reserve fund" **or** to reimburse "Member Jurisdictions." The MUA is clear that the Plaintiff's have no contractual "right" to the Private Hauler funds which may be used for Capital or Reserve Fund purposes.

11. Section 5.11 of the MUA (Amended Complaint Exhibit C page 15) is even more explicit by stating:

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board **may vote to distribute** some or all of such Excess Revenue to Lynchburg and Campbell, respectively... (emphasis added).

12. The MUA is clear and unambiguous that the payment of Excess Revenue requires a discretionary vote of the Authority members.

13. The clear unambiguous language of the MUA is that the payment of Excess Revenue to the plaintiffs' is not a "right."

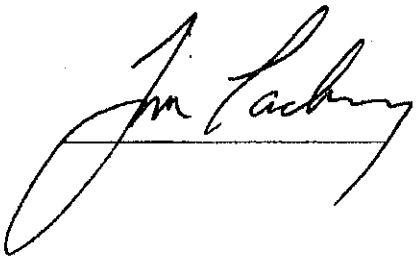
14. In paragraph 15 of their Amended Complaint the Plaintiff's tacitly admit that the decision to pay Excess Revenue is discretionary but argue that said discretion must be exercised in "good faith."

15. The Plaintiffs do not allege a single fact that would support the contention that the member jurisdictions have not behaved in good faith with respect to the payment of Excess Revenue.

16. The plaintiffs' entire Amended Complaint centers on the MUA and the alleged breach of that MUA. As such, the Plaintiffs are in essence alleging a standard breach of contract case which is not proper for Declaratory Judgment since the Plaintiffs have an adequate remedy at law.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia

153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

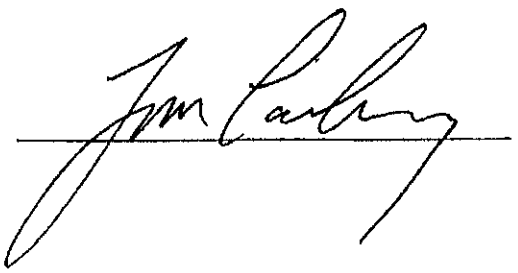
F.E. "Tripp" Isenhour, III.
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.
100 West Franklin Street, Suite 300
Richmond, VA 23220

This 5th day of January, 2021



VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Demurrer

Comes now Nelson County, by counsel, and file this her demurrer to the amended complaint.

1. Plaintiffs County of Campbell and the City of Lynchburg allege that a total of $2,545,402.00 in Excess Revenue is "due those localities." (Complaint ¶¶ 11, 13.)

2. What plaintiffs are actually asking this Court to decide is whether the defendants have breached the contract between them.

3. Issuance of a declaratory judgment would be an abuse of discretion here because a breach of contract claim provides plaintiffs an adequate remedy at law.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

EXHIBIT
tabbies
F

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Phillip Payne

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Plea in Bar

Comes now Nelson County, by counsel, and file this her plea in bar to the amended complaint.

1. The agreement among the parties expressly provides that the Authority is not mandated to distribute Excess Revenue.

2. Section 5.10 of the Member Use Agreement provides, in part, that "the Authority Board *may* vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...." (emphasis added).

3. "If language is clear and unambiguous, there is no need for construction by the court...." *Brown v. Lukhard*, 229 Va. 316, 321 (1985).

4. As Section 5.10 is dispositive, plaintiffs' other questions address breach of contract issues or seek an advisory opinion.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

/Phillip Payne/

TWENTY-FOURTH JUDICIAL CIRCUIT OF VIRGINIA

JOHN T. COOK, JUDGE
CAMPBELL COUNTY CIRCUIT COURT
P.O. BOX 96
RUSTBURG, VIRGINIA 24588
(434) 592-9515
FAX (434) 332-9680

CAMPBELL COUNTY
CIRCUIT COURT CLERK
P.O. BOX 7
RUSTBURG, VIRGINIA 24588
(434) 592-9517
FAX (434) 332-9598

COMMONWEALTH OF VIRGINIA
CITIES OF LYNCHBURG AND BEDFORD
COUNTIES OF AMHERST, BEDFORD, CAMPBELL AND NELSON

March 18, 2022

F. E. "Tripp" Isenhour, III, Esquire
Caskie & Frost
Post Office Box 6320
Lynchburg, VA 24505

Matthew Freedman, Esquire
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne, Esquire
Post Office Box 299
Lovingston, VA 22949

Jeremy Carroll, Esquire
Guynn Waddell Carroll & Lockaby
415 S. College Avenue
Salem, VA 24153

Thomas E. Lacheney, Esquire
Office of the Appomattox County Attorney
153-A Morton Lane
Post Office Box 863
Appomattox, VA 24522

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
18th day of March, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Re: County of Campbell and City of Lynchburg v. Region 2000 and County of Appomattox and County of Nelson
Case No.: CL20002216-00

Dear Counsel:

EXHIBIT
tabber
6

I am writing to render a decision on the demurrer filed by Appomattox County and the plea in bar and demurrer filed by Nelson County. I have considered the memoranda filed by all the parties and the oral argument of February 25, 2022.

In their Amended Complaint, Campbell County and the City of Lynchburg plead that there is an actual justiciable controversy as to whether they are entitled to Excess Revenue under an amended Member Use Agreement (hereinafter referred to as "the Agreement") (Exhibit B), to compensate them for capital they contributed to the Region 2000 Services Authority (hereafter referred to as "the Authority"). In 2019 and 2020, the Board of the Authority deadlocked in a vote of 2-2 as to whether to Excess Revenue would be paid to Campbell County and to Lynchburg. A total of $2,545,402 of Excess Revenue has accumulated for the two years.

Before I address the merits, I will address the issue of standing. The plaintiffs argue that Appomattox County and Nelson County do not have standing to object to their claims in that the Authority only has standing. They cite Erie Insurance v. Hughes, 240 Va. 165 (1990), which requires all parties in interest be included in a declaratory judgment action. The plaintiffs argue that they only included the two counties to satisfy this rule.

In support of the argument, they cite Linton v. Commonwealth, 287 Va. 92 (2014). In Linton, a criminal defendant was not allowed to raise on appeal an objection made by a co-defendant that he did not join in at trial. The Linton case is not persuasive. As parties in interest, the two counties have standing to object to the matters raised in the Amended Complaint.

I will now address the merits of the demurrers and the plea in bar. On demurrer, the court tests the sufficiency of the plaintiff's factual allegations to determine whether a cause of action has been stated. Fun v. Virginia Military Institute, 245 Va. 249, 252 (1993). A demurrer will be sustained if the pleading, considered in the light most favorable to the plaintiff, fails to state a valid cause of action. C. Porter Vaughan v. DiLorenzo, 279 Va. 449, 455 (2010). A demurrer tests only the legal sufficiency of a pleading, not matters of proof. Hop-In Food Stores, Inc. v. Serv-N-Save, Inc., 237 Va. 206, 209 (1989). In considering a demurrer, the Court must apply the settled rule that a demurrer admits the truth of all well-plead facts expressly alleged, those which fairly can be viewed as impliedly alleged and those which may be fairly and justly inferred from the facts alleged. Rosillo v. Winters, 235 Va. 268,270 (1988). On demurrer, a court may examine not only the substantive allegations of the pleading, but any accompanying exhibit mentioned in the pleading. Flippo v. F & Land Co., 241 Va. 15,17 (1991).

"A plea in bar asserts a single issue, which, if proved, creates a bar to a plaintiff's recovery." Hawthorne v. VanMeter, 279 Va. 566, 577 (2010). The party asserting the plea in bar bears the burden of proof. Id. Two possible standards of review apply, depending on whether the plea's proponent elects to meet that burden by presenting evidence or relying on the pleadings. In the former situation, in which the parties present evidence on the plea ore tenus, the circuit court's factual findings are accorded the weight of a jury finding and will not be disturbed on appeal unless they are plainly wrong or without evidentiary support. Id. In the

latter situation, "where no evidence is taken in support of a plead in bar, the trial court, and the appellate court on review, consider solely the pleading in resolving the issue presented. In doing so, the facts stated in the plaintiff's complaint are deemed true. Lostangio v. Laingford, 261 Va. 495, 497 (2001). Massenburg v. City of Petersburg, 298 Va. 212, 216 (2019).

No evidence was presented, so this court must accept the facts in the pleadings as true. Appomattox County and Nelson County argue that the Agreement is clear and unambiguous that the payment of Excess Revenue to Campbell County and Lynchburg is discretionary under Section 5.11(in pertinent part):

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectfully, based on the basis of the relative percentage of available air space each Facility had at the date of the transfer.

"The question whether a contract is ambiguous is not one of fact but one of law." Wilson v. Holyfield, 227 Va. 184, 187 (1984). "Language is ambiguous if it admits of being understood in more than one way or refers to two or more things simultaneously. An ambiguity exists when the language is difficult to comprehend, is of doubtful import, or lacks clearness and definiteness. If language is clear and ambiguous, there is no need for construction by the court. . . "Brown v. Lukhard, 229 Va. 316, 321 (1985).

The plaintiffs alleged in paragraph 8 of the Amended Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement. Paragraph 3.1 of the Agreement states that the Purchase Price for the Campbell County facility and the Lynchburg facility shall be based on a calculation by R.W. Beck, Inc. In its demurrer and in oral argument Appomattox County assert that this is a false allegation that Exhibit D is incorporated in the Agreement. Nelson County did not address the Beck analysis in its demurrer or in oral argument. This court must accept the allegation as true and consider Exhibit D under the standard of review.

The Beck analysis provides under market rate for private haulers:

> Amount collected in excess of cost of service rate will be distributed as excess revenue to the City of Lynchburg and Campbell County and allocated based on the amount of airspace contributed to the Authority. (Section 2-2).

The Beck analysis further provides:

> Excess Revenue as defined in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of

> service disposal fee. The excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed to the Authority. (Section 2.3.8)

The Beck analysis describes the amounts the City of Lynchburg and Campbell County should annually budget for the excess revenue at 80% of estimates stated in the analysis. "If the remaining 20 per cent is available at the end of the year, then it too would be distributed as excess revenue to these two member jurisdictions using the same methodology." (Page 2-11).

The definition of "Excess Revenue" in the Agreement is as follows:

> "Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

When I consider the Beck analysis and the definition of Excess Revenue in the agreement, I find the Agreement to be ambiguous as to whether the payment of Excess Revenue is mandatory or discretionary. The language used says two different things.

I also find there is an actual justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue. The Agreement has a 50-year term that ends in 2058. The plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim.

For these reasons, I deny the demurrers and the plea in bar. I request Mr. Isenhour prepare the order which should provide that the defendants answer the Amended Complaint within 21 days.

Very truly yours,

By: John T. Cook, Judge
John T. Cook

JTC/kfc
c: Court file

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA,

&

CITY OF LYNCHBURG, VIRGINIA,

Plaintiffs,

v.

REGION 2000 SERVICES AUTHORITY,

Defendant,

COUNTY OF APPOMATTOX, VIRGINIA,

An Interested Party,

COUNTY OF NELSON, VIRGINIA,

An Interested Party,

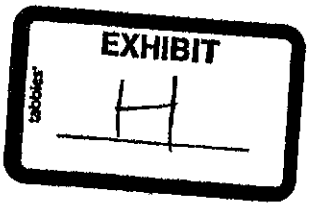
Case No. CL20002216-00

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

ORDER ON DEMURRERS AND PLEA IN BAR

On February 25, 2022, the parties came, by counsel, on the County of Appomattox's Demurrer to the Plaintiffs' Amended Complaint, and on the County of Nelson's Demurrer and Plea in Bar to the Plaintiffs' Amended Complaint. Having considered the Demurrers, the Plea in Bar, the Memoranda in Support and Opposition to the same, and the arguments of counsel, the Court Adjudges, Orders, and Decrees as follows, based upon the reasons stated upon the record and in the Court's March 18, 2022 letter ruling to counsel:

1. The County of Appomattox's Demurrer should be, and it hereby is DENIED.
2. The County of Nelson's Demurrer should be, and it hereby is DENIED.
3. The County of Nelson's Plea in Bar should be, and it hereby is DENIED.



4. The County of Appomattox and the County of Nelson shall be permitted to file answers to the Plaintiff's Amended Complaint within 21 days of the entry date of this Order.

5. The Clerk of this Court is directed to send a certified copy of this Order, as entered, to all counsel of record.

Entered this 6th day of May, 2022.

John T. Cook

Judge John T. Cook

I ask for this:

P.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

cc. Isenhour
Freedman
Carroll
Lacheney
Payne

SEEN AND AGREED:

Matthew C. Freedman (VSB# 78496)
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

SEEN:

Jeremy B. Carroll (VSB 41331)
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, VA 24153
(540) 387-2320
(540) 389-2350 (fax)
jeremyc@guynnwadell.com
Counsel for Region 2000 Service Authority

SEEN AND OBJECTED TO FOR THE REASONS STATED ON THE RECORD AT ORAL ARGUMENT AND IN THE DEMURRERS AND BRIEFS; as well as based upon the attached Objection to Letter Opinion and Order

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
153-A Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Appomattox County

See attached objections.

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Nelson County

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v. Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

OBJECTION TO LETTER OPINION & ORDER

The County of Appomattox, by counsel, files the following objections to the Letter Opinion of the Court dated March 18, 2022 and the subsequently entered order:

OBJECTION 1

The "Beck Analysis' (Exhibit D to Amended Complaint) as a matter of law is not incorporated by reference into the Member Use Agreement.

The original Member Use Agreement dated January 31, 2008 contains three (3) references to R.W. Beck Inc. (Exhibit B to Amended Complaint) . On June 20, 2008 the Member Use Agreement was amended by the parties (Exhibit C to Amended Complaint). There are again exactly three (3) references to R.W. Beck Inc., and the references are **virtually identical** to those in the original Member Use Agreement with only minor changes to the language:

A. The purchase price for ~~each~~ the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of ~~the~~ those Facilities as determined in an independent assessment by R. W. Beck, Inc.

B. A final determination of net assets and liabilities, ~~and~~ the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be ~~made~~ further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology; and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts ~~will~~ be approved by the Authority Board.

C. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc.

(Added language in Red and deleted language struck out).

Both versions of the Member Use Agreement reference R.W. Beck Inc. but neither version references any specific document. More importantly, the "Beck Analysis" is a misnomer selected by the plaintiffs. The actual document the plaintiffs allege is incorporated by reference is titled "*Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority*" dated March 19, 2008 prepared

by R.W. Beck (Exhibit D) and neither version of the Member Use Agreement references that specific document.

As a matter of law, Exhibit D cannot have been incorporated by reference into the original Member Use Agreement (Exhibit B) because it is a fundamental rule that to incorporated a document by reference, it must have existed at the time of contract execution.

> Virginia recognizes the doctrine of incorporation by reference and there are three requirements in order for the doctrine to apply. **The first requirement is that the paper sought to be incorporated by reference must have been in actual existence** at the time of the will. Second, the face of the will must indicate that it is a paper in existence at that time. Finally, the paper must be identified and described with reasonable certainty in the will. See Triplett's Ex'r v. Triplett, 161 Va. 906, 172 S.E. 162 (1934); Lawless v. Lawless, 187 Va. 511, 47 S.E.2d 431 (1948).

Freeman v. Anderson, 55 Va. Cir. 353, 355, 2001 Va. Cir. LEXIS 297, *5 (emphasis added).

It therefore strains credulity to argue that the amended Member Use Agreement intended to incorporate Exhibit D when it uses almost identical language concerning R.W. Beck as in the original Member Use Agreement when the document did not exist.

Furthermore, the "paper must be described with reasonable certainty..." Id.

> "Incorporation by reference is proper where the **underlying contract makes clear reference to a separate document, the identity of the separate document may be ascertained**, and incorporation of the document will not result in surprise or hardship." Standard Bent Glass Corp. v. Glassrobots Oy, 333 F.3d 440, 447 (3d Cir. 2003); *see also* 11 Richard A. Lord, *Williston on Contracts* § 30:25 (4th ed. 2011) ("As long as the contract makes clear reference to the document and describes it in such terms that its identity may be ascertained beyond doubt, the parties to a contract may incorporate contractual terms by reference to a separate, non-contemporaneous document..."

Fastener Corp. of Am. v. Asheboro Elastics Corp., 2013 U.S. Dist. LEXIS 88834, *9-10, 2013 WL 3227665 (emphasis added).

Not only must the contract make a "clear reference" to the allegedly i]ncorporated document, "[i]t must be clear that the parties to the agreement had knowledge of and assented to the incorporated terms, *Williston on Contracts* § 30:25..." Logan & Kanawha Coal Co., LLC v. Detherage Coal Sales, LLC, 514 Fed. Appx. 365, 367-368, 2013 U.S. App. LEXIS 5613, *6, 2013 WL 1150490

As the Virginia Supreme Court explained:

> "Incorporation by reference" is defined in Black's Law Dictionary, in part, as: "A method of making a secondary document part of a primary document by including in the primary document a statement that the secondary documents should be treated as if it were contained in the primary one." Black's Law Dictionary 781 (8th ed. 2004); *see* Farley v. Farley, 7 Va. Cir. 260, 261 (Virginia Beach City 1985) (quoting Black's Law Dictionary 690 (5th ed. 1979) (defining incorporation by reference as "'[t]he method of making one document of any kind become a part of another separate document by referring'"); *see also* United States v. Stevenson, 832 F.3d 412, 425 (3d Cir. 2016) ("**'[A]n incorporation by reference must be clear, full, and definite and must be expressly done.'**" (quoting 11A Cyc. of Federal Proc. § 42:105 (3d ed.))); Schneider Nat'l Transp. v. Ford Motor Co., 280 F.3d 532, 538 (5th Cir. 2002) ("An incorporation by reference must be sufficiently clear for [a] court to conclude the parties intended the incorporation."); Advanced Display Sys., Inc. v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000) ("**To incorporate material by reference, the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found in the various documents.**"); Naviet v. Port of Seattle, 164 Wn.2d 818, 194 P.3d 221, 235 n. 15 (Wash. 2008) ("**[I]ncorporation by reference must be clear and unequivocal.**"); *cf.* Lawless v. Lawless, 187 Va. 511, 518-19, 47 S.E.2d 431 (1948) (discussing the doctrine of incorporation by reference as related to documents extrinsic to a will).

Va. Elec. & Power Co. v. City of Chesapeake, 95 Va. Cir. 106, 116-117, 2017 Va. Cir. LEXIS 7, *22-23 (emphasis added).

The first Member Use Agreement could not incorporate a document that did not exist, and the amended Member Use Agreement did not contain a "clear, full and definite" reference to the *Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority"* Id. Likewise, the amended Member Use Agreement did not "identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found.." with respect to Exhibit D, nor was any incorporation "clear and unequivocal." Id.

Finally, the actual words used in the Member Use Agreement are actually quite specific as to what R.W. Beck would be doing:

A. Provide a calculation of net assets and liabilities so a purchase price could be determined.

B. Provide a final determination of net assets and liabilities so that a purchase price can be "approved by the Authority Board."

C. Provide a calculation of the total capacity of the landfill.

The Member Use Agreement was explicit and detailed as to the role of R.W. Beck and it did not include the incorporation of a 45 page external document into a 27 page agreement.

OBJECTION 2

The Allegation that "Beck Analysis' (Exhibit D to Amended Complaint) was incorporated by reference into the Member Use Agreement need not be accepted as true.

This Court stated that "[t]he plaintiffs alleged in paragraph 8 of the Amended

Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement" and that [t]his Court must accept the allegation as true and consider Exhibit D under the standard of review." (Memorandum Opinion p.3).

This however, is not a correct statement of the law on demurrer. The Virginia Supreme Court has clearly laid out the standard in this regard:

> "Because this appeal arises from the grant of a demurrer, we accept as true all factual allegations expressly pleaded in the complaint and interpret those allegations in the light most favorable to the plaintiff." Coward v. Wellmont Health Sys., 295 Va. 351, 358, 812 S.E.2d 766 (2018). Though we "accept as true unstated inferences to the extent that they are reasonable, we give them no weight to the extent that they are *unreasonable*. The difference between the two turns on whether 'the inferences are strained, forced, or contrary to reason,' and thus properly disregarded as 'arbitrary inferences.'" Id. at 358-59 (emphases in original) (citations omitted). **We also "distinguish allegations of historical fact from conclusions of law. We assume the former to be true *arguendo*, but we assume nothing about the correctness of the latter because 'we do not accept the veracity of conclusions of law camouflaged as factual allegations or inferences.'"** Id. at 359 (citation omitted).

Sweely Holdings, LLC v. R SunTrust Bank, 296 Va. 367, 370-371, 820 S.E.2d 596, 598, 2018 Va. LEXIS 169, *2, 2018 WL 6071127 (emphasis added).

Both the question of whether a document is i]ncorporated by reference, and the issue of whether a contract is ambiguous are questions of law and the court need not accept the claims of the plaintiff as true.

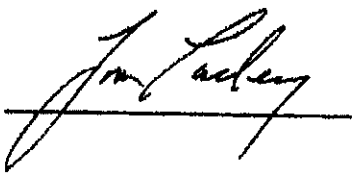
OBJECTION 3

If the Member Use Agreement is unambiguous, all other issues are resolved. In the penultimate paragraph of the Courts Letter Opinion, the Court declares that the "plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim."

The fact is that all issues are resolved in the actual Member Use Agreement and all of the plaintiffs' "questions" must be resolved from the four (4) corners of the Member Use Agreement. That agreement is clear and unambiguous that it takes an affirmative vote of the Authority to pay excess revenue, and the plaintiffs' questions all seek a determination from the Court that this clause can be overridden by the court. In essence the relief requested is an amendment of that unambiguous term and the Court to mandate a payment of excess revenue, and to strike the language requiring a vote by an appointed body of a political subdivision of the Commonwealth. This the Court cannot do and there are therefore no issues left to be resolved.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

Nelson County's objections to the Court's opinion and order:

1. Nelson County adopts and incorporates by reference the Objection to Letter Opinion & Order filed by Appomattox County.

2. Nelson County objects to the Court's denial of her demurrer and its finding of ambiguity in the Member Use Agreement in connection with the distribution of Excess Revenue as the Agreement provides that "the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...", a discretionary power fully comporting with the mandate of Virginia Code § 15.2-5113. "A majority of board members shall constitute a quorum and the vote of a majority of board members shall be necessary for any action taken by the authority." *Id.*

3. Nelson County objects to the Court's denial of her plea in bar and its ruling that "there is an actual and justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue" as an abuse of the Court's discretion on the grounds that plaintiffs' claim lies in contract: that they are seeking a total of $2,545,402.00 in Excess Revenue. The other questions posed by plaintiffs seek advisory opinions or answers to inquiries that are merely speculative and thus not justiciable in a declaratory judgment action.

Phillip D. Payne IV

Of counsel

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v.

Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
6th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

ANSWER

The County of Appomattox, by counsel, files the following Answer to the "Amended Complaint" filed by the Plaintiffs:

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted

3. Paragraph 3 is admitted except that Reid Wodicka no longer serves in the identified capacities, which is hereby denied.

4. Paragraph 4 is admitted

5. Paragraph 5 is admitted

6. Paragraph 6 is admitted

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibit A, A1, and Exhibit C. Denied as to Exhibit B which has been superseded in its entirety.

EXHIBIT
tabbies
I

8. Paragraph 8 is denied.

9. Paragraph 9 is denied in that no "Beck Analysis" was considered.

10. Paragraph 10 is Denied. Exhibit E purports to be "Draft" minutes.

11. Paragraph 11 is admitted that a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted that a tie vote occurred. Otherwise denied.

14. Admitted that the distribution of Excess Revenue is discretionary and that such revenue may be used for multiple purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent it is required.

16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18. Paragraph 18 is admitted with respect to the MUA, but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Appomattox County has insufficient information either to admit or deny the allegations in paragraph 29 and denies the same.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extend an answer is required.

32. Paragraph 32 is denied to the extend an answer is required.

33. Paragraph 33 is denied to the extend an answer is required.

34. Paragraph 34 is denied to the extend an answer is required.

35. Paragraph 35 is denied to the extend an answer is required.

36. Paragraph 36 is denied to the extend an answer is required.

37. Paragraph 37 is denied to the extend an answer is required.

38. Paragraph 38 is denied to the extend an answer is required.

39. Paragraph 39 is denied,

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. All allegations not specifically admitted in this answer are denied.

AFFIRMATIVE DEFENSES

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however, such assets are denominated.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

F.E. "Tripp" Isenhour, III
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.

100 West Franklin Street, Suite 300
Richmond, VA 23220

Jeremy Carroll
Guynn Waddell Carroll & Lockaby
415 S College Ave.
Salem, VA 24153

This 4th day of May, 2022

APPOMATTOX COUNTY, VIRGINIA

OFFICE OF THE COUNTY ATTORNEY

THOMAS E. LACHENEY
DEAL & LACHENEY P.C.
COUNTY ATTORNEY

tlacheney@appomattoxcountyva.us
PHONE: (888) 456-1547
FAX: (877) 457-1231

MAILING ADDRESS:
153-A MORTON LANE
POST OFFICE BOX 863
APPOMATTOX, VA 24522

May 4, 2022

Valerie P. Younger, Clerk
Campbell Circuit Court
732 Village Highway
P. O. Box 7
Rustburg, VA 24588-0007

Re: County of Campbell v. Region 2000 Services Authority
Case # CL20002216-00

Dear Ms. Younger:

Enclosed you will find an Asnwer to be filed in this case. Please let me know if you have any questions. I look forward to hearing from you and I am,

Sincerely yours,

Thomas E. Lacheney

enclosure

c: F.E. "Tripp" Isenhour, III
Matthew Freedman
Phillip D. Payne
Bill Hefty
Jeremy Carroll

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, et al.,)
)
Plaintiffs,)
)
v.) CL20002216-00
)
Region 2000 Services Authority, et als.,)
)
)
Defendants.)

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
20th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

Nelson County's Answer

Comes now Nelson County by counsel and files this her answer to the amended complaint.

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted.

3. Paragraph 3 is admitted except that Nelson County has insufficient information to either admit or deny Reid Wodicka's position.

4. Paragraph 4 is admitted.

5. Paragraph 5 is admitted.

6. Paragraph 6 is admitted.

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibits A, A1, and C. Denied as to Exhibit B as having been superseded in its entirety.

8. The allegations in paragraph 8 are denied.

9. Paragraph 9 is denied as no "Beck Analysis" was considered.

10. Paragraph 10 is denied. Exhibit E purports to be draft minutes.

11. Paragraph 11 is admitted to the extent a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted to the extent a tie vote occurred. Otherwise denied.

14. Nelson County admits that the distribution of Excess Revenue is discretionary and that such revenue may be used for other purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent an answer is required.



16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18 Paragraph 18 is admitted with respect to the MUA but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Nelson County has insufficient information either to either admit or deny the allegations in paragraph 29.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extent an answer is required.

32. Paragraph 32 is denied to the extent an answer is required.

33. Paragraph 33 is denied to the extent an answer is required.

34. Paragraph 34 is denied to the extent an answer is required.

35. Paragraph 35 is denied to the extent an answer is required.

36. Paragraph 36 is denied to the extent an answer is required.

37. Paragraph 37 is denied to the extent an answer is required.

38. Paragraph 38 is denied to the extent an answer is required.

39. Paragraph 39 is denied.

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. Nelson County denies all allegations not specifically admitted in this answer.

Affirmative Defense

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however such assets are denominated.

WHEREFORE, Nelson County prays that the amended complaint be dismissed and that she be awarded her costs and attorney's fees ion this behalf expended.

County of Nelson

By _____
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

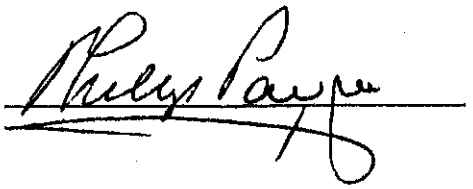
I certify that a true copy of Nelson County's answer was mailed first-class postage prepaid this 10th day of May, 2022, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA	)	CLERK NELSON COUNTY CIRCUIT COURT
and	)	JUN 27 2022
APPOMATTOX COUNTY, VIRGINIA,	)	**FILED**
Petitioners,	)	
v.	)	**Case No.: CL22000180-00**
REGION 2000 SERVICES AUTHORITY, et al.,	)	
Respondents.	)	

NOTICE OF HEARING

TO: **REGION 2000 SERVICES AUTHORITY**
Jeremy E. Carroll
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

COUNTY OF APPOMATTOX, VIRGINIA
Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139

COUNTY OF NELSON, VIRGINIA
Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949

CITY OF LYNCHBURG, VIRGINIA
Matythew C. Freedman, City Attorney
900 Church Street
Lynchburg, VA 24504

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
5th day of June, 2023
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

PLEASE TAKE NOTICE that the County of Campbell, Virginia and the City of Lynchburg, Virginia, by counsel, will appear before the Honorable Judge of the Nelson County Circuit Court on August 3, 2022 at 9:30 A.M. to present their Motion to Intervene and Motion to Consolidate to the Court; and

YOU MAY THEN AND THERE APPEAR AND DO WHAT MAY BE NECESSARY TO PROTECT YOUR INTEREST HEREIN.

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By _____
County Attorney

F.E. "Tripp" Isenhour, III, Esquire
VSB # 76871
Caskie & Frost
P. O. Box 6320
2306 Atherholt Road
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB# 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE

I, F.E. "Tripp" Isenhour, III, do hereby certify that a copy of the foregoing Notice of Hearing was sent to the addresses of all parties and counsel for parties listed in the body of the said Notice on June 22, 2022.

F.E. "Tripp" Isenhour, III

CASKIE & FROST
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2306 ATHERHOLT ROAD
PLEASE REPLY TO: P. O. BOX 6320
LYNCHBURG, VIRGINIA 24505
WRITER'S EMAIL: TISENHOUR@CASKIEFROST.COM

LEIGHTON S. HOUCK
THEODORE J. CRADDOCK
JOY LEE PRICE
MARK J. PEAKE
JOHN R. ALFORD, JR.
J. FREDERICK WATSON
PAVLINA B. DIROM
F. E. "TRIPP" ISENHOUR, III
WILLIAM E. PHILLIPS
PHYLLIS C. SPENCE

JAMES R. CASKIE (1909-1969)
E. MARSHALL FROST (1920-1988)

JOHN R. ALFORD (RETIRED)
JOSEPH C. KNAKAL, JR. (RETIRED)
GREGORY P. COCHRAN (RETIRED)

TELEPHONE: 434 846-2731
FACSIMILE: 434 846-0496

June 22, 2022

Ms. Lisa D. Bryant, Clerk
Nelson Circuit Court
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

RE: Nelson County, Virginia and Appomattox County, Virginia v Region 2000 Services Authority
Case No.: CL22-000180-00

Dear Ms. Bryant:

I enclose herewith a Notice of Hearing for filing on behalf of the County of Campbell, Virginia and the City of Lynchburg, Virginia in the above captioned matter.

With a copy of this letter, I certify that a true copy of the within mentioned Notice of Hearing was mailed to Jeremy E. Carroll, Esquire, Counsel for Region 2000 Services Authority, Phillip D. Payne, IV, County Attorney for Nelson County, Virginia and to Thomas Lacheney, Esquire, County Attorney for Appomattox County, Virginia.

Please advise if you have any questions or need anything further at this time.

Very truly yours,

CASKIE & FROST

By: _____
F. E. "Tripp" Isenhour, III

FEI/sjh
Enclosures
CC: Matthew C. Freedman, Esquire
Jeremy E. Carroll, Esquire
Phillip D. Payne, IV, Esquire
Thomas Lacheney, Esquire

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

Jeremy E. Carroll, Esquire
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, VA 24153

Phillip D. Payne, IV, Esquire
County Attorney
Nelson County, Virginia
P.O. Box 299
Lovingston, VA 22949

Thomas Lacheney, Esquire
County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

Matthew C. Freedman, Esquire
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

NELSON COUNTY,	)	
	)	
AND	)	
	)	
APPOMATTOX COUNTY,	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY,	)	
	)	
Respondent.	)	

ANSWER OF RESPONDENT REGION 2000 SERVICES AUTHORITY

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Answer to the Petitioners' Petition for Temporary Injunction states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claim asserted in the Petition for Temporary Injunction arises out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

WHEREFORE, because Region 2000 has two of its members bringing this action as Petitioners and its other two members seeking to intervene in this action, Region 2000 respectfully requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

NELSON COUNTY,	)	
	)	
AND	)	
	)	
APPOMATTOX COUNTY,	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY,	)	
	)	
Respondent.	)	

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

REGION 2000 SERVICES AUTHORITY'S RESPONSE TO THE MOTION TO INTERVENE FILED BY CAMPBELL COUNTY AND THE CITY OF LYNCHBURG

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Response to the Motion to Intervene filed by Campbell County and the City of Lynchburg states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claim asserted in the Petition for Temporary Injunction arises out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

4. Region 2000 takes no position on the Motion to Intervene.

WHEREFORE, because Region 2000 has two of its members bringing this action as Petitioners and its other two members seeking to intervene in this action, Region 2000 takes no

position on the Motion to Intervene and requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

NELSON COUNTY,	)	
	)	
AND	)	
	)	
APPOMATTOX COUNTY,	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY,	)	
	)	
Respondent.	)	

REGION 2000 SERVICES AUTHORITY'S RESPONSE TO THE MOTION TO CONSOLIDATE FILED BY CAMPBELL COUNTY AND THE CITY OF LYNCHBURG

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Response to the Motion to Consolidate filed by Campbell County and the City of Lynchburg states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claims asserted in this action and in *County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia*, Case No. CL20002216-00 pending in Campbell County Circuit Court arise out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

4. Region 2000 takes no position on the Motion to Consolidate.

WHEREFORE, because these matters involve a dispute between Region 2000's four members concerning the disposition of Excess Revenue, Region 2000 takes no position on the Motion to Consolidate and requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

GW
CL
— 1995 —

Guynn, Waddell, Carroll & Lockaby, P.C.
- Attorneys at Law -

June 26, 2022

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 28 2022
FILED

VIA FEDEX
Hon. Lisa Dugan Bryant, Clerk
Nelson Circuit Court
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

Re: Nelson County and Appomattox County v. Region 2000 Services Authority
Case No. CL22-180

Dear Ms. Bryant:

Enclosed please find Region 2000 Service Authority's Answer to Petitioners' Petition for Temporary Injunction and Responses to Campbell County's and the City of Lynchburg's Motion to Consolidate and Motion to Intervene. Please file these pleadings in the above-referenced matter on behalf of the Region 2000 Services Authority. We have included the original and a copy of each pleading. Please mark the copy filed and return to us in the enclosed self-addressed, stamped envelope.

Thank you for your assistance in this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,

GUYNN, WADDELL, CARROLL & LOCKABY, P.C.

Jeremy E. Carroll

JEC/kar
Enclosures
cc/enc: F.E. "Tripp" Isenhour, III, Esq. (via email and US mail)
Matthew C. Freedman, Esq. (via email and US mail)
Phillip D. Payne, IV, Esq. (via email and US mail)
Thomas E. Lacheney, Esq. (via email and US mail)

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
	)	
and	)	
	)	
APPOMATTOX COUNTY, VIRGINIA,	)	**Case No. CL22000180-00**
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
REGION 2000 SERVICES AUTHORITY	)	
	)	
Defendant.	)	

CLERK NELSON COUNTY
CIRCUIT COURT
JUL 21 2022
FILED

AGREED MOTION FOR CONTINUANCE

COME NOW the County of Campbell and the City of Lynchburg, by counsel, and hereby move the Court to continue the hearing currently scheduled for August 3, 2022. In support of their Motion, Campbell and Lynchburg state as follows:

1. The parties have scheduled hearings on August 3, 2022, on the various motions filed in this matter.

2. The parties have agreed to participate in mediation and have scheduled mediation for September 14, 2022.

3. The parties have agreed to continue generally the hearings scheduled for August 3, 2022, to be reset upon the docket of the Court if needed.

4. The matters scheduled for hearing have not previously been continued by any party.

5. A proposed order of continuance has been agreed to by the parties via email and is circulating for endorsement. Said proposed order shall be presented as soon as is practicable.

WHEREFORE, the County of Campbell, Virginia and the City of Lynchburg, Virginia, by counsel, request that the Court continue all hearings in this matter scheduled for August 3, 2022.

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB# 78496
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of July, 2022, a true and correct copy of the foregoing Agreed Motion for Continuance was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

F.E. "Tripp" Isenhour, III, Esquire

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

June 9, 2023

Hon. Valerie P. Younger, Clerk
Campbell County Circuit Court
P.O. Box 7
Rustburg, VA 24588

Re: County of Campbell et al. v. Region 2000 Services Authority, et al.
County of Nelson et al. v. Region 2000 Services Authority, et al.
Campbell Circuit Court Case No.: CL20002216-00

Dear Ms. Younger:

As you know, the undersigned is the County Attorney for Campbell County, Virginia. I have enclosed herewith for filing the County of Campbell and the City of Lynchburg's Demurrer and Answer to the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox.

Please feel free to contact the undersigned with any questions about this matter.

F.E. "Tripp" Isenhour, III
County Attorney

cc: Frank J. Rogers, IV, County Administrator, Campbell County
Matthew C. Freedman, City Attorney, City of Lynchburg
Jeremy E. Carroll, Counsel for Region 2000 Services Authority
Thomas E. Lacheney, County Attorney, Appomattox County
Phillip D. Payne, IV, County Attorney, Nelson County

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 9th day of June, 2023
VALERIE P. YOUNGER, CLERK
Teste: V Younger
Deputy Clerk

VIRGINIA: IN THE CIRCUIT COURT OF CAMPBELL COUNTY

COUNTY OF CAMPBELL, VIRGINIA,

&

CITY OF LYNCHBURG, VIRGINIA,

Plaintiffs,

v.

REGION 2000 SERVICES AUTHORITY,

Defendant,

COUNTY OF APPOMATTOX, VIRGINIA,

An Interested Party,

&

COUNTY OF NELSON, VIRGINIA,

An Interested Party,

AND

NELSON COUNTY, VIRGINIA

&

APPOMATTOX COUNTY, VIRGINIA,

Petitioners,

v.

REGION 2000 SERVICES AUTHORITY

COUNTY OF CAMPBELL, VIRGINIA,

&

CITY OF LYNCHBURG, VIRGINIA,

Respondents.

Combined Case No. CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
9th day of June, 2023
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

DEFENDANTS COUNTY OF CAMPBELL, VIRGINIA AND CITY OF LYNCHBURG, VIRGINIA'S DEMURRER AND ANSWER TO NELSON COUNTY, VIRGINIA AND APPOMATTOX COUNTY, VIRGINIA'S PETITION FOR TEMPORARY INJUNCTION

COMES NOW, the County of Campbell, Virginia, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Campbell") and the City of Lynchburg, Virginia, a Municipal Corporation of the Commonwealth of Virginia (hereinafter "Lynchburg"), by counsel, and for their Demurrer and Answer to the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox, Virginia respectfully state as follows:

DEMURRER

COMES NOW Campbell and Lynchburg, by counsel, and demur to the County of Nelson, Virginia's (hereinafter "Nelson") and the County of Appomattox, Virginia's (hereinafter "Appomattox") Petition for Temporary Injunction filed against them, stating that the Petitioners' Petition for Temporary Injunction is not sufficient in law and ought not be prosecuted on the following grounds:

1. The Petition for Temporary Injunction does not meet the requirements of Rule 1:4 of the Supreme Court of Virginia in that such petition fails to state facts constituting a cause of action upon which relief can be granted.

2. A demurrer tests whether a pleading states a cause of action upon which relief can be granted. Va. Code § 8.01-273(A).

3. A demurrer should be sustained if a pleading, considered in the light most favorable to the plaintiff, fails to state a valid cause of action. McDermott v. Reynolds, 260 Va. 98, 100 (2000).

4. In considering a demurrer, the Court must apply the settled rule that a demurrer admits the truth of all well-pleaded facts expressly alleged, those which fairly can be viewed as impliedly alleged, and those which may be fairly and justly inferred from the facts alleged. Rosillo v. Winters,

235 Va. 268, 270 (1988); CarterCorp, Inc. v. Catering Concepts, Inc., 246 Va. 22, 24 (1993); Fox v. Custis, 236 Va. 69, 71 (1988).

5. The Court is not, however, obligated to accept as true conclusions of law in a complaint. See Delk v. Columbia/HCA Healthcare Corp., 259 Va. 125, 129 (2000).

6. Nelson and Appomattox seek an injunction preventing the distribution of funds from the Regional 2000 Services Authority ("Authority"). Virginia courts have held that an injunction is an extraordinary remedy, which must be based upon a finding of irreparable harm and an inadequate remedy at law. See, e.g. Levisa Coal Co. v. Consolidation Coal Co., 276 Va. 44, 61 (2008); Virginia Beach S.P.C.A, Inc. v. South Hampton Rds. Veterinary Assoc., 229 Va. 349, 354 (1985); Carbough v. Solem, 225 Va. 310, 315 (1983); South & W.R. Co. v. Virginia & S.E.R. Co., 104 Va. 323 (1905); See also Va. Code § 8.01-628.

7. The Supreme Court of Virginia has specifically held that "[w]hen an injunction is sought to enforce a contract right concerning personal property, the plaintiff has a high burden of showing that the failure to enjoin the alleged improper action will result in irreparable harm for which the law will afford him no adequate remedy. Unless the plaintiff can demonstrate that the property it seeks to protect has some personal value of sentiment or other intangible quality that cannot be restored to him at law, or that monetary damages would otherwise not make him whole, the court will deny the injunction because the legal remedy is sufficient." Levisa Coal Co. v. Consolidation Coal Co., 276 Va. 44, 61-62 (2008) (internal citations omitted).

8. Although Nelson and Appomattox have cited the legal standard of "irreparable harm", Nelson and Appomattox may not simply "parrot" the language of a legal standard in order to survive a demurrer. See Pulte Home Corporation. v. Parex, Inc., 265 Va. 518 (2003). The Court is not obligated to accept as true conclusions of law in a pleading , particularly when those conclusions are

unsupported by the factual allegations accompanying them. Delk v. Columbia/HCA Healthcare Corp., 259 Va. 125, 129 (2000).

9. Nelson and Appomattox have not alleged any "personal value of sentiment or other intangible quality" of the money sought to be distributed, nor have they alleged any reason why "monetary damages would otherwise not make [them] whole". Levisa Coal Co. v. Consolidation Coal Co., 276 Va. 44, 61-62 (2008) (citations omitted). Even considering Nelson's and Appomattox's allegations in the most favorable light, nothing alleged establishes a basis for a finding that they are entitled to the extraordinary remedy of an injunction.

10. Because Nelson's and Appomattox's factual allegations fail to establish grounds for a finding that they could be irreparably harmed by the payment of funds, the Petition for Temporary Injunction fails to state a claim for which relief may be granted.

WHEREFORE, Campbell and Lynchburg, by counsel, respectfully move the Court to grant their Demurrer, strike, and dismiss the pleading filed against them. Campbell and Lynchburg further request they be dismissed from this action and that they be awarded their costs, including reasonable attorneys' fees incurred in defending this matter, together with any further relief that the Court may deem appropriate.

ANSWER

COME NOW Campbell and Lynchburg (hereinafter collectively the "Defendants"), by counsel, and in response to the County of Nelson and the County of Appomattox's Petition for Temporary Injunction filed against them, answer as follows:

1. The Defendants admit the statements and allegations contained in paragraphs 1, 2, 3 and 4 of the Petition for Temporary Injunction.

2. In response to the statements and allegations contained in paragraphs 5 and 6 of the Petition for Temporary Injunction, Defendants admit only that the documents speak for themselves.

3. The Defendants admit the statements and allegations contained in paragraph 7 of the Petition for Temporary Injunction.

4. In response to the statements and allegations contained in paragraphs 8 and 9 of the Petition for Temporary Injunction, Defendants admit only that the documents speak for themselves.

5. The Defendants deny the statements and allegations contained in paragraphs 10, 11, 12, 13, 14 and 15 of the Petition for Temporary Injunction, and demand strict proof of the same.

6. No response is required to the prayer for relief. To the extent a response is required, the Defendants deny the same.

7. The Defendants deny that the Petitioners are entitled to injunctive relief, either temporary or permanent.

8. The Defendants state that they will rely on all defenses that become available to them through discovery or otherwise.

9. All allegations not specifically admitted herein are denied.

WHEREFORE, the Defendants, by counsel, respectfully request that they be dismissed from this action and awarded their costs, including reasonable attorney's fees incurred in defending this matter, together with any further relief deemed appropriate by this Court.

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By_____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB# 78496
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of June, 2023, a true and correct copy of the foregoing Defendants County of Campbell, Virginia and City of Lynchburg, Virginia's Demurrer and Answer to Nelson County, Virginia and Appomattox County, Virginia's Petition for Temporary Injunction was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Spilman, Thomas & Battle, PLLC
310 First Street, Suite 1100
P.O. Box 90
Roanoke, VA 24002-0090

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

F.E. "Tripp" Isenhour, III, Esquire

MICHAEL R. DOUCETTE, JUDGE

LISA D. BRYANT, CLERK

TELEPHONE
(434) 263-7020

FACSIMILE
(434) 263-7027

CIRCUIT COURT OF NELSON COUNTY
84 COURTHOUSE SQ., 1st FLOOR
P.O. BOX 10
LOVINGSTON, VIRGINIA 22949

June 25, 2023

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
06 day of July, 2023
VALERIE P. YOUNGER, CLERK
Teste: M. Williams
Deputy Clerk

Valerie P. Younger, Clerk
Campbell County Circuit Court
732 Village Hwy
Rustburg, VA 24588

RE: County of Nelson, et. al v. Region 2000 Services Authority
Nelson Circuit Court Case Number: CL22000180-00
Campbell Circuit Case Number: CL20002216-00

Dear Ms. Younger:

Please find enclosed are the filings for the above styled case in court. The Order dated May 19, 2023 transfers this matter to your court. I apologize for the delay after a couple of shipping mishaps.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

Anna Driggers
Civil Deputy Clerk

Cc: Phillip D. Payne IV; Counsel for Nelson County
Thomas E. Lacheney; Counsel for Appomattox County
F.E "Tripp" Isenhour III; Counsel for Campbell County
Matthew C. Freedman; Counsel for City of Lynchburg
Jeremy B. Carroll; Counsel for Region 2000

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA, et al.,	)	
	)	
Petitioners,	)	
	)	
v.	)	**Case No.: CL22000180-00**
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Respondents.	)	
	)	

ORDER

On April 7, 2023, the parties came, by counsel, on the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox, upon the motion of the County of Campbell's and City of Lynchburg's Motion to Intervene in the proceedings, and upon the County of Campbell's and City of Lynchburg's Motion to Consolidate the instant matter with the matter currently pending in the Campbell County Circuit Court as County of Campbell, Virginia, et al. v. Region 2000 Services Authority, et al., Case No. CL20002216-00. Having considered the said motions and the arguments of counsel and based upon the reasons stated upon the record, the Court Adjudges, Orders, and Decrees as follows:

1. The County of Campbell's and the City of Lynchburg's Motion to Intervene is GRANTED, and they, as intervenors, shall be parties respondent to this matter. The intervenors shall have twenty-one (21) days from the entry date of this Order to file responsive pleadings.

2. The County of Campbell's and the City of Lynchburg's Motion to Consolidate is GRANTED, and this matter is transferred to the Campbell County Circuit Court, pursuant to the authority of Va. Code § 8.01-265, to be consolidated for the purposes of hearing and trial with the aforementioned case numbered CL20002216-00 pending in that court.

3. Because the Court ruled upon the County of Campbell's and the City of Lynchburg's Motion to Consolidate prior to entertaining argument upon the Petition for Temporary Injunction filed by the Counties of Nelson and Appomattox, the Court makes no ruling regarding that petition, and the parties shall be without prejudice in the hearing of that matter in the Campbell County Circuit Court.

Entered this 19TH day of May, 2023.

Judge Michael R. Doucette

I ask for this:

F.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

SEEN AND AGREED:

Matthew C. Freedman, Esquire (VSB# 78496)
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

SEEN:

Jeremy B. Carroll (VSB 41331)
Spilman, Thomas & Battle, PLLC
310 First Street, Suite 1100
P.O. Box 90
Roanoke, Virginia 24002-0090
(540) 512 1821
(540) 342 4480 (fax)
jcarroll@spilmanlaw.com
Counsel for Region 2000 Service Authority

SEEN AND OBJECTED TO FOR THE REASONS STATED ON THE RECORD:

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
1-53-A-Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Appomattox County

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Nelson County

Circuit Court Nelson Co. Seal

A Copy, Teste:
NELSON COUNTY CIRCUIT COURT
Lisa D. Bryant, Clerk
By: _____
Deputy Clerk

VIRGINIA:

IN THE CIRCUIT COURT OF NELSON COUNTY

Nelson County,
Appomattox County
Petitioners,

Region 2000 Services Authority,

Serve:
William H. Hefty, Esquire
Hefty, Wiley and Gore
100 West Franklin Street, Suite 300
Richmond, Virginia 23220

Respondent.

CL22000180-00

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

Petition for Temporary Injunction

Comes now Nelson County and Appomattox County by counsel and file this petition seeking a temporary injunction stating their reasons therefor as follows:

1. Respondent Region 2000 Services Authority (the Authority) is an authority created pursuant to Chapter 51, Title 15.2 of the Code of Virginia, for the purpose of operating regional landfills for its member jurisdictions. The Authority's current landfill operations are located in Campbell County.

2. Petitioners are two of four current member jurisdictions, the others being the City of Lynchburg, and Campbell County.

3. The Authority is governed by a Member Use Agreement (the "MUA") a copy of which is attached marked "Exhibit A".

4. The Authority consists of a board of four members with each jurisdiction appointing one member (the "Board").

5. Section 2.2 of the MUA provides "that this Agreement shall not be amended or changed without the consent of the Authority and the consent of the governing body of each jurisdiction."

6. Relevant to this petition, Section 5.10 of the MUA provides: "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...."

7. On January 27, 2016, the Authority Board, by a 3 to 1 vote, Nelson County voting no, adopted the "Region 2000 Services Authority Fiscal Policy Guidelines" ("Guidelines"). The Guidelines were not submitted to the member jurisdictions' governing bodies for approval. A copy of the guidelines is attached marked "Exhibit B".

8. Relevant to this petition, the Guidelines provide that "[o]nce current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host [Campbell County] and 25% will be retained for future planning, as a means to self-fund projects, or any other item approved by the Board." PG 16

9. By memorandum dated June 8, 2021, counsel for the Authority William H. Hefty informed the Board that the available air space as of the date of the original transfer would be consumed by September 1, 2021. He concluded therefore that Excess Revenue must be distributed as directed in the Guidelines and that a "vote of the Authority is not annually required to specifically distribute the funds...." A copy of the memorandum is attached marked "Exhibit C".

10. The Guidelines abrogate Section 5.10 of the MUA by eliminating the Authority Board's ability to vote on the distribution of Excess Revenue.

11. Such a change represents an amendment to the MUA which was not approved by the member jurisdictions' governing bodies.

12. The Authority Board is without the authority to amend unilaterally the MOU and such action is *ultra vires.*

13. The automatic distribution of Excess Revenue in the amount of $933,117.00 to Campbell County by the Authority is budgeted for the 2023 fiscal year. The proposed budget is attached marked "Exhibit D".

14. The interests of Nelson and Appomattox Counties and of the Authority itself will be irreparably harmed by such unlawful distribution.

15. The consent of the member jurisdictions' governing bodies for approval of an amendment to the MOU being required, petitioner's success on the merits is likely.

WHEREFORE, Nelson and Appomattox Counties pray that a temporary injunction issue prohibiting the automatic distribution of Excess Revenue by the Authority and that after notice to respondent, a permanent injunction issue invalidating the Guidelines.

County of Nelson

By _____
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

VALIDATE CASE PAPERS
RCPT : 220000003311
DATE : 05/27/2022 TIME: 11:02
CASE : 125CL22000180-00
ACCT : NELSON COUNTY
AMT. : $0.00

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

{W0005513 1 013135.000104 }

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

PETITIONER'S EXHIBIT #1

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("**Regulations**"), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("**Member Jurisdiction Default**").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:

Region 2000 Services Authority
Executive Director
828 Main Street – 12th Floor
Lynchburg, VA 24504

If to Appomattox

Appomattox County, Virginia
Aileen T. Ferguson
County Administrator
P.O. Box 863
Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[W0705513.1 013125-070084]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[WO709313 | 01313407/0704 |

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

[WO705513 | 013135-070704 |

Region 2000 Services Authority
Fiscal Policy Guidelines

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

Table of Contents

Objectives

Reserve and Fund Policies

- **Closure and Post-Closure Reserve Fund**
- **Equipment Replacement Reserve**
- **Environmental Remediation Reserve**
- **Operating and Maintenance Reserve**
- **Debt Service Reserve**
- **Future Disposal Planning Reserve**

Debt Management Policy

Operating Budget Policies/Guidelines

FISCAL POLICY GUIDELINES - OBJECTIVES

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the Authority. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. Effective fiscal policy:

- Contributes significantly to the Authority's ability to prepare for and insulate itself from fiscal crisis by being able to better manage stressful financial internal and external events,
- Enhances the ability to obtain short-term and long-term credit financing by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the Authority rather than single issue areas, and
- Promotes the view of linking long-run financial planning with day-to-day operations.

To these ends, the following fiscal policy statements are presented.

Reserve and Fund Policies

Closure and Post-Closure Reserve Fund: This fund provides for the cost of capping completed areas of the landfill and at the end of the landfill's useful life to completely close any remaining area, install all monitoring and collection systems and perform all post-closure care activities per regulatory requirements. Contributions will be made to this Reserve on an annual basis as an operating expense.

Equipment Replacement Reserve: This fund provides for the future purchases, and regularly scheduled replacement of major operating equipment in an orderly fashion as to minimize annual operating costs, maximize any trade-in or surplus value, and to provide for the best overall purchasing value. Contributions will be made to this Reserve on an annual basis as an operating expense. Salvage value of retired equipment will also flow through this reserve.

The purpose is to stabilize the impact of equipment purchases on the operating fund. Contributions out of the operating fund are leveled out even though the cost of required equipment replacements could vary significantly from year to year.

Environmental Remediation Reserve: The Authority has chosen to establish a separate reserve fund to address potential environmental remediation issues. Annually, $50,000 will be contributed to this fund. The funds in the reserve will be available for the Authority to use for other purposes or to distribute to the member jurisdictions, if there is a balance in the reserve at the end of the Landfill life. However, if an environmental remediation issue occurs and the expense exceeds the balance of the remediation fund, the Authority would have to find other funding sources for addressing the environmental remediation. Contributions will be made to this Reserve on an annual basis as an operating expense.

Operating and Maintenance Reserve: The authority will provide an Operating and Maintenance Reserve fund (O &M) in an amount equal to not less than 90 days of its projected expenses (excluding debt service), net of reimbursable expenses and interest income, as prescribed in the current fiscal year's budget. The O & M Reserve will be established as separate account and will be used to the extent the Board does not desire to use other available funds to cover periods of revenue shortfall when the Authority's revenues are not sufficient to cover its net expenses. The reserve contribution will not be included in the calculation of the cost of service rate since the contribution originate from revenues generated from member jurisdiction in excess of the cost of service rate.

Debt Service Reserve: Funds in this account will be used to pay debt service owed by the Authority. This account will be funded by the Member Jurisdictions contributions as determined by the Member Use Agreement and the schedule of payments set forth by the Bondholders. An amount sufficient to satisfy the debt service payment will be budget each fiscal year until the debt service is satisfied and no further payment is required as set forth in the bond documents. Contributions will be made to this Reserve on an annual basis as an operating expense.

Future Disposal Planning Reserve: Funds in this account will be used for future planning and feasibility studies related to disposal options once the Lynchburg and Campbell landfills reach capacity. Contributions will be made to this Reserve on an annual basis as an operating expense.

Debt Management Policy

- The Authority will not use long-term debt to fund current operations.
- The Authority will not use short-term borrowing to fund current operations.

Whenever the Authority finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed.

Operating Budget Policies/Guidelines

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established by the Board.

The Authority shall establish its Member Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to

create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

1. The Authority will budget for all current operating expenditures to be paid for with current operating revenues.

2. The management and operations staff should, not only during the preparation of the budget but in the budget execution, use due care and promote cost savings and operating efficiencies at all times especially during periods of revenue shortfalls.

3. In preparing its annual budget, the Authority will base its revenue and expenditure projections on historic performance while also taking into consideration current trends, events and developments in regulatory and environmental activities.

4. One-time or other special revenues will not be used to finance continuing Authority operations, but instead will be used for funding specific one-time projects.

5. The Authority will prepare quarterly financial statements showing the progress of budget estimates compared to actual results. These quarterly reports and the Authority's budgets are prepared on a cash flow or modified cash flow basis and differ from the final audited year end reports.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year and therefore will vary based on both the incoming tonnage and disposal rates.

Once the current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host and 25% will be retained to use for future planning, as a means to self-fund projects, or any other item approved by the Board.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

Attachment 4d

Memorandum

To: Region 2000 Services Authority Board

From: William H. Hefty

Date: June 8, 2021

Re: Excess Revenue

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED

EXCESS REVENUE UNDER THE MEMBER USE AGREEMENT

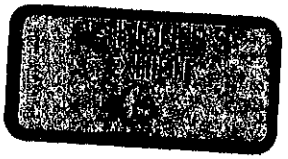
The current version of the Region 2000 Services Authority Member Use Agreement dated June 20, 2008 defines Excess Revenue as "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year."

Section 5.11 of the Member Use Agreement states that "In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation."

Draper Aden has determined that the available air space at both landfills as of the date of original transfer of the landfills will run out as of September 1, 2021. On this date the concept of the payment of Excess Revenue under the Service Agreement to Campbell and Lynchburg will cease, and no payments of Excess Revenue will be available to Lynchburg or Campbell **under the Agreement.**

EXCESS REVENUE AFTER SEPTEMBER 1

Even though there is no Excess Revenue available for distribution under the Service Agreement, the Board will still collect payments from private haulers, so the concept will still remain. But once capacity



as of the date of transfer is achieved, there is no mention in the Member Use Agreement of payment to Lynchburg and Campbell. Excess Revenue just becomes a defined term. In an absence of a policy from the Authority Board, any revenue from commercial haulers would be general revenue available to the Authority as would any other revenue.

The Board, however, addressed this issue at its meeting on January 27, 2016. A draft of a document titled Region 2000 Services Authority Fiscal Policy Guidelines was presented to the Board for consideration. The draft policy used basically the same definition of Excess Revenue as contained in the Service Agreement, and then added the following sentence:

"Once the current air space is consumed, the Authority will distribute 75% of Excess Revenue to the current Landfill host and 25% will be retained to use for future planning, as a means to self-fund projects, or any other item approved by the Board."

There was discussion among the Board as to this provision. Following discussion, a motion was made to adopt the policy without the above language, and it was approved unanimously. A motion was then made by Frank Rogers to add the paragraph back in, which was seconded by John Spencer. The motion carried 3-1, with Steve Carter opposed. Thus, the policy adopted by the Board stated that after the initial air space was consumed, 75% of Excess Revenue would go to Campbell County.

This policy of the Board has not been changed, although it may be changed by the Board at any time with a majority vote, and so it is still in effect. Consequently, it is my opinion that the administration should follow the policy adopted by the Board and distribute the Excess Revenue collected after September 1. A vote of the Authority is not annually required to specifically distribute the funds, as the policy states that the Authority "will" distribute the amount as specified.

I also do not think it is relevant whether it is labeled "Excess Revenue" in the budget or given some other name. The calculation is the same regardless of the name, and the policy is clear what is being referred to. The important point is that the payment of Excess Revenue under the Member Use Agreement ends on September 1, and the funds are then general fund monies with no direction as to their use under the Member Use Agreement. The payment of the 75 % to Campbell County after that date was a policy decision of the Board which has not been rescinded.

FY 2023 Proposed Budget Summary

Revenue Tonnage Projection:

- Member tons, 70,910 tons. No change from FY 2022
- Market Rate tons, 124,416 tons. 2% increase over FY2022

Revenue:

- $7,788,390, 10.4% increase over FY 2022. Includes 25% Authority share of airspace reserve from FY 22 (projected) and 25% Authority share of airspace reserve for FY23 (proposed).

Operating Expenses:

$6,855,273, 17.4 % increase over FY 2022

Total Expenses

- $7,788,390, 16.57% increase over FY 2022

Proposed Employee Merit Based Salary Increase:

A 5% merit-based salary increase is proposed for July 1, 2022.
The US inflation rate in March 2022 was 8.5% and our Health Insurance rate will increase by 8% on July 1, 2022.

Proposed Tipping Fee:

Member Rate: $30.25 no increase over FY22.
Market Rate: $40.25 per ton, no increase over FY22.

Please note that we have not increased the member or market rate tipping fee for 6 budget years and only one tipping fee increase in the past 10 budget years.

The attached pro forma budget indicates a member rate tipping fee increase of $3.17 per ton for FY24 then a steady rise in tipping fees through FY29 to $39.09 per ton in FY29. The increase in tipping fees is mainly to fund Livestock Road closure/post closure reserve contributions.

Region 2000 Service Authority Historical Tipping Fees:

FY23: 30.25/40.25 (proposed)
FY22: 30.25/40.25
FY21: 30.25/40.25
FY20: 30.25/40.25
FY19: 30.25/40.25
FY18: 30.25/40.25
FY17: 28.75/38.75
FY16: 28.75/38.75
FY15: 28.75/38.75
FY14: 28.00/38.00

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 27 2022
FILED



Region 2000 Services Authority Disposal Fee Revenue

Schedule 1

Tonnage	FY2022 Rates $30.25/$40.25 (A)	FY2021 Rates: $30.25/$40.25 (A)	(B)	(C)	(D)	FY2023 Rates $30.25/$40.25		
	FY2022 Approved Budget	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Tonnage From Member Jurisdictions								
Lynchburg	35,160	35,160	32,783	2,377	6.76%	35,160	0	0.00%
Campbell	20,412	20,412	17,152	3,260	15.97%	20,412	0	0.00%
Nelson	9,984	9,984	9,546	438	4.39%	9,984	0	0.00%
Appomattox	5,354	5,354	5,048	306	5.71%	5,354	0	0.00%
Subtotal Member Jurisdictions	70,910	70,910	64,529	6,381	9.00%	70,910	0	0.00%
Lynchburg Contracts & Other Waste	-	-	-	-	0.00%	-		
Market Rate Tonnage	121,976	121,976	106,397	15,579	12.77%	124,416	2,440	2.00%
Subtotal Contract and Market Rate	121,976	121,976	106,397	15,579	12.77%	124,416	2,440	2.00%
Subtotal Revenue Generating Tonnage	192,886	192,886	170,927	21,959	11.38%	195,326	2,440	1.26%
Other Tonnage at No Charge (inert/brush/slag)	12,176	12,176	9,727	2,449	20.11%	12,176	0	0.00%
Total Tonnage	205,062	205,062	180,654	24,408	11.90%	207,502	2,440	1.19%

Disposal Fee Revenue	FY2022 Approved Budget	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
From Member Jurisdictions								
Lynchburg	$ 1,063,590	$ 1,063,590	$ 989,196	$ 74,394	6.99%	$ 1,063,590	0	0.00%
Campbell	$ 617,463	$ 617,463	$ 519,043	$ 98,420	15.94%	$ 617,463	0	0.00%
Nelson	$ 302,016	$ 302,016	$ 288,845	$ 13,171	4.36%	$ 302,016	0	0.00%
Appomattox	$ 161,959	$ 161,959	$ 153,250	$ 8,708	5.38%	$ 161,959	0	0.00%
Subtotal Member Jurisdictions	$ 2,145,028	2,145,028	$ 1,950,334	$ 194,694	9.08%	$ 2,145,028	0	0.00%
Lynchburg Contracts & Other Waste	$ -	$ -	$ -	$ -	0.00%	$ -	0	0.00%
Market Rate Tonnage	$ 4,909,537	$ 4,909,537	$ 4,273,929	$ 635,608	12.95%	$ 5,007,725	98,188	2.00%
Subtotal Contract and Market Rate	$ 4,909,537	$ 4,909,537	$ 4,273,929	$ 635,608	12.95%	$ 5,007,725	98,188	2.00%
FY22 Airspace Reserve 25%						$ 324,598		
FY23 Airspace Reserve 25%	$ -		$ -	$ -		$ 311,039		
Total	$ 7,054,565	$ 7,054,565	$ 6,224,263	$ 830,302	11.77%	$ 7,788,390	733,825	10.40%

Per Ton Disposal Fees	FY2022 Approved Budget	FY 2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	% Difference (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Member Disposal Fee	$ 30.25	$ 30.250	$ 30.224	$ 0.026	0.09%	$ 30.250	0.00	0.00%
Cost of Service (COS) Tipping Fee	$ 30.25	$ 30.250	$ 28.290	$ 1.960	6.48%	$ 30.250	0.00	0.00%
Market Rate	$ 40.25	$ 40.250	$ 40.169	$ 0.081	0.20%	$ 40.250	0.00	0.00%

Region 2000 Services Authority Expenses

FY23 Budget Proposal

Schedule 2

FY2023 Rates
$30.25/$40.25

Expenses	(A) FY 2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
Personnel (Schedule 3)	$ 1,621,713	$ 1,236,780	$ 384,933	23.74%	$ 1,651,837	$ 30,124	1.86%
Landfill O & M (Schedule 4)	$ 1,547,244	$ 1,412,990	$ 134,254	8.68%	$ 1,604,762	$ 57,518	3.72%
Landfill Equipment Replacement Reserve	$ 463,375	$ 386,146	$ 77,229	16.67%	$ 705,000	$ 241,625	52.14%
Closure and Post-Closure Reserve Livestock Road	$ 450,000	$ 375,000	$ 75,000	16.67%	$ 600,000	$ 150,000	33.33%
Future Disposal Planning Reserve	$ -	$ -	$ -	0%	$ -	$ -	0.00%
O & M Reserve	$ -	$ -	$ -	0%	$ -	$ -	0.00%
Annual Debt Service -2011 Bond Debt	$ 829,225	$ 808,744	$ 20,481	2.47%	$ 829,017	$ 208	0.03%
2015 Bond Debt	$ 1,112,462	$ 808,808	$ 303,654	27.30%	$ 1,112,891	$ 429	0.04%
Phase V Funding - 2021 Bond Debt	$ -	$ 26,370	$ (26,370)	0.00%	$ 542,049	$ 542,049	
Internal Loan		$ -	$ -			$ -	
Annual Debt Service Subtotal	$ 1,941,687	$ 1,617,552	$ 324,135	16.69%	$ 2,483,957	$ 542,270	27.93%
Operating Expenses	$ 6,024,019	$ 5,028,469	$ 969,180	16.09%	$ 7,045,557	$ 1,021,538	16.96%
Reimbursable Personnel Costs (Schedule 5)	$ (46,715)	$ (39,715)	$ (7,000)	14.98%	$ (47,784)	$ 1,069	2.29%
Reimbursable O & M Costs (Schedule 5)	$ (121,500)	$ (115,329)	$ (6,171)	5.08%	$ (121,500)	$ -	0.00%
Late fees/Recycling Revenue/Fin charges	$ (20,000)	$ (37,820)	$ 17,820	-89.10%	$ (20,000)	$ -	0.00%
Interest Income-Operating (19% of Actual)	$ (1,000)	$ (36)	$ (964)	96.37%	$ (1,000)	$ -	0.00%
Late Fee, Recycling & Int Income	$ (21,000)	$ (37,856)	$ 16,856	-80.27%	$ (21,000)	$ -	0.00%
Net Cost of Service Operating Expense Total	**$ 5,834,804**	**$ 4,835,569**	**$ 972,865**	**16.67%**	**$ 6,855,273**		

Airspace Reserve	FY 2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change From FY22 Budget	%Change from FY22 Budget
Campbell County (Split is 75%)	$ 846,514	$ 947,934	$ 58,213	5.79%	$ 933,117	$ 86,603	10.23%
Airspace Reserve Subtotal	$ 846,514	$ 947,934	$ 58,213	4.02%	$ 933,117	$ 86,603	10.23%
Total Expenses	**$ 6,681,318**	**$ 5,908,285**	**$ 906,296**	**12.19%**	**$ 7,788,390**	**$ 1,107,072**	**16.57%**
Total Revenue Generating Tonnage	**192,886**	**170,927**	**21,959**	**10.72%**	**195,326**	**2,440**	**1.26%**
Disposal Cost per Ton	**$ 30.2500**	**$ 28.290**	**$ 1.960**	**6.86%**	**$ 35.097**	**$ 4.8466**	**16.02%**

Personnel

Schedule 3

	Account	(A) FY 2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Solid Waste Staff							
	Management							
41111	Salaries - Solid Waste Director	$ 130,495	$ 114,183	$ 16,312	12.50%	$ 143,870	$ 13,375	10.25%
41112	Salaries-Environ Compl & Safety	$ 60,525	$ 53,929	$ 6,596	10.89%	$ 65,510	$ 4,985	8.24%
41129	Salaries-Environ Technician	$ 51,513	$ 46,459	$ 5,054	9.81%	$ 54,000	$ 2,487	4.83%
41113	Salaries-Office Manager	$ 65,905	$ 62,625	$ 3,280	4.98%	$ 51,975	$ (13,930)	-21.14%
41114	Salaries-Finance Associate	$ 35,543	$ 28,001	$ 7,542	21.22%	$ 36,800	$ 1,257	3.54%
	Management	$ 343,981	$ 305,197	$ 38,784	11.28%	$ 352,155	$ 8,174	2.38%
	Salaries & Wages-Operations							
41121	Salaries & Wages-Operations Mgr	$ 68,636	$ 62,110	$ 6,526	9.51%	$ 83,237	$ 14,601	21.27%
41123	Salaries&Wages-Scale Operators	$ 89,277	$ 77,868	$ 11,408	12.78%	$ 98,717	$ 9,440	10.57%
41124	Salaries&Wages-Working FieldSupervisor	$ 50,942	$ 49,193	$ 1,749	3.43%	$ 56,163	$ 5,221	10.25%
41125	Salaries&Wages-Equipment Operators	$ 292,748	$ 254,295	$ 38,453	13.14%	$ 305,345	$ 12,597	4.30%
41127	Salaries&Wages- Maint Workers	$ 30,405	$ 5,560	$ 24,845	81.71%	$ 32,760	$ 2,355	7.75%
41128	Salaries&Wages-Mechanics	$ 89,955	$ 57,609	$ 32,346	35.96%	$ 101,332	$ 11,377	12.65%
	Operations	$ 621,963	$ 506,636	$ 115,327	18.54%	$ 677,554	$ 55,591	8.94%
	Salary	$ 965,944	$ 811,833	$ 154,111	15.95%	$ 1,029,710	$ 63,766	6.60%
	Total Salaries	$ 1,014,241	$ 811,833	$ 154,111	15.19%	$ 1,029,710	$ 63,766	1.53%
	Employee Benefits							
42210	VRS-Retirement	$ 54,549	$ 34,608	$ 19,941	36.56%	$ 55,381	$ 832	1.53%
42220	VRS Life Insurance (1.34%)	$ 13,955	$ 10,611	$ 3,344	23.96%	$ 14,168	$ 213	1.53%
42300	Employer Cost-Health Insurance	$ 210,585	$ 154,401	$ 56,184	26.65%	$ 227,345	$ 16,840	8.00%
42700	Employer Cost-Worker's Comp	$ 35,000	$ 24,326	$ 10,674	30.50%	$ 25,000	$ (10,000)	-28.57%
42100	Employer Cost-FICA	$ 78,627	$ 60,054	$ 18,573	23.62%	$ 79,826	$ 1,199	1.53%
42600	Unemployment Insurance	$ 8,000	$ -	$ 8,000	100.00%	$ 8,000	$ -	0.00%
	Operator Retention Benefits							
	Employee Benefits Subtotal	$ 400,635	$ 284,000	$ 116,636	29.11%	$ 409,719	$ 9,084	2.27%
	Overtime							
41200	Salaries and Wages - Overtime	$ 36,000	$ 29,784	$ 6,216	17.27%	$ 38,408	$ 2,408	6.69%
	Overtime Subtotal	$ 36,000	$ 29,784	$ 6,216	17.27%	$ 38,408	$ 2,408	6.69%
	Total Personnel Costs-Services Authority Staff	$ 1,450,876	$ 1,125,617	$ 276,963	19.09%	$ 1,477,837	$ 75,258	1.86%
	Local Government Council Staff							
43131	Prof Services-LGC-Salaries	$ 70,812	$ 58,114	$ 12,698	17.93%	$ 70,000	$ (812)	-1.15%
43132	Prof Services-LGC-Benefits	$ 40,795	$ 29,838	$ 10,957	26.85%	$ 44,000	$ 3,205	7.86%
43133	Prof Services-LGC Overhead	$ 59,230	$ 23,212	$ 36,018	60.81%	$ 60,000	$ 770	1.30%
	Total Personnel Costs-Region 2000 Staff	$ 170,837	$ 111,164	$ 59,673	34.93%	$ 174,000	$ 3,163	1.85%
	Total Personnel Costs	$ 1,621,713	$ 1,236,780	$ 384,933	23.74%	$ 1,651,837	$ 78,421	1.86%

Landfill Operating and Maintenance Expenses

Schedule 4

Account	Operations and Maintenance Cost Type	(A) FY2022 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Contractual Services							
43166	Software support-Paradigm	$ 7,000	8,833	$ (1,833)	-26.18%	$ 7,000	$ -	0.00%
43321	Communications M&R Service/Radio	$ 13,000	10,883	$ 2,117	16.28%	$ 13,000	$ -	0.00%
43313	Building M & R Services	$ 6,000	6,789	$ (789)	-13.15%	$ 6,000	$ -	0.00%
43171	Site Maintenance-Concord Turnpike	$ -	424	$ (424)	0.00%	$ -	$ -	0.00%
43172	Site Maintenance-Livestock Road	$ 35,000	54,490	$ (19,490)	-55.69%	$ 38,500	$ 3,500	10.00%
43170	Sedimentation Basin Cleaning	$ -	-	$ -	0.00%	$ -	$ -	0.00%
43169	Janitorial Services	$ 7,800	6,500	$ 1,300	16.67%	$ 7,800	$ -	0.00%
43110	Med/Dental/Pharm/Lab Services	$ -	-	$ -	0.00%	$ -	$ -	0.00%
43150	Legal Services	$ 30,000	77,242	$ (47,242)	-157.47%	$ 30,000	$ -	0.00%
43120	Accounting and auditing service	$ 9,000	11,592	$ (2,592)	-28.80%	$ 9,000	$ -	0.00%
43140	Engineering/Monitoring Services-Lynchburg	$ -	12,149	$ (12,149)	0.00%	$ -	$ -	0.00%
43140a	Engineering/Monitoring Services-Campbell	$ 125,000	160,122	$ (35,122)	-28.10%	$ 125,000		0.00%
43141	Professional Consulting Service	$ -	52,770	$ (52,770)	0.00%	$ -	$ -	0.00%
43160	Environmental Lab Services-Lynchburg	$ -	(562)	$ 562	0.00%	$ -	$ -	0.00%
43160a	Environmental Lab Services-Campbell	$ 8,000	13,133	$ (5,133)	-64.16%	$ 8,000	$ -	0.00%
43200	Temporary Help Service Fees	$ 30,000	17,242	$ 12,758	42.53%	$ 30,000	$ -	0.00%
43600	Advertising	$ 6,000	224	$ 5,776	96.27%	$ 6,000	$ -	0.00%
43176	Software Purchases-Other	$ 3,000	2,750	$ 250	8.33%	$ 3,000	$ -	0.00%
43167	Pest Control services	$ 1,000	800	$ 200	20.00%	$ 1,000	$ -	0.00%
43168	Investigative Services	$ 100	89	$ 12	11.50%	$ 100	$ -	0.00%
46011	Uniform Rental Services / Clothing Allowance beginning FY2020	$ 10,000	8,866	$ 1,134	11.34%	$ 10,000	$ -	0.00%
43161	Tire Shredding Services	$ 5,000	15,462	$ (10,462)	-209.24%	$ 5,000	$ -	0.00%
43165	Misc Contractual Services	$ 1,000	-	$ 1,000	100.00%	$ 1,000	$ -	0.00%
43177	Website, Media & Public Communications	$ 2,500	1,440	$ 1,060	42.40%	$ 2,500	$ -	0.00%
42850	Employee Med Exp-drug tests, ph	$ 1,500	535	$ 965	64.33%	$ 1,500	$ -	0.00%
46031	Heavy Equipment-Outside Repair	$ 60,000	74,688	$ (14,688)	-24.48%	$ 66,000	$ 6,000	10.00%
43173	Mechanical M&R Services	$ 4,000	10,491	$ (6,491)	-162.26%	$ 4,000	$ -	0.00%
43121	Payroll support services	$ 12,000	10,500	$ 1,500	12.50%	$ 12,000	$ -	0.00%
46017	Software Maint Contract-Accounting	$ 800	-	$ 800	100.00%	$ 800	$ -	0.00%
43162	HHW Disposal	$ -	(10,539)	$ 10,539	0.00%	$ -	$ -	0.00%
43163	Wood Waste Grinding	$ 10,000	-	$ 10,000	100.00%	$ 10,000	$ -	0.00%
	Contractual Services Subtotal	$ 387,700	546,911	$ (159,211)	-41.07%	$ 397,200	$ 9,500	2.45%

Landfill Operating and Maintenance Expenses

FY23 Budget Proposal

Schedule 4

Account	Operations and Maintenance Cost Type	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Supplies & Materials							
46001	Office Supplies/Audio Visual Supplies	$ 6,000	3,957	$ 2,043	34.06%	$ 6,000	$ -	0.00%
46002	Forms & Stationary	$ 1,500	272	$ 1,228	81.86%	$ 1,500	$ -	0.00%
46005	Custodial Supplies	$ 2,500	11	$ 2,489	99.58%	$ 2,500	$ -	0.00%
46033	Apparel/Protective Wear/Personal Protective Equipment	$ 3,000	2,226	$ 774	25.80%	$ 3,000	$ -	0.00%
46012	Books & Publications	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46013	Subscriptions	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46018	Safety Supplies	$ 3,000	4,054	$ (1,054)	-35.12%	$ 3,000	$ -	0.00%
46019	Awards & Recognitions	$ -	1,422	$ (1,422)	0.00%	$ -	$ -	0.00%
46020	Grounds Maintenance Supplies	$ 3,000	1,239	$ 1,761	58.70%	$ 3,000	$ -	0.00%
46026	Food & Dietary Supplies	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46022	Minor Equipment-Tools	$ 7,000	7,500	$ (500)	-7.14%	$ 7,000	$ -	0.00%
46021	Chemicals/gases	$ 500	917	$ (417)	-83.49%	$ 500	$ -	0.00%
43310	R & M- Office	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46009	Vehicle M&R Equipment Parts	$ 155,684	110,219	$ 45,466	29.20%	$ 171,252	$ 15,568	10.00%
46007	R&M Supplies-Building	$ 5,000	753	$ 4,247	84.93%	$ 5,000	$ -	0.00%
43312	R & M-Mechanical-Materials	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46016	Odor Control Operations & Materials	$ 100,000	44,897	$ 55,103	55.10%	$ 25,000	$ (75,000)	-75.00%
46032	Communications M & R Materials	$ 2,000	-	$ 2,000	100.00%	$ 2,000	$ -	0.00%
46025	Haul Road M&R Materials	$ 180,000	89,507	$ 90,493	50.27%	$ 198,000	$ 18,000	10.00%
46027	Daily Cover/Posi-Shell	$ 110,000	67,801	$ 42,199	38.36%	$ 121,000	$ 11,000	10.00%
45210	Postal Services	$ 2,000	1,086	$ 914	45.72%	$ 2,000	$ -	0.00%
45220	Messenger Services	$ -	59	$ (59)	0.00%	$ -	$ -	0.00%
43500	Printing & Binding	$ 1,000	147	$ 853	85.30%	$ 1,000	$ -	0.00%
46035	Shop Supplies	$ 15,000	24,122	$ (9,122)	-60.81%	$ 15,000	$ -	0.00%
42820	Education-Tuition Assistance	$ -	-	$ -	0.00%	$ -	$ -	0.00%
46023	Computer Materials & Repair	$ 10,000	9,823	$ 177	1.77%	$ 10,000	$ -	0.00%
46024	Mechanical M&R Materials	$ -	-	$ -	0.00%	$ -	$ -	0.00%
	Supplies & Materials Subtotal	$ 607,184	370,010	$ 237,174	39.06%	$ 576,752	$ (30,432)	-5.01%
	Gas/Diesel Fuel/Oil & Grease							
46008	Vehicle & Equipt Fuel-Diesel	$ 206,000	187,586	$ 18,414	8.94%	$ 283,250	$ 77,250	37.50%
46028	Vehicle & Equipt Fuel-Gasoline	$ 4,800	3,448	$ 1,352	28.16%	$ 6,000	$ 1,200	25.00%
46029	Vehicle & Equipt/Oil & Grease	$ 19,200	13,412	$ 5,788	30.15%	$ 19,200	$ -	0.00%
46008	Gas/Diesel Fuel/Oil & Grease Subtotal	$ 230,000	204,447	$ 25,553	11.11%	$ 308,450	$ 78,450	34.11%
						$ -		0.00%
	Rentals & Leases					$ -		0.00%
45410	Lease/Rent of Equipment-Office (Copier/postal meter)	$ 5,500	4,480	$ 1,020	18.55%	$ 5,500	$ -	0.00%
45411	Lease/Rent of Equipment-Landfill	$ 10,000	18,877	$ (8,877)	-88.77%	$ 10,000	$ -	0.00%
45420	Lease/Rent of Buildings	$ -	-	$ -	0.00%	$ -	$ -	0.00%

Landfill Operating and Maintenance Expenses

FY23 Budget Proposal

Schedule 4

Account	Operations and Maintenance Cost Type	FY2022 Approved Budget	Actuals Through 4/30/22	Budget Amount Remaining (A - B)	Budget % Remaining (C / A)	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Rentals & Leases Subtotal	$ 15,500	23,357	$ (7,857)	-50.69%	$ 15,500	$ -	0.00%
	Utilities & Natural Gas							
45230	Telephone/Internet	$ 20,000	11,914	$ 8,086	40.43%	$ 20,000	$ -	0.00%
45110	Electrical Services	$ 35,000	28,171	$ 6,829	19.51%	$ 35,000	$ -	0.00%
45130	Water & Sewer	$ 1,500	1,746	$ (246)	-16.43%	$ 1,500	$ -	0.00%
45120	Utilities - Propane Gas	$ 10,000	10,678	$ (678)	-6.78%	$ 10,000	$ -	0.00%
45231	Cellular Services & Pager	$ 3,960	2,220	$ 1,740	43.94%	$ 3,960	$ -	0.00%
	Utilities Subtotal	$ 70,460	54,729	$ 15,731	22.33%	$ 70,460	$ -	0.00%
						$ -	$ -	0.00%
45500	Travel & Training-Includes Continuing Education	$ 4,000		$ 4,000	100.00%	$ 4,000	$ -	0.00%
45510	Travel Mileage-Personal Vehicle	$ -	622	$ (622)	0.00%	$ -	$ -	0.00%
45530	Travel-Subsistence & Lodging	$ -	11	$ (11)	0.00%	$ -	$ -	0.00%
45540	Off-Site Training	$ -	2,005	$ (2,005)	0.00%	$ -	$ -	0.00%
46014	On-Site Training	$ 4,000	2,765	$ 1,235	30.89%	$ 4,000	$ -	0.00%
	Travel & Training Subtotal	$ 8,000	5,402	$ 2,598	32.47%	$ 8,000	$ -	0.00%
	Miscellaneous							
45800	Miscellaneous	$ 3,500	1,489	$ 2,011	57.44%	$ 3,500	$ -	0.00%
45810	Dues and Assoc Membership-Misc	$ 1,800	866	$ 934	51.89%	$ 1,800	$ -	0.00%
45801	Bank Service Charges	$ 3,600	6,185	$ (2,585)	-71.80%	$ 3,600	$ -	0.00%
45802	Cash Overage and (Shortage)	$ -	-	$ -	0.00%	$ -	$ -	0.00%
45803	Finance Charges paid to vendors	$ -	70	$ (70)	0.00%	$ -	$ -	0.00%
45804	Bad Debt Expense	$ 3,000	-	$ 3,000	100.00%	$ 3,000	$ -	0.00%
45840	VDEQ landfill fee - Misc	$ 33,000	31,134	$ 1,866	5.66%	$ 33,000	$ -	0.00%
	Misc Expenses Subtotal	$ 44,900	39,744	$ 5,156	11.48%	$ 44,900	$ -	0.00%
	Payments to Other Entities							
43164a	Leachate Treatment-LR facility	$ 20,000	7,167	$ 12,833	64.16%	$ 20,000	$ -	0.00%
45308	General Liability insurance	$ 42,000	45,894	$ (3,894)	-9.27%	$ 47,883	$ 5,883	14.01%
	Payments to Other Entities Subtotal	$ 62,000	53,061	$ 8,939	14.42%	$ 62,000	$ -	14.01%
						$ -		
	Sub-Total SA O & M Expenses	1,425,744	1,297,661	$ 128,083	8.98%	1,483,262	$ 57,518	4.03%
	Reimbursable O & M Expenses (see Reimbursable Schedule for Detail)	$ 121,500	115,329	$ 6,171	5.08%	$ 121,500	$ -	0.00%
	Grand Total Operations and Maintenance Cost	$ 1,547,244	$ 1,412,990	$ 134,254	8.68%	$ 1,604,762	$ 57,518	3.72%

Reimbursable Landfill Operating and Maintenance Expenses Personnel Costs

Schedule 5

Account	Operations and Maintenance Cost Type	(A) FY22 Approved Budget	(B) Actuals Through 4/30/22	(C) Budget Amount Remaining (A - B)	(D) Budget % Remaining (C / A)	Projected through 6/30/21	FY23 Proposed Budget	Change from FY22 Budget	%Change from FY22 Budget
	Reimbursable Landfill O & M Expenses								
	City of Lynchburg								
43140	Engineering/Monitoring Services	$ 60,000	$ 31,532	$ 28,468	47.4%	$ 61,758	$ 60,000	$ -	0.00%
43160	Environmental Lab Services	$ -	$ 3,783	$ (3,783)		$ 2,302	$ -	$ -	
43162	HHW Disposal	$ 28,050	$ 29,282	$ (1,232)	-4.4%	$ 28,457	$ 28,050	$ -	0.00%
	City of Lynchburg Subtotal	$ 88,050	$ 64,597	$ 23,453	26.6%	$ 92,517	$ 88,050	$ -	0.00%
	Campbell County								
43140a	Engineering/Monitoring/Remediation Services	$ 22,840	$ 45,512	$ (22,672)	-99.3%	$ 13,458	$ 22,840	$ -	0.00%
43160a	Environmental Lab Services	$ 5,000	$ 5,220	$ (220)	-4.4%	$ 1,750	$ 5,000	$ -	0.00%
43162	HHW Disposal	$ 5,610	$ -	$ 5,610	100.0%	$ -	$ 5,610	$ -	0.00%
43164a	Leachate Treatment	$ -	$ -	$ -		$ -	$ -	$ -	0.00%
	Campbell County Subtotal	$ 33,450	$ 50,732	$ (17,282)	-51.7%	$ 15,208	$ 33,450	$ -	0.00%
	Reimbursable Landfill O & M Expenses	$ 121,500	$ 115,329	$ 6,171	5.1%	$ 107,726	$ 121,500	$ -	0.00%
	Reimbursable Landfill Personnel Costs								
	City of Lynchburg								
	Concord Turnpike Personnel Costs	$ 40,715	$ 34,661	$ 6,054	14.9%	$ 39,816	$ 41,784	$ -	0.00%
	City of Lynchburg Subtotal	$ 40,715	$ 34,661	$ 6,054	14.9%	$ 39,816	$ 41,784	$ -	0.00%
	Campbell County								
	Environmental Compliance & Safety	$ 6,000	$ 5,054	$ 946	15.8%	$ 2,365	$ 6,000	$ -	0.00%
	Campbell County Subtotal	$ 6,000	$ 5,054	$ 946	15.8%	$ 2,365	$ 6,000	$ -	0.00%
	Reimbursable Landfill Personnel Costs	$ 46,715	$ 39,715	$ 7,000	15.0%	$ 42,181	$ 47,784	$ -	0.00%

Region 2000 Services Authority FY23

Schedule 7

Capital Equipment Fund

FY23 Capital Equipment Items (Preliminary)	Cost	Fund
Estimated Balance @ 6/30/2022		$ 423,435
FY 2023 Preliminary Purchases		
30 Ton Haul Truck	$ 450,000	
Undercarriage for 963 Track Loader	$ 45,000	
Remanufactured Compactor Wheels	$ 85,000	
Brush Mower for Skid Steeer	$ 8,000	
Street Broom for Skid Steer	$ 6,000	
Open Top Bin Replacement	$ 20,000	
Mobile Radio Replacements	$ 12,000	
Subtotal	$ 626,000	
Estimated Transfer from Operating Fund for FY2023		$ 705,000
Estimated Balance @ 6/30/2023		$ 502,435

Schedule 6

Region 2000 Services Authority
Balance Sheet

Assets		4/30/2022
Cash - 2015 Bond Funds		
Cash-US Bank-Bond Balance	$	125,417.73
Cash-US Bank-Bond Fund Payments	$	557,157.43
Total 2015 Bond Funds	$	682,575.16
Cash - 2020 Bond Funds		
Cash-US Bank-Bond Balance	$	-
Cash-US Bank-Bond Fund Payments	$	596,232.80
Cash - US Bank 2022 Bond Fund Balance	$	6,671,418.26
Cash-US Bank 2021 Bond Fund Payments	$	26,369.82
Total 2020 Bond Funds	$	7,294,020.88
Cash - Closure/Post-Closure		
Cash -SunTrust Closure/Post-Closure	$	58,435.57
Total C/PC Concord Tpk	$	58,435.57
LGIP-Concord Tpk - C/PC	$	2,218,486.84
Total Closure/PC - Concord Tpk	$	2,276,922.41
LGIP-Livestock Road - Purchased Contribution C/PC	$	992,032.33
LGIP-Livestock Road - SA Contribution C/PC thru FY20	$	1,378,738.27
Total Closure/PC - Livestock Rd	$	2,370,770.60
Total Closure/Post Closure	$	4,647,693.01
Cash-Operating Accounts		
Total Bank of the James Depository Account	$	26,714.00
Total SunTrust Operating Account	$	2,151,409.43
Suntrust CD for DEQ/Tires	$	6,000.00
LGIP-Environmental Remediation - FY2009 thru FY2017	$	572,753.43
LGIP-O&M Reserve	$	1,061,627.66
LGIP-Year End Fund Balance	$	1,423,838.72
LGIP- Year End Fund Balance - FY20	$	1,139,486.77
LGIP - Year End Fund Balance - FY21	$	1,475,383.91
Total Cash and LGIP	$	20,481,502.76
All Receivables for Operations	$	693,233.67
Receivable from City for CT Post Closure Care	$	637,144.43
Internal Loan Receivable	$	1,551,135.19
GASB 68 Deferred Pension Outflow & OPEB GLI	$	172,197.00
Prepaid Expenses	$	1,329.17
All Fixed Assets -less depreciation	$	12,614,368.04
Construction in Progress - LR projects	$	-
Total Assets	$	36,150,930.26
Liabilities		
Accounts Payable	$	54,508.25
Accrued OPEB Liabilities	$	512,748.55
GASB 68 Deferred Pension & OPEB Liabilities	$	62,084.00
Net Pension Liability	$	(456,125.00)
Accrued Interest Payable	$	43,499.36
Accrued Vacation Pay	$	82,516.69
Accrued Other Liabilities	$	-
Total Current Liabilities	$	299,231.85
Accrued P/C Cost-Concord Tpk - City of Lynchburg (71.6%)	$	1,784,590.30
Accrued P/C Cost-Concord Tpk - SA (28.4%)	$	705,727.85
Accrued Closure-P/C Cost-Livestock Road	$	10,172,479.81
Accrued Post-Closure-Concord Tpk - Other	$	182,574.03
Total Closure/Post-Closure	$	12,845,371.99
Debt		
Internal Loan Payable	$	1,551,135.19
2015 Bond Payable	$	2,437,000.00
2020 Bond Payable	$	3,145,000.00
2021 Bond Payable	$	6,775,000.00
Total Liabilities	$	27,052,739.03
Reserves/Fund Balance		
Restricted - Environmental Remediation Reserve	$	450,000.00
Restricted - YE Fund Balance Reserve	$	4,019,986.00
Restricted - Equipment Replacement Reserve	$	585,808.00
Restricted - Future Disposal Planning Reserve	$	86,242.38
Restricted - O & M Reserve	$	1,051,721.03
	$	6,193,757.41
Fund Balance	$	2,904,433.82
Total Liabilities & Equity	$	36,150,930.26

Current Balance Sheet

Financial Pro Forma
Region 2000 Services Authority
Financial Pro Forma

		Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020
1	**Disposal Rates**												
2	Cost of Service Rate	$22.62	$22.15	$25.50	$27.95	$25.98	$28.02	$28.75	$29.57	$30.68	$30.20	$28.89	$30.35
3	Member Rate	$25.00	$25.03	$25.03	$27.04	$28.03	$28.18	$28.75	$28.76	$28.77	$30.26	$30.27	$30.35
4	Other Contracts	$28.56	$28.25	$29.13	$29.59	$31.53	$34.02	$36.00	$38.15	$38.75	$40.25	$38.89	$40.35
5	Market Rate (Private Haulers)	$34.83	$34.94	$35.03	$37.00	$37.89	$37.98	$38.75	$38.75	$38.75	$40.26	$40.30	$40.35
6	Inert	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7													
8	**Operating Revenue**												
9	Member Cities	$2,137,667	$2,245,735	$2,283,851	$2,265,005	$2,176,730	$2,128,711	$2,191,706	$2,130,813	$2,115,109	$2,175,953	$2,213,395	$2,243,699
10	Lynchburg Contracts & Other Waste	$870,645	$1,146,292	$751,732	$887,096	$887,293	$874,370	$909,338	$487,898	$0	$0	$0	$0
11	Market Rate and Other Contract Tonnage	$3,614,392	$3,692,249	$3,452,718	$3,972,934	$5,162,917	$3,902,163	$4,061,766	$4,430,738	$4,582,148	$4,833,731	$4,974,168	$4,633,406
12	Total Operating Revenue	$6,622,704	$7,084,276	$6,488,301	$7,125,035	$8,226,940	$6,905,244	$7,162,810	$7,049,449	$6,697,257	$7,009,684	$7,187,563	$6,877,105
13													
14	**Operating Expenditures**												
15	Personnnel	$1,077,658	$1,176,899	$1,154,400	$1,171,431	$1,260,128	$1,310,327	$1,318,903	$1,329,463	$1,419,579	$1,461,075	$1,482,722	$1,504,072
16	Landfill O&M	$1,156,838	$1,220,182	$1,444,126	$1,348,614	$1,335,570	$1,583,454	$1,399,379	$1,777,472	$1,524,150	$1,554,748	$1,570,122	$1,544,287
17	Equipment Replacement Reserve Contribution	$406,524	$434,982	$457,941	$457,941	$307,941	$300,000	$400,000	$408,000	$356,160	$450,000	$438,049	$426,385
18	Equipment Lease Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	Authority Closure and Post-Closure Contributions	$465,732	$408,661	$518,702	$900,000	$985,000	$781,111	$790,252	$704,905	$649,511	$600,237	$389,567	$390,000
20	O&M Reserve Contribution	$0	$0	$0	$188,850	$200,000	$141,716	$0	$0	$0	$0	$73,324	$75,000
21	Environmental Remediation Reserve	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$0	$0	$0
22	Future Disposal Planning Reserve	$50,000	$50,000	$50,000	$0	$0	$0	$0	$0	$50,000	$40,000	$36,278	$25,000
23	Other					$67,000	$0	$0	$0	$0	$0	$0	$0
24	Subtotal Operating Expenses	$3,206,762	$3,338,724	$3,675,169	$4,116,836	$4,205,639	$4,166,608	$3,958,534	$4,269,840	$4,059,400	$4,106,060	$3,990,062	$3,964,744
25	Interest and Other Income	($132,462)	($37,931)	($31,503)	($17,895)	($42,102)	($20,609)	($11,733)	($12,538)	($23,557)	($21,250)	($34,059)	($36,908)
26	Closure Liability Accrual from Lynchburg				($429,600)								
27	Revenue Offset from Reserves												
28	Reimburable Expenses	($271,835)	($282,384)	($346,673)	($177,969)	($243,041)	($364,640)	($245,186)	($375,383)	($224,373)	($248,783)	($232,186)	($137,650)
29	**Total Operating Expenditures**	$2,802,465	$3,018,409	$3,296,994	$3,491,372	$3,920,496	$3,781,359	$3,701,615	$3,881,919	$3,811,470	$3,836,027	$3,723,807	$3,790,186
30													
31	**Revenues Available for Debt Service**	$3,820,239	$4,065,867	$3,191,307	$3,633,663	$4,306,444	$3,123,885	$3,461,195	$3,167,530	$2,885,787	$3,173,657	$3,463,756	$3,086,919
32													
33	**Debt Service (DS)**												
34	Series 2008 Debt (payment to escrow account)	$1,768,309	$2,209,522	$2,202,162	$2,200,609	$1,738,376	$0	$0	$0	$0	$0	$0	$0
35	Series 2011 Debt (payment to escrow account)	$0	$0	$0	$487,625	$628,583	$1,979,303	$2,101,854	$955,852	$852,128	$851,373	$850,352	$853,281
36	Property Acquisition (Internal Loan)	$0	$0	$0	$0	$0	$0	$223,172	$304,462	$109,409	$0	$0	$0
37	Phase IV Landfill (payment to escrow account)	$0	$0	$0	$0	$0	$0	$16,577	$807,517	$1,111,197	$1,109,942	$1,105,378	$1,103,497
38	Phase V Landfill	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
39	**Total Debt Service**	$1,768,309	$2,209,522	$2,202,162	$2,688,233	$2,366,960	$1,979,303	$2,341,703	$2,067,831	$2,072,734	$1,961,315	$1,955,730	$1,956,778
40													
41	**Total Expenses**												
42	Subtotal Operating Expenses and Debt Service	$4,570,774	$5,227,931	$5,499,156	$6,179,605	$6,287,456	$5,760,662	$6,043,318	$5,949,750	$5,884,204	$5,797,342	$5,679,537	$5,746,964
43	Offset from Operating Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44	Offset from Airspace Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
45	Total Operating Expenses and Debt Service	$4,570,774	$5,227,931	$5,499,156	$6,179,605	$6,287,456	$5,760,662	$6,043,318	$5,949,750	$5,884,204	$5,797,342	$5,679,537	$5,746,964
46													
47	**Distibution of Airspace Reserve**												
48	City of Lynchburg	$547,331	$604,284	$302,678	$289,298	$363,317	$354,051	$398,350	$354,847	$291,861	$369,507	$430,738	$430,091
49	Campbell County	$900,635	$994,352	$686,467	$656,120	$823,993	$802,978	$903,447	$804,784	$661,932	$838,033	$976,902	$707,716
50	Total	$1,447,966	$1,598,636	$989,145	$945,418	$1,187,310	$1,157,029	$1,301,797	$1,159,631	$953,793	$1,207,540	$1,407,640	$1,137,807
51													
52	**Net Operating Revenues**	$603,964	$257,709	$0	$12	$752,174	($12,447)	($182,305)	($59,932)	($140,740)	$4,802	$100,386	($7,666)
53	**Additional Reserve Contributions (Withdrawals)**	$0	$0	$0	$0	($752,174)	$0	$182,305	$0	$0	($4,802)	$0	$0
54	**Net Operating Revenues after Reserve Contr.**	$603,964	$257,709	$0	$12	$0	($12,447)	$0	($59,932)	($140,740)	$0	$100,386	($7,666)

Financial Pro Forma
Region 2000 Services Authority
Financial Pro Forma

		Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
1	**Disposal Rates**									
2	Cost of Service Rate	$30.25	$30.25	$31.84	$35.01	$36.27	$37.54	$38.77	$40.01	$40.68
3	Member Rate	$30.25	$30.25	$30.25	$33.42	$34.67	$35.95	$37.18	$38.42	$39.09
4	Other Contracts	$40.25	$40.25	$40.25	$43.42	$44.67	$45.95	$47.18	$48.42	$49.09
5	Market Rate (Private Haulers)	$40.25	$40.25	$40.25	$43.42	$44.67	$45.95	$47.18	$48.42	$49.09
6	Inert	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7										
8	**Operating Revenue**									
9	Member Cities	$2,385,554	$2,145,028	$2,145,021	$2,369,521	$2,458,745	$2,549,283	$2,636,608	$2,724,346	$1,869,942
10	Lynchburg Contracts & Other Waste	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Market Rate and Other Contract Tonnage	$4,961,779	$4,909,537	$5,007,733	$5,401,632	$5,558,180	$5,717,036	$5,870,253	$6,024,194	$4,120,245
12	Total Operating Revenue	$7,347,333	$7,054,565	$7,152,755	$7,771,153	$8,016,925	$8,266,320	$8,506,861	$8,748,540	$5,990,187
13										
14	**Operating Expenditures**									
15	Personnel	$1,516,460	$1,621,713	$1,651,837	$1,684,874	$1,718,571	$1,752,943	$1,788,001	$1,823,762	$1,254,922
16	Landfill O&M	$1,622,050	$1,547,244	$1,604,762	$1,636,857	$1,669,594	$1,702,986	$1,737,046	$1,771,787	$1,219,159
17	Equipment Replacement Reserve Contribution	$500,000	$463,375	$705,000	$600,000	$400,000	$250,000	$100,000	$50,000	$25,000
18	Equipment Lease Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	Authority Closure and Post-Closure Contributions	$353,546	$450,000	$600,000	$300,000	$1,875,000	$2,650,000	$2,975,000	$3,200,000	$2,317,786
20	O&M Reserve Contribution	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	Environmental Remediation Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	Future Disposal Planning Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0
23	Other	$19,000	$0	$0	$0	$0	$0	$0	$0	$0
24	Subtotal Operating Expenses	$4,011,056	$4,082,332	$4,561,599	$4,221,731	$5,663,166	$6,355,929	$6,600,048	$6,845,550	$4,816,868
25	Interest and Other Income	($46,370)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($21,000)	($14,167)
26	Closure Liability Accrual from Lynchburg									
27	Revenue Offset from Reserves									
28	Reimburable Expenses	($149,907)	($168,215)	($169,284)	($172,670)	($176,123)	($179,646)	($183,238)	($186,903)	($128,607)
29	**Total Operating Expenditures**	$3,814,779	$3,893,117	$4,371,315	$4,028,061	$5,466,043	$6,155,283	$6,395,810	$6,637,647	$4,674,095
30										
31	**Revenues Available for Debt Service**	$3,532,554	$3,161,448	$2,781,440	$3,743,092	$2,550,883	$2,111,036	$2,111,051	$2,110,892	$1,316,093
32										
33	**Debt Service (DS)**									
34	Series 2008 Debt (payment to escrow account)	$0	$0	$0	$0	$0	$0	$0	$0	$0
35	Series 2011 Debt (payment to escrow account)	$834,121	$829,225	$829,016	$829,423	$69,122	$0	$0	$0	$0
36	Property Acquisition (Internal Loan)	$0	$0	$0	$0	$310,227	$310,227	$310,227	$310,227	$310,227
37	Phase IV Landfill (payment to escrow account)	$1,112,212	$1,112,462	$1,112,891	$1,112,820	$370,913	$0	$0	$0	$0
38	Phase V Landfill	$0	$43,950	$542,049	$1,178,769	$1,178,541	$1,178,729	$1,178,744	$1,178,585	$687,420
39	**Total Debt Service**	$1,946,333	$1,985,636	$2,483,957	$3,121,012	$1,928,803	$1,488,956	$1,488,971	$1,488,812	$997,647
40										
41	**Total Expenses**									
42	Subtotal Operating Expenses and Debt Service	$5,761,112	$5,878,753	$6,855,272	$7,149,073	$7,394,845	$7,644,240	$7,884,781	$8,126,460	$5,671,741
43	Offset from Operating Reserve	$0	($43,950)	$0	$0	$0	$0	$0	$0	$0
44	Offset from Airspace Reserve	$0	$0	($635,637)	($311,040)	($311,040)	($311,040)	($311,040)	($311,040)	($311,040)
45	Total Operating Expenses and Debt Service	$5,761,112	$5,834,804	$6,219,635	$6,838,033	$7,083,805	$7,333,200	$7,573,741	$7,815,420	$5,360,701
46										
47	**Distibution of Airspace Reserve**									
48	City of Lynchburg	$430,671	$62,208	$0	$0	$0	$0	$0	$0	$0
49	Campbell County	$976,751	$903,436	$933,120	$933,120	$933,120	$933,120	$933,120	$933,120	$629,486
50	Total	$1,407,422	$965,643	$933,120	$933,120	$933,120	$933,120	$933,120	$933,120	$629,487
51										
52	**Net Operating Revenues**	$178,799	$254,118	$0	$0	$0	$0	$0	$0	($1)
53	**Additional Reserve Contributions (Withdrawals)**	$0	$0	$0	$0	$0	$0	$0	$0	$0
54	**Net Operating Revenues after Reserve Contr.**	$178,799	$254,118	$0	$0	$0	$0	$0	$0	($1)

CLERK NELSON COU
CIRCUIT COURT

COVER SHEET FOR FILING CIVIL ACTIONS

COMMONWEALTH OF VIRGINIA

Case No. CL22000180-00

(CLERK'S OFFICE USE ONLY)

Nelson County MAY 27 2022 Circuit Court

Nelson County (PLAINTIFF(S)) v./In re: Region 2000 Services Authority (DEFENDANT(S))

Appomattox County

FILED

I, the undersigned [ ] plaintiff [ ] defendant [X] attorney for [X] plaintiff [ ] defendant hereby notify the Clerk of Court that I am filing the following civil action. (Please indicate by checking box that most closely identifies the claim being asserted or relief sought.)

GENERAL CIVIL

Subsequent Actions

- [ ] Claim Impleading Third Party Defendant
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Counterclaim
  - [ ] Monetary Damages
  - [ ] No Monetary Damages
- [ ] Cross Claim
- [ ] Interpleader
- [ ] Reinstatement (other than divorce or driving privileges)
- [ ] Removal of Case to Federal Court

Business & Contract

- [ ] Attachment
- [ ] Confessed Judgment
- [ ] Contract Action
- [ ] Contract Specific Performance
- [ ] Detinue
- [ ] Garnishment

Property

- [ ] Annexation
- [ ] Condemnation
- [ ] Ejectment
- [ ] Encumber/Sell Real Estate
- [ ] Enforce Vendor's Lien
- [ ] Escheatment
- [ ] Establish Boundaries
- [ ] Landlord/Tenant
  - [ ] Unlawful Detainer
- [ ] Mechanics Lien
- [ ] Partition
- [ ] Quiet Title
- [ ] Termination of Mineral Rights

Tort

- [ ] Asbestos Litigation
- [ ] Compromise Settlement
- [ ] Intentional Tort
- [ ] Medical Malpractice
- [ ] Motor Vehicle Tort
- [ ] Product Liability
- [ ] Wrongful Death
- [ ] Other General Tort Liability

ADMINISTRATIVE LAW

- [ ] Appeal/Judicial Review of Decision of (select one)
  - [ ] ABC Board
  - [ ] Board of Zoning
  - [ ] Compensation Board
  - [ ] DMV License Suspension
  - [ ] Employee Grievance Decision
  - [ ] Employment Commission
  - [ ] Local Government
  - [ ] Marine Resources Commission
  - [ ] School Board
  - [ ] Voter Registration
  - [ ] Other Administrative Appeal

DOMESTIC/FAMILY

- [ ] Adoption
  - [ ] Adoption – Foreign
- [ ] Adult Protection
- [ ] Annulment
  - [ ] Annulment – Counterclaim/Responsive Pleading
- [ ] Child Abuse and Neglect – Unfounded Complaint
- [ ] Civil Contempt
- [ ] Divorce (select one)
  - [ ] Complaint – Contested*
  - [ ] Complaint – Uncontested*
  - [ ] Counterclaim/Responsive Pleading
  - [ ] Reinstatement – Custody/Visitation/Support/Equitable Distribution
- [ ] Separate Maintenance
  - [ ] Separate Maintenance Counterclaim

WRITS

- [ ] Certiorari
- [ ] Habeas Corpus
- [ ] Mandamus
- [ ] Prohibition
- [ ] Quo Warranto

PROBATE/WILLS AND TRUSTS

- [ ] Accounting
- [ ] Aid and Guidance
- [ ] Appointment (select one)
  - [ ] Guardian/Conservator
  - [ ] Standby Guardian/Conservator
  - [ ] Custodian/Successor Custodian (UTMA)
- [ ] Trust (select one)
  - [ ] Impress/Declare/Create
  - [ ] Reformation
- [ ] Will (select one)
  - [ ] Construe
  - [ ] Contested

MISCELLANEOUS

- [ ] Amend Death Certificate
- [ ] Appointment (select one)
  - [ ] Church Trustee
  - [ ] Conservator of Peace
  - [ ] Marriage Celebrant
- [ ] Approval of Transfer of Structured Settlement
- [ ] Bond Forfeiture Appeal
- [ ] Declaratory Judgment
- [ ] Declare Death
- [ ] Driving Privileges (select one)
  - [ ] Reinstatement pursuant to § 46.2-427
  - [ ] Restoration – Habitual Offender or 3rd Offense
- [ ] Expungement
- [ ] Firearms Rights – Restoration
- [ ] Forfeiture of Property or Money
- [ ] Freedom of Information
- [X] Injunction
- [ ] Interdiction
- [ ] Interrogatory
- [ ] Judgment Lien-Bill to Enforce
- [ ] Law Enforcement/Public Official Petition
- [ ] Name Change
- [ ] Referendum Elections
- [ ] Sever Order
- [ ] Taxes (select one)
  - [ ] Correct Erroneous State/Local
  - [ ] Delinquent
- [ ] Vehicle Confiscation
- [ ] Voting Rights – Restoration
- [ ] Other (please specify)

[ ] Damages in the amount of $ ..... are claimed.

5/26/2022
DATE

[ ] PLAINTIFF [ ] DEFENDANT [X] ATTORNEY FOR [X] PLAINTIFF [ ] DEFENDANT

Phillip Payne
PRINT NAME

POB 299
ADDRESS/TELEPHONE NUMBER OF SIGNATOR

Lovingston, Va. 22949

EMAIL ADDRESS OF SIGNATOR (OPTIONAL)

*"Contested" divorce means any of the following matters are in dispute: grounds of divorce, spousal support and maintenance, child custody and/or visitation, child support, property distribution or debt allocation. An "Uncontested" divorce is filed on no fault grounds and none of the above issues are in dispute.

FORM CC-1416 (MASTER) PAGE ONE 07/16

OFFICIAL RECEIPT
NELSON CIRCUIT COURT
CIVIL

DATE : 05/27/2022 **TIME :** 11:02:05 **CASE # :** 125CL2200018000
RECEIPT # : 22000003311 **TRANSACTION # :** 22052700004
CASHIER : ALD **REGISTER # :** H464 **FILING TYPE :** INJ **PAYMENT :** FULL PAYMENT
CASE COMMENTS : NELSON COUNTY v. REGION 2000 SERVICES AUT
SUIT AMOUNT : $0.00
ACCOUNT OF : NELSON COUNTY
PAID BY : NELSON COUNTY
CASH : $0.00
DESCRIPTION 1 : INJ:INJUNCTION P PETITION FOR TEMPORARY INJUNCTION
2 : PLAINTIFF: NELSON COUNTY
3 : NO HEARING SCHEDULED

ACCOUNT CODE	DESCRIPTION	PAID
049	WRIT TAX (CIVIL)	$0.00
106	TECHNOLOGY TRST FND	$0.00
123	LEGAL AID SERVICES	$0.00
147	INDIGENT ASSISTANCE (INA)	$0.00
170	COURT TECHNOLOGY FUND	$0.00

ACCOUNT CODE	DESCRIPTION	PAID
206	SHERIFF FEES	$0.00
219	LAW LIBRARY	$0.00
229	COURTHOUSE MAINTENANCE FEE (CHMF)	$0.00
304	CIVIL FILING FEE (LAW & EQUITY)	$0.00

TENDERED : $ 0.00
AMOUNT PAID : $ 0.00

CLERK OF COURT : LISA D. BRYANT

COMMONWEALTH OF VIRGINIA

NELSON CIRCUIT COURT
Civil Division
BOX 10
LOVINGSTON VA
(434) 263-7020

Proof Of Service

Virginia:
In the NELSON CIRCUIT COURT

Case number: 125CL22000180-00
Service number: 001
Service filed: May 27, 2022
Judge:

Served by: RICHMOND CITY

Style of case: NELSON COUNTY vs REGION 2000 SERVICES AUTHORITY

Service on: WILLIAM H HEFTY ESQ
HEFTY, WILEY & GORE
100 WEST FRANKLIN STREET
SUITE 300
RICHMOND VA 23220

Attorney:

Instructions:

Hearing date :
Service issued: Friday, May 27, 2022

For Sheriff Use Only

Mailed 5/27/2022 to Richmond City, SC

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
and	)	
APPOMATTOX COUNTY, VIRGINIA,	)	Case No. CL22000180-00
Petitioners,	)	
v.	)	
REGION 2000 SERVICES AUTHORITY,	)	
Respondent.	)	

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

MOTION FOR LEAVE TO INTERVENE

COME NOW the County of Campbell, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Campbell") and the City of Lynchburg, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Lynchburg"), by counsel, and pursuant to Rule 3:14 of the Virginia Supreme Court, hereby move the Court for leave to intervene as parties Respondent in this proceeding. In support of their Motion, Campbell and Lynchburg state as follows:

INTRODUCTION

The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Charter was issued by the Virginia State Corporation Commission on December 28, 2007. The Authority's Articles of Incorporation were amended and restated, and a Certificate of Restatement was issued thereto by the Virginia State Corporation Commission effective June 20, 2008. The Authority's principal office address is 361 Livestock Rd., Rustburg, Virginia 24588, an address within the confines of Campbell County, Virginia, which is also the location of the landfill managed by the Authority.

The Authority is governed by its Amended and Restated Articles of Incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter. The Bylaws are attached hereto as Exhibit "A", the Amended and Restated Articles of Incorporation are attached hereto as Exhibit "A1", the initial MUA dated January 31, 2008 is attached hereto as Exhibit "B", and the first amendment to the MUA, dated June 20, 2008, is attached hereto as Exhibit "C".

The Authority, together with all four of its member jurisdictions, are currently before the bar of the Campbell County Circuit Court in that certain matter pending as County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00. All five parties thereto are represented by counsel. The amended Complaint pending in the Campbell County matter is attached hereto as Exhibit "D", the Demurrer of the County of Appomattox is attached hereto as Exhibit "E", and the Demurrer and Plea in Bar of the County of Nelson is attached hereto as Exhibit "F".

Following a hearing on February 25, 2022, the Judge of the Campbell County Circuit Court issued a letter ruling dated March 18, 2022, which ruling was materially unfavorable to the positions of the counties of Appomattox and Nelson. The letter ruling is attached hereto as Exhibit "G" and the Order following that ruling is attached hereto as Exhibit "H". Following the entry of the Order attached hereto as Exhibit "H", the County of Appomattox filed an Answer in the Campbell County matter, which Answer is attached hereto as Exhibit "I"; and the County of Nelson filed an Answer, which Answer is attached hereto as Exhibit "J". Following the Court's unfavorable ruling towards the Petitioners, and within days of the filing of Appomattox and

Nelson's Answers, Appomattox County and Nelson County filed a separate pleading concerning the same operative dispute, in another venue, without notice to the parties before another court.

All previously cited exhibits are hereby expressly incorporated herein by reference.

ARGUMENT

Virginia Supreme Court Rule 3:14 provides that "[a] new party may by leave of court file a pleading to intervene as a plaintiff or defendant to assert any claim or defense germane to the subject matter of the proceeding." A claim or defense is "germane" if it is "relevant to or closely allied" to the subject matter of the pending proceeding. Stephen v. Dickens, 63 Va. Cir. 403, 404 (Cir. Ct. City of Norfolk 2003) (citations omitted). When a new party's claim is germane to the subject matter of the pending proceeding, leave to intervene "should be granted liberally by the trial court in furtherance of the ends of justice." See Layton v. Seawall Enters., Inc., 231 Va. 402, 406 (1986). To become a party by intervention, the intervener must "assert some right involved in the suit." Id. (citing Lile's Equity Pleading and Practice at 91 (3rd ed. 1952)).

Campbell and Lynchburg respectfully represent that their interests are at stake in the instant matter, and that Campbell and Lynchburg have the same right to be represented by counsel and raise arguments that the counties of Appomattox and Nelson do in the Campbell County matter—*to-wit:* they are member jurisdictions of the Authority and stand to materially benefit from the distribution of excess revenue required by the MUA and the policy in question.

Further, in addition to the right to intervene, Campbell and Lynchburg assert that the case at bar may not proceed without Campbell and Lynchburg being before the Court. Without naming it as such, the Counties of Appomattox and Nelson seek a declaratory judgment on the issue of distribution of excess revenue pursuant to a written document. Problematically for Petitioners, the Supreme Court of Virginia has specifically held that Courts may not provide declaratory relief

unless all parties with an interest are before the court. See Erie Ins. Group v. Hughes, 240 Va. 165, 169 (1990).

Appomattox and Nelson's actions in filing the case at bar amount to a transparent attempt at forum shopping following an unfavorable ruling, respectively, to their Demurrers and a Plea in Bar. Attempting to secure injunctive relief without notice to counsel for known represented parties evidences an intent to circumvent justice rather than to obtain it. Campbell and Lynchburg should be allowed to intervene as parties in the instant matter to present, by counsel, their arguments concerning Petitioners request for an injunction, and they should be allowed to be heard on their Motion to Consolidate, filed contemporaneously herewith.

CONCLUSION

WHEREFORE, Campbell and Lynchburg, by counsel, respectfully request:

1) that the Court grant them leave to intervene in this action as parties Respondent and to file an Answer or other responsive pleading to Petitioners' Petition for Temporary Injunction within twenty-one (21) days of the entry of the order allowing intervention;
2) that the Court order that counsel of record for Campbell and Lynchburg be copied on all pleadings filed in this matter;
3) that counsel of record for Campbell and Lynchburg be notified in writing in advance of any mediation, settlement conference, arbitration or other alternative dispute resolution in this action so that they may have a reasonable opportunity to attend and participate;
4) that the Court take no action in this matter until Campbell and Lynchburg have had an opportunity to be heard by the Court in this matter; and
5) that a hearing be set on this Motion for the purpose of allowing oral argument.

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB No. 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

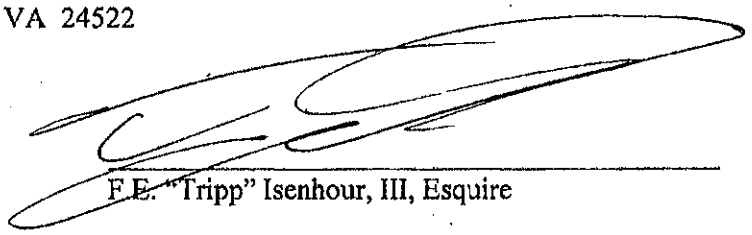
CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of June, 2022, a true and correct copy of the foregoing Motion for Leave to Intervene was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522



F.E. "Tripp" Isenhour, III, Esquire

COMMONWEALTH OF VIRGINIA

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 13 2022
FILED

NELSON CIRCUIT COURT
Civil Division
BOX 10
LOVINGSTON VA
(434) 263-7020

ORIGINAL FOR RETURN

Proof Of Service

Virginia:
In the NELSON CIRCUIT COURT

Case number: 125CL22000180-00
Service number: 001
Service filed: May 27, 2022
Judge:

Served by: RICHMOND CITY

Style of case: NELSON COUNTY vs REGION 2000 SERVICES AUTHORITY

Service on: WILLIAM H HEFTY ESQ
HEFTY, WILEY & GORE
100 WEST FRANKLIN STREET
SUITE 300
RICHMOND VA 23220

Attorney:

Instructions:

Hearing date :
Service issued: Friday, May 27, 2022

For Sheriff Use Only

NAME SAME AND ADDRESS AS FRONT

☐ PERSONAL SERVICE
☑ Being unable to make personal service, a copy was delivered in the following manner:
☐ Delivered to person found in charge of usual place of business or employment during business hours and giving information to its purport.
☐ Delivered to family member (not temporary sojourner or guest) age 16 or older at usual place of abode of party named above giving information of its purport.
List name, age of recipient and relation of recipient to party name above.
.....
☐ Posted on the front door or such other door as appears to be the main entrance of usual place of abode, address listed above. (Other authorized recipient not found.)
.....
☐ Served on officer or managing employee who is not an officer of the corporation.
.....
☐ Evicted ☐ Not Evicted
☐ Served on registered agent ☐ Affidavit attached
.....
☐ Not found
☐ NO EFFECTS FOUND

DEPUTY SHERIFF
H. Jackson
FOR
Sheriff Antionette V. Irving
DATE
JUN 06 2022

VIRGINIA:

IN THE CIRCUIT COURT OF NELSON COUNTY

Nelson County, *et al.*, Petitioners,	)	
	)	NOTICE
v.	)	CL2200018000
Region 2000 Services Authority, Respondent.	)	

PLEASE TAKE NOTICE that on August 3, 2022, at 9:30 o'clock a.m., or as soon thereafter as the matter may be heard, in the Circuit Court of Nelson County, Lovingston, Virginia, petitioners' prayer for a temporary injunction will come on for hearing.

Nelson County

By Phillip Payne
~~Of counsel~~

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's notice was mailed first-class postage prepaid this 16th day of June, 2022, to:

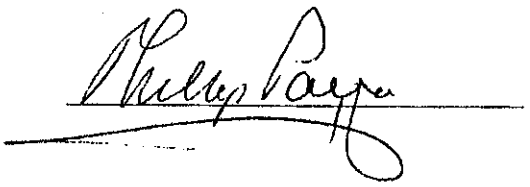
F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 16 2022
FILED

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



6/3/2

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
	)	
and	)	
	)	
APPOMATTOX COUNTY, VIRGINIA,	)	Case No. CL22000180-00
	)	
Petitioners,	)	
	)	
v.	)	
	)	
REGION 2000 SERVICES AUTHORITY	)	
	)	
Respondent.	)	

MOTION TO CONSOLIDATE

COME NOW, the interveners, County of Campbell, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Campbell") and the City of Lynchburg, a Political Subdivision of the Commonwealth of Virginia (hereinafter "Lynchburg"), by counsel, pursuant to the authority of Allstate Ins. Co. v. Wade, 265 Va. 383 (2003), and for the reasons provided in the Motion for Leave to Intervene filed contemporaneously herewith, move the Court to consolidate this case for purposes of discovery and trial with the case of County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00, and in support thereof respectfully state as follows:

1. The instant matter requests that the Court interpret the Member Use Agreement and a certain Financial Policy Guideline document concerning "Excess Revenue", as that term is defined in the Member Use Agreement of the Region 2000 Services Authority.

2. The matter before the Court in Campbell County, Virginia requests that the Court interpret the Member Use Agreement concerning "Excess Revenue", as that term is defined in the

Member Use Agreement of the Region 2000 Services Authority. In the Campbell County, Virginia matter, all necessary parties are before the Court, represented by counsel, have appeared and filed pleadings, and have appeared before the Court for *ore tenus* argument.

3. The witnesses for both cases will be the same.

4. Both cases involve interpretation of the written Member Use Agreement of the Region 2000 Services Authority as it relates to the defined term "Excess Revenue".

5. Consolidating the two cases for the purposes of discovery and trial not only serves the purpose of judicial economy, but also avoids the possibility of conflicting court orders.

6. The matter pending in Campbell County, Virginia has been pending for some time, and the Court has issued a substantive ruling on the initial responsive pleadings filed by the County of Nelson and the County of Appomattox.

7. The matter pending in Campbell County, Virginia is pending in the jurisdiction where the landfill is located and where the staff of the Region 2000 Services Authority work.

WHEREFORE, Campbell and Lynchburg, by counsel, respectfully request:

1) that the Court consolidate this case with the case of County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia, Campbell County Circuit Court Case No. CL20002216-00; and

2) that a hearing be set on this Motion for the purpose of allowing oral argument.

(Remainder of Page Intentionally Left Blank)

Respectfully Submitted:

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB No. 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of June, 2022, a true and correct copy of the foregoing Motion to Consolidate was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

F.E. "Tripp" Isenhour, III, Esquire

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

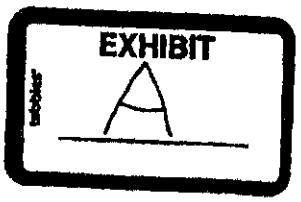
2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:



(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE REGION 2000 SERVICES AUTHORITY

Article 1. The Region 2000 Services Authority **(the "Authority")** has been created and established as a body politic and corporate in the Commonwealth of Virginia, and its Articles of Incorporation are hereby amended and restated. The principal office of the Authority shall be located with the Virginia's Region 2000 Partnership Local Government Council at 828 Main Street, 12th Floor, Lynchburg, Virginia 24505 and shall consistently reside with the Local Government Council offices in the future.

Article 2. The names of the localities participating in the Authority are the Counties of Appomattox, Campbell and Nelson, and the Cities of Bedford and Lynchburg.

Article 3. The Authority shall consist of a board of five members, with one member appointed by the local governing body of each jurisdiction. The terms of the initial members of the board shall expire June 30, 2010. Members shall then be appointed for four year terms. The names and addresses of the initial members of the Board are:

Appomattox County

Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522

Campbell County

R. David Laurrell, County Administrator
P.O. Box 100, Rustburg, VA 24588

Nelson County

Stephen A. Carter, County Administrator
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg

L. Kimball Payne, III, City Manager
900 Church Street, Lynchburg, VA 24504

City of Bedford

Charles Kolakowski, City Manager
P.O. Box 807, Bedford, VA 24523

Article 4. Each local governing body also may select an alternate board member to have all of the voting and other rights of a board member if the board member is not present at a meeting of

EXHIBIT
A 1

the Authority. The term for each alternate shall be the same as the term of the board member. The following persons are appointed to serve as the initial alternates to the board of Authority:

Appomattox County

John K. Spencer
P.O. Box 863, Appomattox, VA 24522

Campbell County
Clifton M. Tweedy
P.O. Box 100, Rustburg, VA 24588

Nelson County
Susan E. McSwain
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg
David A. Owen
900 Church Street, Lynchburg, VA 24504

City of Bedford
Barrett F. Warner
P.O. Box 807, Bedford, VA 24523

Article 5. The Authority is created and established under the provisions of the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 (Section 15.2-5100 et. seq. of the Code of Virginia) (the "Act"). The authority shall have all powers and duties set forth in the Act, as the same may be from time to time amended. The initial project of the Authority shall be to own and operate as a regional entity the landfills that are currently owned and operated by the City of Lynchburg and Campbell County, and to accept municipal solid waste generated within each of the participating jurisdictions (and from outside the jurisdictions if approved by the Authority) in those landfills in accordance with a Member Use Agreement to be approved by each of the local governing bodies, as it may be amended from time to time. It is anticipated that the use of the landfills will be phased, with the Campbell County Landfill being temporarily closed while the Lynchburg landfill is being utilized to its operating capability. The initial capital cost to purchase the landfill's, including the site improvements, landfill capacity and land, buildings, equipment and rolling stock, and the closure and post-closure reserve funds, less the outstanding debt and the closure and post-closure liability for each locality, result in a payment to the City of Lynchburg of $1,714,840, and a payment from Campbell County of $270,000, for a net capital cost of $1,444,840. The preliminary estimate of the cost per ton to the localities for solid waste delivered to the landfills owned by the Authority is $23.91 per ton. It is impractical at this time to determine a per ton charge for private haulers using the landfills. Both the capital cost figure and the cost per ton are preliminary figures and are subject to change.

Article 6. All members of the board shall serve without compensation, but may be reimbursed by the Authority for their actual expenses incurred in the course of their duties.

Article 7. Existing members of the Authority may withdraw from membership, and other localities may join the Authority, as provided in Section 15.2-5112 of the Code of Virginia , as amended. In the event other localities join the Authority, they will be asked to reimburse the localities which initially created the Authority for a fair share of the development costs of the Authority.

Article 8. All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangement through the Virginia's Region 2000 Local Government Council. Subject to the approval of the Authority Board, it is the intent of the Member Jurisdictions that the Executive Director of Virginia's Region 2000 Local Government Council be appointed by the Authority to serve as the chief administrative or executive officer of the Authority pursuant to Section 15.2-5113(E) of the Code of Virginia.

City of Bedford, Virginia

By: William A. Harp, Mayor

[Signature Page to Follow]

City of Lynchburg, Virginia

By: _____

[Signature Page to Follow]

County of Appomattox, Virginia

By: W. H. Light

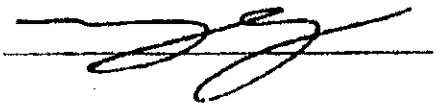
[Signature Page to Follow]

County of Campbell, Virginia

By: Hugh T. Pendleton Jr.

[Signature Page to Follow]

County of Nelson, Virginia

By: 

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January 2006, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

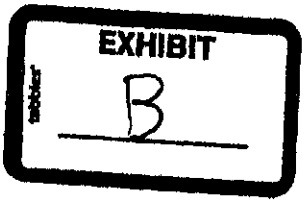
R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:



ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

	County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Mary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Puckett

Title Chairman

ATTEST:

Catherine H. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

2223

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

_____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D. Shaw
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Catherine W. Frost
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

[illegible]

EXHIBIT
C

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law. Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction **("Member Jurisdiction Default")**.

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

[W0709511 / 011135-070764]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

FINAL REPORT

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

MARCH 19, 2008

R·W·BECK

EXHIBIT
Holder
D

Financial Inventory and Fiscal Year 2009 Annual Budget

Region 2000 Services Authority

Table of Contents

Table of Contents
List of Tables
List of Figures

Section 1 Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction 1-1
1.2 Use of Financial Inventory 1-1
1.3 Assets 1-2
1.3.1 Site Improvements 1-2
1.3.2 Landfill Capacity and Land 1-2
1.3.3 Buildings 1-3
1.3.4 Equipment and Rolling Stock 1-3
1.3.5 Closure and Post-Closure Reserve Funds 1-4
1.3.6 Potential Assets 1-4
1.3.7 Assets to be Used but not Owned by the Authority 1-5
1.4 Liabilities 1-5
1.4.1 Existing Debt and Leases 1-5
1.4.2 Closure and Post-Closure Costs 1-6
1.4.3 Existing Closed Landfills 1-6
1.5 Asset and Liability Summary 1-7
1.6 Final Financial True-Up 1-9

Section 2 FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction 2-1
2.2 Authority Revenues for FY 2009 2-1
2.3 Authority Expenses for FY 2009 2-2
2.3.1 Personnel 2-3
2.3.2 Landfill Operations and Maintenance 2-3
2.3.3 Equipment Acquisition and Replacement 2-4
2.3.4 Closure and Post-Closure 2-5
2.3.5 Debt Service 2-6
2.3.6 Other Reserve Funds 2-7
Debt Service Reserve 2-7
Potential Environmental Remediation 2-8

Future Disposal Planning Reserve 2-9
2.3.7 Reimbursable Expenses 2-9
2.3.8 Distribution of Excess Revenue 2-10
2.4 Summary of Annual Budget 2-11
2.5 Other Financial Issues 2-12
2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill 2-13
2.5.2 Disposal Payments 2-13
2.5.3 Participation by Additional Communities 2-14
2.5.4 Future Use of Reserve Funds 2-14

List of Tables

Table 1-1 Categories of Assets and Liabilities 1-1
Table 1-2 Site Improvement Asset Summary by Landfill 1-2
Table 1-3 Landfill Capacity and Land Asset Summary by Landfill 1-3
Table 1-4 Buildings Asset Summary by Landfill 1-3
Table 1-5 Equipment and Rolling Stock Asset Summary by Landfill 1-4
Table 1-6 Summary of Existing Closure and Post-Closure Liabilities and Savings by Landfill 1-6
Table 1-7 Asset and Liability Summary by Landfill 1-7
Table 2-1 Summary of Disposal Fee Revenue 2-2
Table 2-2 Summary of Planned Debt Service 2-7
Table 2-3 Summary of Planned Debt Service 2-8
Table 2-4 Financial Responsibilities at Inactive Portions of Landfills 2-10
Table 2-5 Excess Revenue 2-10
Table 2-6 Current Airspace Contribution Estimate (as of July 1, 2008) 2-11
Table 2-7 FY 2009 Operating Expenses and Debt Service 2-12
Table 2-8 Total Net Revenue 2-12
Table 2-9 Pre-Paid Disposal Fees 2-14

List of Figures

Figure 2-1: Annual Vehicle Replacement 2-5

Appendix: Financial Schedules

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

Copyright 2008, R. W. Beck, Inc.
All rights reserved.

Section 1
Financial Inventory of Existing Solid Waste Assets and Liabilities

1.1 Introduction

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

Table 1-1
Categories of Assets and Liabilities

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

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

1.2 Use of Financial Inventory

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

1.3 Assets

1.3.1 Site Improvements

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

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

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

Table 1-2
Site Improvement Asset Summary by Landfill

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

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

1.3.2 Landfill Capacity and Land

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

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

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

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

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

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

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

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

1.3.3 Buildings

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

Table 1-4
Buildings Asset Summary by Landfill

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

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

1.3.4 Equipment and Rolling Stock

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

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

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

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

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

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

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

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

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

1.3.5 Closure and Post-Closure Reserve Funds

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

1.3.6 Potential Assets

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

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

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

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

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

1.3.7 Assets to be Used but not Owned by the Authority

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

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

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

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

1.4 Liabilities

1.4.1 Existing Debt and Leases

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

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

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

1.4.2 Closure and Post-Closure Costs

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

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

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

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

1.4.3 Existing Closed Landfills

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

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

1.5 Asset and Liability Summary

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

Table 1-7
Asset and Liability Summary by Landfill

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

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

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

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

- Equipment and rolling stock.

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

After the above transactions, the Authority is left with:

- Debt in the amount of $9,905,712 associated with the assets in Table1-7 [3];
- Ownership of the two landfills, including site improvements; landfill capacity and land; buildings; and equipment and rolling stock;
- Closure and post-closure liability totaling $6,255,604; and
- Closure and post-closure reserve equal to the closure and post-closure liability.

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

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

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

1.6 Final Financial True-Up

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

[This page intentionally left blank]

Section 2
FY 2009 Annual Budget and Other Financial Issues

2.1 Introduction

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

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

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

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

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

2.2 Authority Revenues for FY 2009

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

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

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

Table 2-1
Summary of Disposal Fee Revenue

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

2.3 Authority Expenses for FY 2009

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

2.3.1 Personnel

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

- Benefits:
  - Pension plan: 12.6 percent of total salaries
  - Health insurance: $363.38 per employee per month
  - Dental insurance: $11.50 per employee per month
  - Workers compensation insurance: $18,928 annually[1]
  - FICA: 7.7 percent of total salaries
- Overtime: 2 percent of total salaries

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

2.3.2 Landfill Operations and Maintenance

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

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

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

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

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

2.3.3 Equipment Acquisition and Replacement

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

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

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

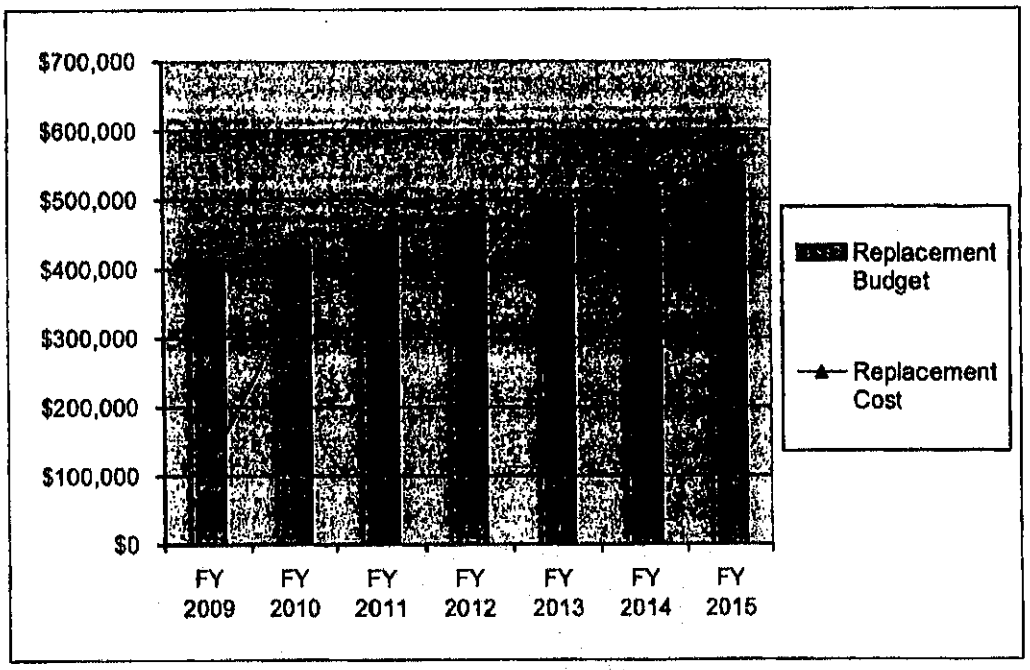


Figure 2-1: Annual Vehicle Replacement

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

2.3.4 Closure and Post-Closure

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

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

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

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

2.3.5 Debt Service

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

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

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

Table 2-2
Summary of Planned Debt Service

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

[1] The amount shown is adjusted for inflation based on the year financed.
[2] Includes existing site improvement, landfill capacity and land, and buildings.
[3] Amount shown is net of any equipment sold by the Authority.
[4] Estimate provided by Draper Aden Associates.

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

2.3.6 Other Reserve Funds

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

Debt Service Reserve

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

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

Table 2-3
Summary of Planned Debt Service

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

Potential Environmental Remediation

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

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

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

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

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

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

Future Disposal Planning Reserve

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

Operations and Maintenance Reserve Fund

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

2.3.7 Reimbursable Expenses

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

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

Table 2-4
Financial Responsibilities at Inactive Portions of Landfills

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

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

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

2.3.8 Distribution of Excess Revenue

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

Table 2-5
Excess Revenue

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

[1] ($31.320 - $22.5286) x 42,753 tons = $375,858
[2] ($35.000 - $22.5286) x 117,628 tons = $1,466,984

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

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

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

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

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

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

2.4 Summary of Annual Budget

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

Table 2-7
FY 2009 Operating Expenses and Debt Service

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

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

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

Table 2-8
Total Net Revenue

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

2.5 Other Financial Issues

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

2.5.1 Sharing the Gas Payment Right at the Lynchburg Landfill

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

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

2.5.2 Disposal Payments

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

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

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

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

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

Table 2-9
Pre-Paid Disposal Fees

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

2.5.3 Participation by Additional Communities

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

2.5.4 Future Use of Reserve Funds

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

FY 2009 Disposal Fee Revenue

Schedule 1

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

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

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

FY 2009 Expenses

Schedule 2

Expenses

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

FY 2009 Expenses

Schedule 2

Reimbursable Expenses and Interest Income

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

Net Cost of Service Operating Expense Total	**($5,788,120)**
Total Tonnage	**$256,923**
Disposal Cost per Ton	**$22.53**

Airspace Reserve		
Authority	($368,568)	
Lynchburg	($547,069)	
Campbell	($927,205)	
Airspace Reserve Subtotal		**($1,842,842)**
O&M Reserve Contribution		**($238,692)**

Total Expenses	**($7,869,554)**

Personnel

Schedule 3

Solid Waste Staff

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

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

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

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

Local Government Council Staff

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

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

Overhead	48.9%	Salary + Benefits	$36,574
Total Personnel Costs - Regional Staff			**$110,384**
Total Personnel Costs			**$1,311,325**

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

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

Landfill Operating and Maintenance Expenses

Schedule 4

City of Lynchburg	
Engineering/Monitoring Services	$25,600
Environmental Lab Services	$20,500
Tire Shredding	$8,200
HHW Disposal	$15,400
Wood Waste Grinding	$61,500
Leachate Treatment	$60,800
Campbell County	
Engineering/Monitoring/Remediation Services	$102,500
Environmental Lab Services	$51,300
Leachate Treatment	$7,700
Reimburable Landfill O&M Expenses Subtotal	**$353,500**
Total	**$1,768,200**

Equipment

Schedule 5

Description	Original Cost	Year Acquired	Remaining Life	Acquisition Cost	Need Replacement	Replacement Year	Replacement Cost	Useful Life
Hydro Seeding System with Air Gap Flywell	$8,679	1992	0.0	$266	Y	2009	$13,510	5
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$8,850	1993	0.0	$266	Y	2009	$13,138	10
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$5,275	1994	0.0	$248	Y	2009	$11,984	5
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$12,359	1994	5.0	$4,607	Y	2015	$20,758	10
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$5,045	1995	0.0	$151	Y	2009	$7,128	7
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Steel Deck Truck Scale	$60,175	2002	4.0	$24,070	Y	2013	$78,955	10
Portable Radios (16)	$32,400	1995	0.0	$972	Y	2009	$45,780	10
Mobile Radios (20) (mounted on equipment)	$36,000	1995	2.0	$4,800	Y	2011	$53,442	15
J. D. Rubber Tire Loader	$111,719	2006	10.0	$93,099	Y	2019	$154,006	12
Dozer (D6)	$286,793	1993	0.0	$20,076	Y	2009	$425,748	12
Tractor (John Deere 6200)	$44,872	1994	0.0	$1,346	N	0	$0	12
Street Flusher	$146,217	2006	10.0	$121,846	Y	2019	$201,562	12
Dump Truck	$41,356	1994	0.0	$1,241	Y	2009	$58,869	12
Pick-up 4X4	$22,002	2001	1.0	$2,750	Y	2010	$27,477	8
Dump Truck #1 w/Hook-Lift	$100,359	2002	2.0	$25,090	Y	2011	$125,335	8
Dump Truck #2 w/Hook-Lift	$144,933	2008	8.0	$144,933	Y	2017	$181,001	8
Truck	$25,980	2002	1.0	$3,711	Y	2010	$31,654	7
Forklift	$20,835	1997	1.0	$1,736	Y	2010	$28,721	12
Flatbed Trailer	$2,552	1997	1.0	$213	Y	2010	$3,518	12
Flatbed Trailer	$2,552	1998	2.0	$425	Y	2011	$3,518	12
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$1,395	1998	2.0	$233	Y	2011	$1,923	12
Snow Spreader for 4x4 truck (Western)	$2,100	1998	0.0	$63	Y	2009	$2,755	8
Pan Scraper (Wheel Scraper)	$319,000	2002	1.0	$45,571	Y	2010	$388,671	7
John Deere Riding Mower	$3,999	2002	2.0	$1,000	Y	2011	$4,994	8
Bushhog Mower (attach)	$5,400	2001	1.0	$675	Y	2010	$6,744	8
Compactor (Bomag)	$486,423	2007	4.5	$437,781	Y	2013	$564,102	5
Compactor (BOMAG)	$311,034	2004	1.0	$62,207	Y	2010	$360,704	5
973 Track Loader (CAT)	$291,624	2004	1.0	$58,325	Y	2010	$338,194	5
Open Top Bins (10)	$30,000	1998	0.0	$900	Y	2009	$39,363	10
Lawn Mower (Gravely M12S)	$5,529	1994	0.0	$175	Y	2009	$8,442	6
Chainsaw	$319	2001	0.0	$10	Y	2009	$389	5
Large Generator (KOHLR 20ROZJ61)	$10,000	1994	0.0	$300	Y	2009	$14,483	12
Freon Remover	$595	2005	2.0	$238	Y	2011	$690	5
Dodge Neon	$11,930	2004	6.0	$7,158	Y	2015	$15,653	10
Fuel Truck	$108,965	2005	9.0	$81,724	Y	2018	$150,209	12
Dozer (D3)	$60,987	1993	0.0	$4,269	Y	2009	$90,536	12
Ford Taurus	$13,484	2006	6.0	$10,113	Y	2015	$16,840	8
Hydroseeder (2007 Finn LF120)	$50,985	2007	4.0	$40,788	Y	2013	$59,127	5
Horizontal Silo	$69,500	2007	9.0	$62,550	Y	2018	$91,190	10
Riding Lawn Mower (John Deere)	$3,600	2004	3.0	$1,543	Y	2012	$4,386	7
Riding Lawn Mower (John Deere - LX 280)	$3,790	2006	5.0	$2,707	Y	2014	$4,618	7
Subtotal	$3,363,290			$1,294,246				

Equipment

Schedule 5

	Replacement Schedule (FY)						
Equipment	2009	2010	2011	2012	2013	2014	2015
Hydro Seeding System with Air Gap Fillwell	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121	$3,121
Washer, Pressure Jet-A-Way, Trailer - Mounted, Portable	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701	$1,701
File Server, 486DX, 16 MEG RAM, 3.5" Media, 14" Color Monitor, Keyboard, Novell Netware	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768	$2,768
Emergency Light Tower, Amida Model 5080-4MH Model Trailer Mounted 8KW Air Cooled Diesel Generator	$0	$0	$0	$0	$0	$0	$2,688
Video Surveillance System, Equipment, Cable, Connectors, and Hardware	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232	$1,232
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Steel Deck Truck Scale	$0	$0	$0	$0	$10,225	$10,225	$10,225
Portable Radios (18)	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929	$5,929
Mobile Radios (20) (mounted on equipment)	$0	$0	$5,149	$5,149	$5,149	$5,149	$5,149
J. D. Rubber Tire Loader	$0	$0	$0	$0	$0	$0	$0
Dozer (D6)	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035	$48,035
Tractor (John Deere 6200)	$0	$0	$0	$0	$0	$0	$0
Street Flusher	$0	$0	$0	$0	$0	$0	$0
Dump Truck	$6,756	$6,756	$6,756	$6,756	$6,756	$6,756	$6,756
Pick-up 4X4	$0	$4,251	$4,251	$4,251	$4,251	$4,251	$4,251
Dump Truck #1 w/Hook-Lift	$0	$0	$19,392	$19,392	$19,392	$19,392	$19,392
Dump Truck #2 w/Hook-Lift	$0	$0	$0	$0	$0	$0	$0
Truck	$0	$5,470	$5,470	$5,470	$5,470	$5,470	$5,470
Forklift	$0	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240
Flatbed Trailer	$0	$397	$397	$397	$397	$397	$397
Flatbed Trailer	$0	$0	$397	$397	$397	$397	$397
Small Trailer (1998 Homestead Cargo - used for Freon recovery)	$0	$0	$217	$217	$217	$217	$217
Snow Spreader for 4x4 truck (Western)	$426	$426	$426	$426	$426	$426	$426
Pan Scraper (Wheel Scraper)	$0	$67,170	$67,170	$67,170	$67,170	$67,170	$67,170
John Deere Riding Mower	$0	$0	$773	$773	$773	$773	$773
Bushhog Mower (attach)	$0	$1,043	$1,043	$1,043	$1,043	$1,043	$1,043
Compactor (Bomag)	$0	$0	$0	$0	$130,293	$130,293	$130,293
Compactor (BOMAG)	$0	$83,314	$83,314	$83,314	$83,314	$83,314	$83,314
973 Track Loader (CAT)	$0	$78,114	$78,114	$78,114	$78,114	$78,114	$78,114
Open Top Bins (10)	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098	$5,098
Lawn Mower (Gravely M12S)	$1,663	$1,663	$1,663	$1,663	$1,663	$1,663	$0
Chainsaw	$90	$90	$90	$90	$90	$90	$90
Large Generator (KOHLR 20ROZJ61)	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634	$1,634
Freon Remover	$0	$0	$159	$159	$159	$159	$159
Dodge Neon	$0	$0	$0	$0	$0	$0	$2,027
Fuel Truck	$0	$0	$0	$0	$0	$0	$0
Dozer (D3)	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215	$10,215
Ford Taurus	$0	$0	$0	$0	$0	$0	$2,605
Hydroseeder (2007 Finn LF120)	$0	$0	$0	$0	$13,657	$13,657	$13,657
Horizontal Silo	$0	$0	$0	$0	$0	$0	$0
Riding Lawn Mower (John Deere)	$0	$0	$0	$758	$758	$758	$758
Riding Lawn Mower (John Deere - LX 280)	$0	$0	$0	$0	$0	$798	$798
Subtotal	$88,670	$331,670	$357,757	$358,515	$522,915	$523,713	$529,371
	Present Value	$2,186,011					

Equipment

Schedule 5

Category	Original Cost	Year Acquired	Remaining Life	Net Financing Needed	Need Replacement	Replacement Year	Replacement Cost *	Useful Life
Scale	$51,000	[redacted]	0.0	$1,530	Y	2009	$65,284	10
Above ground fuel tank	$18,000	[redacted]	0.0	$540	Y	2009	$23,042	10
2003 Pick-up truck	$20,737	[redacted]	0.5	$1,728	Y	2009	$23,754	6
Scalehouse software and hardware (including accounting system)	$17,000	[redacted]	0.5	$1,700	Y	2009	$18,996	5
1973 Fruehauf Tank Trailer	$5,125	[redacted]	4.5	$577	Y	2013	$0	40
2000 Mad Vac Trailer	$18,507	[redacted]	11.5	$10,699	Y	2020	$22,952	20
2002 Lowboy Trailer	$23,863	[redacted]	8.5	$13,522	Y	2017	$28,018	15
2004 Caterpillar 836G-11 Compactor	$392,970	[redacted]	5.4	$314,376	Y	2015	$408,906	8
Waste Oil Furnace	$5,495	[redacted]	9.0	$4,946	N	0	$5,632	10
Leachate truck (5100 International)	$40,000	[redacted]	2.0	$6,667	Y	2011	$51,203	12
Gas Meter and Water Level Indicator	$4,250	[redacted]	13.0	$2,908	N	0	$4,929	19
Subtotal	$597,047			$359,192				

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

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

Equipment

Schedule 5

Equipment	2009	2010	2011	2012	2013	2014	2015
Scale	$8,455	$8,455	$8,455	$8,455	$8,455	$8,455	$8,455
Above ground fuel tank	$2,984	$2,984	$2,984	$2,984	$2,984	$2,984	$2,984
2003 Pick-up truck	$4,680	$4,680	$4,680	$4,680	$4,680	$4,680	$4,680
Scalehouse software and hardware (including accounting system)	$4,388	$4,388	$4,388	$4,388	$4,388	$4,388	$4,388
1973 Fruehauf Tank Trailer	$0	$0	$0	$0	$0	$0	$0
2000 Med Vac Trailer	$0	$0	$0	$0	$0	$0	$0
2002 Lowboy Trailer	$0	$0	$0	$0	$0	$0	$0
2004 Caterpillar 836G-11 Compactor	$0	$0	$0	$0	$0	$0	$63,251
Waste Oil Furnace	$0	$0	$0	$0	$0	$0	$0
Leachate truck (6100 International)	$0	$0	$5,777	$5,777	$5,777	$5,777	$5,777
Gas Meter and Water Level Indicator	$0	$0	$0	$0	$0	$0	$0
Subtotal	$20,507	$20,507	$26,284	$26,284	$26,284	$26,284	$89,535
	Present Value	$186,296					

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

Total	$109,176	$352,177	$384,840	$384,798	$549,199	$549,997	$818,805

Summary	Total Acquisition Cost	Annual Payment
Vehicle Acquisition	$1,660,438	$290,413
Vehicle Replacement Fund		$406,525
Total		$696,938

Landfill Capital

Schedule 6

Lynchburg				
Existing Site Improvements	Original Cost	Acquisition Cost		
Land, Site Prep., Grading, Clearing, Access Roads, Fencing	$194,925	$72,656	2009	5
Pipe, Sewer 18" Concrete 3993 LF Landfill-Concord Turnpike	$253,684	$94,558	2009	5
Landfill Site Preparation, Grading, Clearing, Re-Routing Waterways, Wood Waste Area	$2,040,762	$760,668	2009	5
Storm Drainage	$99,189	$36,972	2009	5
Pipe, Water, 8" Diameter, Approx. 1,785LF	$69,614	$25,948	2009	5
Pipe, Sewer, 8" Diameter, Approx. 1,180LF	$88,158	$32,860	2009	5
Concrete Pad	$58,327	$21,741	2009	5
Asphalt Paving, Entrance & Access Roads, C&G, Oper. Bldg. Prkng-800SY Appx. $15000, & Admin Bldg $2500	$664,945	$247,850	2009	5
Guardrail	$33,531	$12,498	2009	5
Fencing, Wood & Chain Link	$23,717	$8,840	2009	5
Sediment Basin #3	$6,649	$2,478	2009	5
Erosion Control System, Straw Bales, Siltation Control Fences, Brush Barriers, Riprap	$135,354	$50,451	2009	5
Electrical Wiring	$45,690	$17,031	2009	5
Pipe, Water, 1" Copper, 68LF	$2,985	$1,113	2009	5
Pipe, Sewer, 12" RCP. W/One Manhole, 30LF	$4,377	$1,632	2009	5
Pipe, Water, 1 1/2" Copper, 180LF	$996	$371	2009	5
Pipe, Sewer, 24" Di, 60LF	$4,710	$1,755	2009	5
Landfill, Earthwork, Pushed Area For Rock Tenn	$1,039	$387	2009	5
Pipe, Sewer, 4" PVC, 115LF	$3,545	$1,321	2009	5
Pipe, Sewer, 4" PVC, 2 Lines, 130LF(total)	$3,206	$1,195	2009	5
Pipe, Sewer, 2" Copper W/Meter Box & Yoke, 90LF	$1,850	$689	2009	5
Pipe, Sewer, 8" VC, 128LF	$7,787	$2,903	2009	5
Pipe, Sewer, 8" VC, 128LF	$3,894	$1,451	2009	5
Pipe, Sewer, 8" DI Cl. 50, 292LF	$23,027	$8,583	2009	5
Asphalt & Concrete Paving, Curbs, Gutters, Sidewalk Ditches, & Shoulder Stone	$31,770	$11,842	2009	5
Curbs & Gutters, 220LF	$5,505	$2,052	2009	5
Curb & Gutter, 211LF	$2,496	$930	2009	5
Asphalt Paving, Nickerson Drive	$4,219	$1,573	2009	5
Asphalt Paving, Industrial Dump Site, Access Road, Turnaround Area	$36,978	$13,783	2009	5
Lighting System, Roadway, 41 Poles w/400W Mounted Lights, Aerial Cables, Remote Control Wiring, 24Hr.	$126,932	$47,312	2009	5
Gate, Rear Entry to Landfill, 30'	$13,758	$5,128	2009	5
Pipe-Leachate 2,500 LF	$84,435	$9,091	2009	5
Land Improvements	$5,797	$624	2009	5
Pipe	$9,275	$999	2009	5
Landfill Monitoring System (Infrared Analyzer for Methane & Carbon Dioxide)	$3,456	$1,728	2009	5
	$4,096,580	**$1,501,011**		
Landfill Capacity and Land	Original Cost	Acquisition Cost		
Construction and Components of Phase III Landfill Development	$1,898,134	$754,265	2009	5
Land, Sanitary Landfill Concord Turnpike - 9.80 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.02 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 4.75 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 8.13 Acres Tax Map	$9,760	$3,638	2009	5
Land, Sanitary Landfill Concord Turnpike - 0.40 Acres Tax Map	$1,998	$745	2009	5
Land, Sanitary Landfill Concord Turnpike - 22.84 Acres Tax Map	$38,985	$14,531	2009	5
Land, Sanitary Landfill Concord Turnpike - 28.70 Acres Tax Map	$52,176	$19,448	2009	5
Land, Sanitary Landfill Concord Turnpike - 2.67 Acres Tax Map	$74,475	$27,760	2009	5
Land, Sanitary Landfill Concord Turnpike - Approx. 2 Acres Tax Map	$71,751	$26,744	2009	5
Land, Sanitary Landfill, Property Fronting Concord Turnpike Tax Map	$10,148	$3,783	2009	5
Land, Sanitary Landfill, Tyreeanna Rd.,Tax Maps	$45,803	$17,072	2009	5
Landfill Liner System, Clay Liner	$505,261	$188,330	2009	5
Landfill Liner System, Leachate Collection 6" Perforated PVC Pipe In 1 1/2" VDOT #3 Stone	$120,887	$45,059	2009	5
Landfill Liner System, HDPE Liner, 60 Mils. Dense, GEONET Liner, Non-Woven, GEOT Extile Heat Bonded	$844,507	$314,779	2009	5
Landfill Liner System, Cushion Layers, Soil and Stone	$728,874	$271,678	2009	5
Landfill, Design & Engineering	$458,198	$170,787	2009	5
Environmental Assessments, Tyreeanna Land Purchase	$53,405	$19,906	2009	5

Landfill Capital

Schedule 6

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

Landfill Capital **Schedule 6**

Lynchburg				
None	$0	--		
Total	**$0**			
Campbell				
Mothballing Costs	$532,472	2009	$532,472	13
Transition of equipment, scales, supplies etc.	$25,000	2014	$28,286	8
Scale House Improvements	$179,000	2014	$202,522	8
Reconfigure Livestock Rd - Calohan Rd Intersection	$0	2014	$0	8
Total	**$736,472**		**$763,279**	
Landfill Development Expenses				
Campbell	$13,026,047	2014	$15,483,876	8

Closure and Post-Closure

Schedule 7

Regional Entity Start Date 7/1/2008

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

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

Borrowing Costs and Debt Service Reserve

Schedule 8

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

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

Interest Earned on Reserve Accounts

Schedule 9

Environmental Remeditation	$50,000	$1,250
Future Diposal Planning and Engineering	$50,000	$1,250
Total	**$100,000**	**$2,500**

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

REGION 2000 SERVICES AUTHORITY

BYLAWS

ARTICLE I – THE BOARD

1.1 Description. The Region 2000 Services Authority (the "Authority") was created by an Agreement by and among the Authority and the counties of Nelson and Campbell and the cities of Bedford and Lynchburg (the "Agreement").

1.2 Membership. The powers of the Authority shall be exercised by a Board as set forth in the Agreement, including alternates.

ARTICLE II – OFFICERS

2.1 Chairman. The Board shall select a Chairman from among its membership. The chairman shall preside at all meetings of the Board, shall appoint from time to time such committees as he may deem appropriate, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.2 Vice-Chairman. The Board shall also elect a Vice-Chairman from among its membership. The Vice-Chairman shall preside at all meetings of the Board when the Chairman is not in attendance, and shall have such other powers or duties as may be prescribed in these Bylaws.

2.3 Secretary. The Board shall elect a secretary, who need not be a member of the Board, to assist in keeping the minutes of the Board.

2.4 Treasurer. The Board shall elect a treasurer, who need not be a member of the Board, who shall have responsibility for reviewing the financial activities of the Authority.

2.5 Terms. Following the initial election of officers, officers shall be elected at the regular meeting of the Board in June of each year, or at such other meeting as determined by the Board. Such officers shall serve for a term of one year beginning on July 1 and ending on the following June 30. Officers may be re-elected to more than one term. The initial officers shall serve until June 30, 2009. Officers shall remain in office until their successors are elected.

2.6 Vacancies. Vacancies in any office shall be filled by the Board when they occur.

2.7 Alternate Chairman. In the event neither the Chairman or Vice Chairman is in attendance, the alternate for the Chairman or Vice Chairman in attendance, in that order, shall preside at the meeting.

ARTICLE III – MEETINGS

3.1 Quorum. A quorum shall consist of a majority of the members of the Board. Regardless of how many members are present, action may only be taken by an affirmative vote of a majority of the entire Board.

3.2 Meetings. Meetings of the Board shall be held at a time a place determined by the Board. The order of business at a regular meeting shall be as follows unless otherwise determines by the Board:



(a) Roll call.
(b) Approval of minutes of the previous meeting.
(c) Public information period.
(d) Unfinished business.
(e) New business.

3.3 Minutes. The Clerk of the Board shall prepare minutes of each meeting which shall be mailed to each member prior to the next regular meeting of the Board. The Board shall approve the minutes of the previous meeting at subsequent meeting. The Secretary shall then sign the minutes as approved.

3.4 Procedure. The rules of parliamentary procedure comprised in Robert's Rules of Order shall be parliamentary authority in all meetings of the Board.

ARTICLE IV – FINANCIAL

4.1 Fiscal Year. The fiscal year of the Board shall begin each year on July 1 and shall end on June 30 of the following year.

4.2 Budget. As set forth in the Agreement, the Board shall adopt an annual operating budget for each year which shall be submitted to the governing bodies of the participating jurisdictions.

4.3 Audit. The Board shall cause an independent audit of its finances to be made each year, which audit shall reflect the full revenues and expenditures of the Authority.

ARTICLE V – AMENDMENTS

5.1 Amendments. These Bylaws may be amended, to the extent such Amendments are not inconsistent with the Agreement, by a majority of the members of the Board at any time.

These Bylaws were adopted by the Board on January 31, 2008.

_____
Chairman

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE REGION 2000 SERVICES AUTHORITY

Article 1. The Region 2000 Services Authority (the "Authority") has been created and established as a body politic and corporate in the Commonwealth of Virginia, and its Articles of Incorporation are hereby amended and restated. The principal office of the Authority shall be located with the Virginia's Region 2000 Partnership Local Government Council at 828 Main Street, 12th Floor, Lynchburg, Virginia 24505 and shall consistently reside with the Local Government Council offices in the future.

Article 2. The names of the localities participating in the Authority are the Counties of Appomattox, Campbell and Nelson, and the Cities of Bedford and Lynchburg.

Article 3. The Authority shall consist of a board of five members, with one member appointed by the local governing body of each jurisdiction. The terms of the initial members of the board shall expire June 30, 2010. Members shall then be appointed for four year terms. The names and addresses of the initial members of the Board are:

Appomattox County

Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522

Campbell County

R. David Laurrell, County Administrator
P.O. Box 100, Rustburg, VA 24588

Nelson County

Stephen A. Carter, County Administrator
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg

L. Kimball Payne, III, City Manager
900 Church Street, Lynchburg, VA 24504

City of Bedford

Charles Kolakowski, City Manager
P.O. Box 807, Bedford, VA 24523

Article 4. Each local governing body also may select an alternate board member to have all of the voting and other rights of a board member if the board member is not present at a meeting of

EXHIBIT
A1

the Authority. The term for each alternate shall be the same as the term of the board member. The following persons are appointed to serve as the initial alternates to the board of Authority:

Appomattox County

John K. Spencer
P.O. Box 863, Appomattox, VA 24522

Campbell County
Clifton M. Tweedy
P.O. Box 100, Rustburg, VA 24588

Nelson County
Susan E. McSwain
P.O. Box 336, Lovingston, VA 22949

City of Lynchburg
David A. Owen
900 Church Street, Lynchburg, VA 24504

City of Bedford
Barrett F. Warner
P.O. Box 807, Bedford, VA 24523

Article 5. The Authority is created and established under the provisions of the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 (Section 15.2-5100 et. seq. of the Code of Virginia) (the "Act"). The authority shall have all powers and duties set forth in the Act, as the same may be from time to time amended. The initial project of the Authority shall be to own and operate as a regional entity the landfills that are currently owned and operated by the City of Lynchburg and Campbell County, and to accept municipal solid waste generated within each of the participating jurisdictions (and from outside the jurisdictions if approved by the Authority) in those landfills in accordance with a Member Use Agreement to be approved by each of the local governing bodies, as it may be amended from time to time. It is anticipated that the use of the landfills will be phased, with the Campbell County Landfill being temporarily closed while the Lynchburg landfill is being utilized to its operating capability. The initial capital cost to purchase the landfill's, including the site improvements, landfill capacity and land, buildings, equipment and rolling stock, and the closure and post-closure reserve funds, less the outstanding debt and the closure and post-closure liability for each locality, result in a payment to the City of Lynchburg of $1,714,840, and a payment from Campbell County of $270,000, for a net capital cost of $1,444,840. The preliminary estimate of the cost per ton to the localities for solid waste delivered to the landfills owned by the Authority is $23.91 per ton. It is impractical at this time to determine a per ton charge for private haulers using the landfills. Both the capital cost figure and the cost per ton are preliminary figures and are subject to change.

Article 6. All members of the board shall serve without compensation, but may be reimbursed by the Authority for their actual expenses incurred in the course of their duties.

Article 7. Existing members of the Authority may withdraw from membership, and other localities may join the Authority, as provided in Section 15.2-5112 of the Code of Virginia , as amended. In the event other localities join the Authority, they will be asked to reimburse the localities which initially created the Authority for a fair share of the development costs of the Authority.

Article 8. All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangement through the Virginia's Region 2000 Local Government Council. Subject to the approval of the Authority Board, it is the intent of the Member Jurisdictions that the Executive Director of Virginia's Region 2000 Local Government Council be appointed by the Authority to serve as the chief administrative or executive officer of the Authority pursuant to Section 15.2-5113(E) of the Code of Virginia.

City of Bedford, Virginia

By: _____

[Signature Page to Follow]

City of Lynchburg, Virginia

By: _____

[Signature Page to Follow]

County of Appomattox, Virginia

By: W. H. Cook

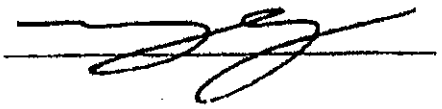
[Signature Page to Follow]

County of Campbell, Virginia

By: Hugh T. Pendleton Jr.

[Signature Page to Follow]

County of Nelson, Virginia

By: 

REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 31st day of January 2006, by and among the Region 2000 Services Authority ("Authority"), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia ("Campbell"), the County of Nelson, Virginia ("Nelson"), the City of Lynchburg, Virginia ("Lynchburg") and the City of Bedford, Virginia ("Bedford"), each a political subdivision of the Commonwealth of Virginia (collectively the "Member Jurisdictions").

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford currently owns and operates a landfill which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to their solid waste landfill Facilities to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Facilities, and terms by which the Authority will operate the Facilities for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:



ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* ("Regulations"), and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in the permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of Operating Costs over Operating Revenues for such Fiscal Year incurred by the Authority acting pursuant to an Annual Budget and any amendments.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds. It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated to the Authority as such by the Member Jurisdiction in writing, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills during a fiscal year.

"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated

by the Authority, and any improvements thereto. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on Exhibit A.

"Financial Assurance" means the ability to satisfy DEQ that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as defined by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, et seq.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.

"Operating Costs" means all actual costs of the Authority property allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other financial assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees which may be imposed by the Virginia Department of Environmental Quality ("DEQ"), or any other agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction' boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that title to the Facilities is transferred to the Authority.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided

further that as long as any debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Facilities, including the designated buildings, equipment and rolling stock from the County of Campbell and the City of Lynchburg, and those Member Jurisdictions agree to sell the Facilities, including the designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed.

The purchase price for each Facility shall be based on a calculation of the net assets and liabilities of each of the Facilities as determined by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in Exhibit B. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell will be made as of the date of closing by R. W. Beck, Inc. using the same methodology. The final amounts will be approved by the Authority Board.

(2) The Authority may purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including entering into a contract with one

or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Facilities from Campbell and Lynchburg, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an Agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford County may use its existing landfill for construction and demolition debris from City Residents and Businesses and as emergency backup for the transfer station operated by the City.

(3) The Member Jurisdictions agree that concurrent use of both landfills is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when each Facility (Lynchburg Facility, and Campbell Facility) will be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof the Authority determine that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such unlawful waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into each of the Facilities free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by July 1 of each year and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds other than Bonds issued as subordinate indebtedness plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to subordinate indebtedness. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes that the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than in any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each such Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which has been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which has been delivered to each Facility by all Member Jurisdiction and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility that contain landfills that were closed prior to the Effective Date of this Agreement. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) Each Member Jurisdiction that operated a closed landfill which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill. For the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by Agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the Start-Up Date (in which case the liability shall be that of the Member Jurisdiction) or after the Start-Up Date (in which case the liability shall be that of the Authority). For cells constructed after the Start-Up Date, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provide for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell based on the basis of the relative percentage of available air space each Facility had at the Start-Up Date.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(a); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for

cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receive or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction ("Member Jurisdiction Default").

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this

Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

County Administrator
P.O. Box 336
Lovingston, VA 22949

If to City of Bedford

Bedford, Virginia
Charles Kolakowski
City Manager
P.O. Box 807
Bedford, VA 24523

If to City of Lynchburg

Lynchburg, Virginia
L. Kimball Payne, III
City Manager
900 Church Street
Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Notes and Bonds in a manner such that their interest is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Notes and Bonds have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, the Authority and Member Jurisdictions may be required to agree with owners of the Notes and Bonds, for as long as such obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and herby authorizes it County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Service Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

REGION 2000 SERVICES AUTHORITY

By: L Kimball Payne III

Title Chair

ATTEST:

Mary F Christie

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of ~~the Region 2000 Service Authority~~ the County of Campbell, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Service a Authority Member Use Agreement dated this 31st day of January 2008, by and among the Region 2000 Service Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

~~REGION 2000 SERVICES AUTHORITY~~ Campbell County

By: J. O. Rucker

Title Chairman

ATTEST:

Catherine H. Moore

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

2223

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated this 31st day of January, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

ATTEST:

_____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 26 pages.

CITY OF BEDFORD, VIRGINIA

By: _____
Mayor

ATTEST: Teresa W. Hatcher
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the Region 2000 Services Authority Member Use Agreement dated as of January 31, 2008, by and among the Region 2000 Services Authority, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 26 pages.

CITY OF LYNCHBURG, VIRGINIA

By: Joan L. Foster
Mayor

ATTEST:

Catherine W. Rast
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 2008, by and among the Region 2000 Services Authority (**"Authority"**), a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia (**"Campbell"**), the County of Nelson, Virginia (**"Nelson"**), the County of Appomattox (**"Appomattox"**), the City of Lynchburg, Virginia (**"Lynchburg"**) and the City of Bedford, Virginia (**"Bedford"**), each a political subdivision of the Commonwealth of Virginia (**collectively the "Member Jurisdictions"**).

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

{W0703513 : 041135 070704 }

EXHIBIT
C

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* (**"Regulations"**), as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds.

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated in writing as such by the Member Jurisdiction, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

"Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

"Operating Costs" means all actual costs of the Authority properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities, and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the DEQ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia's Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

"Operating Revenues" means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction's Pro Rata Share.

"Private Hauler" means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction's boundaries and who disposes of Acceptable Waste at the Facilities.

"Pro Rata Share" means each Member Jurisdiction's share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and

its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

"Resident(s)" means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that the Authority commences operation of a Facility (which is expected to be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the issuance of Bonds.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by

Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when the Campbell Facility and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such Unacceptable Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June 15, 2008 and December 15, 2008, respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which have been delivered to each Facility by all Member Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b) At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a financial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority ("Authority Default").

(1) The Authority's persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction (**"Member Jurisdiction Default"**).

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in

reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522

If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations as to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue Bonds and Subordinate Bonds and otherwise incur financial obligations (together, the "Obligations") in a manner such that the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of Obligations, for as long as such Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and hereby authorizes its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[THE REMAINDER OF THIS SIGNATURE PAGE
LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this 20th day of June, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL,
A Political Subdivision of the
Commonwealth of Virginia,

AND

CITY OF LYNCHBURG,
A Municipal Corporation of the
Commonwealth of Virginia,

Plaintiffs,

V.

REGION 2000 SERVICES AUTHORITY,
SERVE: Clarke W. Gibson, Director
361 Livestock Road
Rustburg, VA 24588
(Campbell County)

Defendant,

COUNTY OF APPOMATTOX,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139
(Powhatan County)

An Interested Party,

AND

COUNTY OF NELSON,
A Political Subdivision of the
Commonwealth of Virginia,
SERVE: Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949
(Nelson County)

An Interested Party.

CASE NO. CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
4th day of December, 20 20
VALERIE P. YOUNGER, CLERK
Teste: J. L. Wodnik
Deputy Clerk

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

EXHIBIT
tabbies
D

AMENDED COMPLAINT

COME NOW the Plaintiffs, the County of Campbell, a political subdivision of the Commonwealth of Virginia, by counsel, and the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, by counsel, pursuant to Sections 8.01-184 *et seq.* of the Code of Virginia, 1950, as amended, and request the Court to make a declaration concerning the meaning and usage of a contractual term, identified herein this Amended Complaint as "Excess Revenue", as it is used in the context of a certain Member Use Agreement of the Region 2000 Services Authority, as amended. The term "Parties" or "parties", when used in this Amended Complaint, refers only to the County of Campbell, the City of Lynchburg, and the Region 2000 Services Authority collectively. In support thereof, the Plaintiffs state the following for their Amended Complaint against the Defendant:

INTRODUCTION

1. The Region 2000 Services Authority (the "Authority") is an authority created under the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as amended, whose Articles of Incorporation were accepted and whose Certificate of Incorporation was issued by the Virginia State Corporation Commission effective December 28, 2007. The Authority's Articles of Incorporation were amended and restated, and a Certificate of Restatement was issued thereto by the Virginia State Corporation Commission effective June 20, 2008. The Authority's principal office address is 361 Livestock Road, Rustburg, Virginia 24588. The Authority is governed by a Board of Directors, currently consisting of four (4) directors, who are appointed by the Authority's members. The current members of the Authority are the County of Campbell, the City of Lynchburg, the County of Appomattox, and the County of Nelson, all political subdivisions of the Commonwealth of Virginia. The Authority was founded with the County of Campbell, the County of Nelson, the City of Bedford, Virginia, and

the City of Lynchburg as its members. In 2008, the County of Appomattox joined the Authority. Following its reversion to a town in 2013, the City of Bedford, Virginia withdrew from the Authority's membership.

2. The County of Campbell is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Francis J. Rogers, IV. The principal office address for the County of Campbell is 47 Courthouse Lane, Rustburg, VA 24588. Francis J. Rogers, IV is the appointed board director for the Authority from the County of Campbell.

3. The City of Lynchburg is a municipal corporation of the Commonwealth of Virginia, governed by an elected City Council, whose principal agent is the Interim City Manager, Reid Wodicka. The principal office address for the City of Lynchburg is 900 Church Street, 3rd Floor, Lynchburg, VA 24504. By virtue of his interim appointment, Reid Wodicka serves as the board director for the Authority from the City of Lynchburg.

4. The County of Appomattox is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Susan M. Adams. The principal office address for the County of Appomattox is 153-A Morton Lane, Appomattox, VA 24522. Susan M. Adams is the appointed board director for the Authority from the County of Appomattox.

5. The County of Nelson is a political subdivision of the Commonwealth of Virginia, governed by an elected Board of Supervisors, whose principal agent is the appointed County Administrator, Stephen A. Carter. The principal office address for the County of Nelson is 84 Courthouse Square, Lovingston, VA 22949. Stephen A. Carter is the appointed board director for the Authority from the County of Nelson.

6. Venue is proper in this forum, pursuant to Section 8.01-262 of the Code of Virginia, 1950, as amended, as Campbell County, Virginia is the principal business location of the Authority, and a significant amount of the operative facts alleged herein occurred within Campbell County, Virginia.

DOCUMENTS GOVERNING THE AUTHORITY

7. The Authority is governed by its Amended and Restated Articles of Incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter. The Bylaws are attached hereto as Exhibit "A", the Amended and Restated Articles of Incorporation are attached hereto as Exhibit "A1", the initial MUA dated January 31, 2008 is attached hereto as Exhibit "B", and the first amendment to the MUA, dated June 20, 2008, is attached hereto as Exhibit "C", all of which are incorporated herein by reference. A second amendment to the MUA was approved by the governing bodies of the County of Campbell, the County of Appomattox, the County of Nelson, and the City of Lynchburg in 2012; however, such second amendment has no bearing on the issue of Excess Revenue and is therefore not included herein as an exhibit. The term MUA, as used throughout this Amended Complaint, shall be deemed to include the initial MUA and the amended versions thereof previously mentioned.

8. Incorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis". The Beck Analysis is attached hereto as Exhibit "D", and incorporated herein by reference. The firm of R.W. Beck, Inc. prepared the Beck Analysis following lengthy consultation with the members of the Authority, and its terms were used to guide the formation and conduct of the Authority.

FACTUAL BACKGROUND

9. Every year of the Authority's existence, with the exception of 2019, the Authority calculated and distributed Excess Revenue to the County of Campbell and the City of Lynchburg to compensate those localities for their airspace contributions based upon the calculations made in the Beck Analysis, as updated by the Authority's staff year after year.

10. At the September 25, 2019 meeting of the Board of Directors of the Authority, it was stated auditors determined the Authority generated $1,407,595 in Excess Revenue in 2018-2019. The staff of the Authority recommended the Authority distribute $976,871 to the County of Campbell and $430,724 to the City of Lynchburg because that proposed distribution would have *followed the pattern* of 30.6% of Excess Revenue being distributed to the City of Lynchburg and 69.4% to the County of Campbell. The minutes of the September 25, 2019 meeting are attached hereto as Exhibit "E", and are incorporated herein by reference.

11. At the September 25, 2019 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue to the County of Campbell and the City of Lynchburg. Said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue funds due to those localities.

12. At the September 16, 2020 meeting of the Board of Directors of the Authority, the staff of the Authority presented the said Board of Directors with the following:

> Auditors have determined that the Authority generated $1,137,807 in Excess Revenue in 2019-2020. The Member Use Agreement says that these funds may be distributed by the Authority based on contributed airspace which works out a 30.6% part for Lynchburg and a 69.4% part for Campbell. Currently the Authority has $1,407,595 in an account from excess revenue from 2018-2019. Staff would appreciate your direction as to what to do with the Excess Revenue from 2019-2020.

The minutes of the September 16, 2020 meeting are not yet available to be included herein.

13. Further, at the September 16, 2020 meeting of the Board of Directors of the Authority, the Authority voted on the issue of distributing Excess Revenue pursuant to the MUA. By a vote of 2-2, the Authority deadlocked on the question of the award of Excess Revenue pursuant to the MUA. The said deadlock resulted in a failure to award the County of Campbell and the City of Lynchburg the Excess Revenue due to those localities.

14. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from Appomattox and Nelson counties have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is discretionary, and that Excess Revenue generated may be applied to expenses or planned expenses of the Authority rather than to compensate the County of Campbell and the City of Lynchburg for their airspace.

15. In connection with the aforesaid votes on the issue of Excess Revenue, the Authority's board directors from the County of Campbell and the City of Lynchburg have taken the position that the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is *not* discretionary, or to the extent it is discretionary, said discretion must be exercised in good faith in accordance with the MUA and the parties' previous dealings under the MUA, and further that Excess Revenue generated must be granted to the County of Campbell and the City of Lynchburg pursuant to the MUA.

16. As of September 16, 2020, a total of $2,545,402.00 in Excess Revenue has accumulated with the Authority, and the Board of Directors thereof have deadlocked twice now as to the proposed distribution of such Excess Revenue.

17. As such, there now exists an actual and justiciable controversy between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA.

MEANING AND USAGE OF THE TERM "EXCESS REVENUE"

18. The term "Excess Revenue" is used in the MUA, and in the Beck Analysis.

19. Pursuant to the definition of "Excess Revenue" in the MUA, and as illustrated in the Beck Analysis, Excess Revenue is intended to compensate the County of Campbell and the City of Lynchburg for the airspace those localities transferred to the Authority.

20. The Beck Analysis and the MUA both call for distribution of Excess Revenue to the City of Lynchburg and the County of Campbell because these two (2) jurisdictions transferred the capacity of their existing permitted landfills to the Authority at the time the Authority was created. The counties of Appomattox and Nelson retained complete ownership and sole use of their existing landfills.

21. At the time of the said transfer, the City of Lynchburg and the County of Campbell were compensated by a lump sum for the capacity transferred, but *not* the airspace. The airspace, pursuant to the MUA, was to be paid for by way of Excess Revenue payments over the life of the landfills.

22. "Airspace", a term commonly used in the solid waste industry, is the projected cubic yardage of a landfill available to be filled with waste. Airspace is an asset separate and distinct from the "capacity" of a landfill, which includes such things as the land underlying a landfill together with its improvements, such as the permits, landfill liner, and operational buildings. Gary Christie, the Executive Director of the Region 2000 Planning District Commission, which manages the Authority, described the difference between "airspace" and "capacity" in a memorandum to Nelson County Administrator Steve Carter dated August 6, 2019 (The "Christie Memo"). The Christie Memo is attached hereto as Exhibit "F" and incorporated herein by reference.

23. The background of the creation of the Authority is illustrative in understanding the meaning and usage of the term "Excess Revenue" under the MUA. The use and meaning of the term "Excess Revenue" was considered by the parties at length prior to the creation of the Authority while the governing documents of the Authority were being finalized.

24. Scott Pasternak, the manager of R.W. Beck, Inc., presented the members of the Authority with a number of options for compensating the member localities for the assets transferred to the Authority, as well as a number of options for the payment of any Excess Revenue generated. Mr. Pasternak's September 8, 2005 memorandum is attached hereto as Exhibit "G" (the "Pasternak Memo"), and the relevant portion of the draft report of the Beck Analysis, dated May 4, 2005 is attached hereto as Exhibit "H". In both documents, questions regarding the proposed authority's organization and funding were presented. Both Exhibit "G" and Exhibit "H" are incorporated herein by reference.

25. In the Pasternak Memo, Mr. Pasternak presented the following options for payment of landfill assets transferred to the Authority by the members:

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

26. In the Pasternak Memo, Mr. Pasternak presented the following options for the distribution of any Excess Revenue created:

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

27. The initial member jurisdictions decided that in response to the issue presented in paragraph 25 of this Amended Complaint, airspace would be paid for over time by cash payments, and that in response to the issue presented in paragraph 26 of this Amended Complaint, decided that Excess Revenue would be the mechanism to pay for that airspace. Accordingly, in the final Beck Analysis, the language agreed to by the parties was as follows:

> Excess revenue, as discussed in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. The *excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed* to the Authority.

The Beck Analysis, Exhibit "D" at page 2-10 (Emphasis added).

28. The language of the MUA also incorporated this decision into the terms of those documents. Excess Revenue, therefore, was defined in the MUA as:

> the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. *Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority.* The amount of excess revenue will depend upon the cost of service rate each year.

MUA, Exhibit "C" at page 3 (Emphasis added).

29. This same interpretation was presented to the Board of Supervisors of Campbell County, Virginia on February 5, 2007, at a meeting wherein Bob White, the then Deputy

Director of the Region 2000 Local Government Council, requested Campbell County's approval of the creation of the Authority and Campbell County's membership in it. A portion of the minutes of the February 5, 2007 meeting are attached hereto as Exhibit "I" and incorporated herein by reference. As shown in Exhibit "I", Mr. White represented to the Board that "Campbell County would save nearly $17 million as a result of savings from tipping fees *and excess revenue* from fees charged to haulers." (Emphasis added).

30. More recently, the Christie Memo makes clear that the staff of the Authority have consistently taken the position that Excess Revenue payments are compensation for airspace paid over time. In that memo, in response to a question of whether all landfill assets purchased by the Authority were paid for at the time of the commencement of operations, Mr. Christie writes that airspace was not part of the assets initially purchased "because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. *That's never changed.*" The Christie Memo, Exhibit "F" at page 3 (Emphasis added).

CLAIM FOR RELIEF – DECLARATORY JUDGMENT

31. Plaintiffs repeat, re-allege, and re-plead the allegations set forth in paragraphs 1 through 30 of this Amended Complaint in the same force and effect as if each allegation were again fully and specifically set forth in this paragraph in detail.

32. This Amended Complaint seeks a declaration from the Court concerning the meaning and usage of the term "Excess Revenue" as that term is used in the MUA. The parties hereto have expressed competing and mutually exclusive interpretations of that term, and the Plaintiffs now pray this Court grant them its aid and guidance, representing that the same be needed for the orderly administration of the Authority.

33. The meaning and usage of the term "Excess Revenue" is material to the conduct of the parties herein under the MUA.

34. The first question to be resolved by the Court is whether Excess Revenue is intended to compensate the City of Lynchburg and the County of Campbell for airspace transferred to the Authority.

35. The second question to be resolved by the Court is whether Excess Revenue may be applied to any expense or expenditure other than to be distributed to the County of Campbell and the City of Lynchburg.

36. The third question to be resolved by the Court is whether the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is not discretionary under 1) the MUA; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings.

37. The fourth question to be resolved by the Court is whether Excess Revenue, pursuant to the MUA and the other documents governing the Authority, must be distributed once accumulated.

38. The fifth question to be resolved by the Court is if the distribution of Excess Revenue to the County of Campbell and the City of Lynchburg is deemed by the Court to be discretionary, then under 1) the MUA and other documents governing the Authority; 2) a duty of good faith and fair dealing; and/or 3) the parties' previous dealings, should Excess Revenue be granted to the City of Lynchburg and the County of Campbell to compensate such localities for their airspace contributions to the Authority.

39. The Board of Directors of the Authority has expressed competing and incompatible interpretations of the meaning and usage of the term "Excess Revenue".

40. The dispute between the parties concerning the meaning and usage of the term "Excess Revenue" under the MUA gives rise to a justiciable controversy involving specific adverse claims between the parties.

41. The specific adverse claims between the parties are based upon facts that are now ripe for adjudication.

42. The Plaintiffs have no adequate remedy at law to resolve this matter.

WHEREFORE, the Plaintiffs, the County of Campbell and the City of Lynchburg, by counsel, respectfully pray this Court 1) enter an Order declaring the meaning and usage of the term "Excess Revenue" under the MUA; 2) answer the first, third, and fourth questions presented, as shown in paragraphs 34, 36, and 37 of this Amended Complaint, in the affirmative; 3) answer the fifth question presented, as shown in paragraph 38 of this Amended Complaint, in the affirmative if the said third question presented is answered in the negative; 4) answer the second question presented, as shown in paragraph 35 of this Amended Complaint, in the negative; 5) award the Plaintiffs all costs incurred, court costs, reasonable attorney fees, and any other amounts the Court deems appropriate; and 6) award the Plaintiffs any other relief the Court deems proper and just.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
(SIGNATURES SHOWN ON THE FOLLOWING PAGES)

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By: _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire (VSB# 76871)
County Attorney
P. O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505
(434) 846-2731 – Telephone
(434) 846-0496 – Facsimile
feisenhour@co.campbell.va.us

Respectfully submitted,

CITY OF LYNCHBURG, VIRGINIA

By: Walter C. Erwin, III
Of Counsel

Walter C. Erwin, III, Esquire (VSB# 15640)
City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
walter.erwin@lynchburgva.gov

Matthew C. Freedman, Esquire (VSB# 78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
matthew.freedman@lynchburgva.gov

REGION 2000 SERVICES AUTHORITY

Region 2000 Services Authority

Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
September 25, 2019
2:00 p.m.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

Draft Minutes

Board Members Present

Susan Adams.....Appomattox County
Steve Carter .....Nelson County
Frank Rogers.....Campbell County
Gaynelle Hart, Alternate for Bonnie Svrcek.....City of Lynchburg

1. **Welcome**

   Frank Rogers, Vice-Chair, welcomed everyone and opened the meeting at 2:00 p.m.

2. **Public Comment**

   John Hardie voiced his opposition to more waste coming to the Livestock Road Landfill from a neighboring locality.

   Judy Doering spoke, also declaring her opposition to Bedford County waste.

3. **Approval of July 31, 2019 Meeting Minutes**

   The motion was made by Susan Adams, and seconded by Steve Carter, to approve the meeting minutes of July 31, 2019. The motion was unanimously approved.

4. **Financial Update**

   a) Year to Date Report – Rosalie Majerus reviewed the current financial report.
      - Revenue tonnage is where it should be in the budget, as is the total revenue received to date.
      - Cost of Service is currently $31.73/ton versus a budget of $30.25/ton. This is mainly due to a number of one-time costs.

EXHIBIT
tabbies
E

b) Forgiveness of Late Penalty of $7,972.21 for First Piedmont Waste Disposal
First Piedmont was late with a payment, but due to being a good customer the Authority was asked to forgive the late penalty in the amount of $7,972.21.

A motion was made by Steve Carter, and seconded by Gaynelle Hart, to forgive the late penalty. The motion was unanimously approved.

Clarke Gibson presented another account with a late penalty dating back to 2011, with an out of town contractor. He asked the Authority to forgive the late penalty of $5,867.15.

Steve Carter made the motion to forgive the late charge of $5,867.15. The motion was seconded by Gaynelle Hart, and unanimously approved.

5. Bedford County Request for a Contract for 15,000 Tons of Solid Waste per Year for Five Years

Gary Christie explained that he has received a formal request from Bedford County for a contract with the Services Authority to bring up to 15,000 tons of solid waste to the Livestock Road Landfill per year for five years, with five one year renewable optional years at the commercial rate. The solid waste would not include sludge, and reciprocal landfill space would not be available.

One month of landfill space would be lost for each year that 15,000 tons were received, while there would be about $450,000 in additional revenue going into the operation funds at $30.25/ton. There would also be $10.00/ton going into the excess revenue account.

Staff recommended moving forward with negotiations of the five year contract at the rate of $40.25 with $30.25 going to operations and $10.00 to excess revenue. Subsequent years would be billed at $40.25 based on the cost of living, not necessarily fluctuating with the cost of service rate. A clause would be suggested that allows for negotiation or termination of the contract within 12 months, if the loss of a major waste customer (like County Waste) is anticipated. He also suggested tracking this excess revenue as a separate contract, dividing it equally among the jurisdictions who are not receiving excess revenue payments currently.

Frank Rogers reported that this item was taken before the Campbell County Board of Supervisors and they voted unanimously to reject the Bedford County trash.

Mr. Rogers made a motion to decline Bedford County's request for a contract for 15,000 tons of solid waste per year for five years. The motion was seconded by Susan Adams.

The vote was:
Susan Adams – Yes
Steve Carter – Yes
Frank Rogers – Yes
Gaynelle Hart – Nay

Bedford's request was denied.

Mr. Carter made a motion to suggest the Authority correspond with Bedford County requesting membership. Susan Adams seconded the motion. The motion carried unanimously.

6. Distribution of 2018-2019 Excess Revenue

Gary explained that the auditors have determined that the Authority generated $1,407,595 in excess revenue in 2018-2019. The distribution pattern has been 30.6% to Lynchburg and 69.4% to Campbell County. He recommends distribution of:

$430,724 to Lynchburg
$976,871 to Campbell County

Frank Rogers made the motion to approve the excess revenue distribution. The motion was seconded by Gaynelle Hart.

Before the vote was taken, Mr. Rogers addressed those present, reminding everyone that excess revenue has been a topic of conversation for several years. He stated that over time Campbell County and Lynchburg have contributed a great deal of capacity to the benefit of the region. This capacity was paid for over time through the levy of excess revenues. The value of Campbell County's contribution can be equated to an excess of $24M, of which to date a little over $8M of the full 10 year term of the arrangement has been received for this capacity. Mr. Rogers hoped the Authority would continue in this practice and affirm the payment of excess revenues again this year.

Susan Adams suggested using some of this money to offset debt service as well as add to landfill closure cost funds. She also suggested using funds toward operational costs by reducing tipping rates.

The vote was:
Susan Adams – Nay
Steve Carter – Nay
Gaynelle Hart – Yes
Frank Rogers – Yes

The vote failed to approve the motion for excess revenue distribution.

7. Authorization to Expend $45,000 from Closure/Post Closure Funds for the Extension of Components of the Gas Collection System at the Phase IV Cell of the Livestock Road Landfill

At the last Authority meeting staff described the next landfill gas collection system expansion project to be constructed in 1 ½ to 2 years when the third lift in the current operating Phase IV is complete.

Clarke Gibson reported that staff recommends with proceeding with construction of an initial part of this project, which is a permanent phase construction along the southeastern fill slope with a second lift in Phase IV at a cost of $45,000. He recommended using the available closure funds to fund the project. With approval, this project could be completed by Thanksgiving.

No action was taken at this time.

However, later in the meeting Steve Carter asked to revisit this item. He asked Mr. Gibson to explain the expansion of the gas system at Livestock Road and if it is beneficial to the neighborhood as well as the Authority. Mr. Gibson answered that it is. It will increase the landfill gas collection volumes and will help with odor complaints. Since the first phase of the gas collection system was installed there has been over a 90% reduction in complaints. He assured Mr. Carter that it is cost effective at this time.

The motion was made by Steve Carter to authorize the expenditure of $45,000 from the closure-post closure fund for expansion of the gas collection system. The motion was seconded by Frank Rogers and was unanimously approved.

Gary Christie suggested having a meeting arranged at the landfill for those interested to see the cell IV and get an update on what is on site.

8. RFP for use of Landfill Gas at Livestock Road

Bob Dick with SCS was available to answer questions on the draft RFP for a Landfill Gas to Energy Development Project at the Livestock Road facility. He advised that this RFP is structured so the Authority retains responsibility for permit design, finance and construction of the gas collection and control system facilities, in accordance with what staff directed. This allows the Authority to stay in full control of maintaining regulatory compliance and odor controls.

Mr. Dick added that Authority staff has advised there would be some slight modifications to the RFP in terms of wordsmithing. They will also convey to private sector proposers that the Authority will aggressively continue to extract the gas for odor control purposes, which will have some detrimental effect on the quality of the gas.

A motion was made by Gaynelle Hart to accept the RFP for landfill gas at the Livestock Road facility. Frank Rogers seconded the motion and it was unanimously approved.

9. Update on Gas Collection at Concord Turnpike

Brendan Hefty reported that his office is working on an agreement with the previous operator of the gas collection system at the Concord Turnpike Landfill to work out an agreement for hiring a third party appraiser to come to a valuation of the above ground equipment.

Clarke Gibson reported that SCS is the Authority's appraiser, and Virginia LandGas has hired an appraiser. The two appraisers got together and a third party was agreed on. A site visit has been made, but a report has not yet been given. He also reported that about $10,000 has been spent in capital upgrades to the system and $2500/month in ongoing labor costs.

10. Director's Report

a) Cost of a Landfill Capacity Survey – Clarke reported that an estimate for another consultant to do a permitting capacity study would be about $7,500 - $8,000. No action was taken.

b) Solid Waste Management Plan Update Cost – The Solid Waste Management Plan is required to be updated every five years, and the update is due next spring. A task order is being prepared with Draper Aden on the scope and cost and Mr. Gibson hopes to have the final task order ready by December.
c) Tonnage Chart through August – Tonnage is reported to be on track or above budget projections.
d) Hazardous Household Waste Collection – October 12, 2019 – The next hazardous waste collection is scheduled for October 12.
e) CY 2018 Recycling Rate – The approved 2018 recycling rate from the DEQ has been received. The rate was approved at 38% of the waste stream. The mandated recycling rate from the state is 25%.

11. Other Business

- Susan Adams suggested having Authority meetings at the landfill to better help with decision making. Gary Christie advised that at the December meeting the schedule would be set for the next year and locations can be discussed.

12. Adjourn – There being no further business, the meeting adjourned at 3:05 pm

The next meeting will be on December 4, in the Haberer Building, at 2:00 pm.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

Memorandum

To: Steve Carter, Nelson County Administrator

From Gary Christie

RE: Distinctions between Airspace and Landfill Capacity

Date: August 6, 2019

CC: Region 2000 Services Authority Members
CVPDC and Services Authority Management Team

Bonnie passed along your note of Friday the 5th about Kim Payne's letter of July 20, 2012. Here's some information that might be helpful.

The Region 2000 Services Authority Member Use Agreement Section 3.1 envisioned the Authority paying for the infrastructure of the landfills at Lynchburg and Campbell through a one-time payment. The Agreement also envisioned in Section 5.11 the Authority paying for the airspace within those landfills through Excess Revenue payments.

In the beginning of the Authority we bought the assets of both landfills as determined by a Burns McDonnell (then RW Beck) analysis. Assets that we bought included:

- Real estate
- Access rights
- Designated buildings
- Equipment
- Rolling stock

The price for those assets were determined by Burns McDonnell based on:

- Site Improvements
- Landfill Capacity and Land
- Buildings
- Equipment and rolling stock
- Closure and post closure funds that a locality may have on hand

The details on how the price of the infrastructure was set comes from a 3-19-2008 report, Financial Inventory and Fiscal Year 2009 Annual Budget, which was our first budget. Section 1.3 describes each asset; Section 1.3.2 describes "Landfill Capacity and Land" consisting of the following components:

- Engineering and construction costs of landfill cells, collection system
- Permitting costs
- Reports and studies (e.g. environmental assessments, surveys, etc.)



- liner systems and leachate

The detailed list of prices for each item of the "landfill capacity and land asset" for Concord Turnpike is itemized on Schedule 6 within the report. Items like land, site preparation, pipes, electrical wiring, asphalt paving lighting, gates, liners, engineering, etc., are listed at an original cost of $8,601,589. We didn't pay full price for the infrastructure because some of the infrastructure had been previously used. Burns McDonnell determined how much to discount the original price based on how much life was left in the cells, or how much airspace had been used.

Because the some of the airspace at the landfill had been used previously that number was discounted to $4,260,064, called an acquisition cost. Everything we paid for at Concord Turnpike that we bought from the City is listed on Schedule 6 totaling $4,260,064. Airspace is not on that list.

We measured how much to discount the "Landfill Capacity and Land" assets based on the amount of airspace that had been previously used. If the asset was valued at its original price, it would have a full life of airspace available. Since none of the assets had a full life of airspace available, then the amount of airspace not available serves as the measure to reduce our payment for the asset and we can determine the acquisition price.

So airspace does factor into the formula to determine how much we pay for the infrastructure which we call landfill capacity. However, Burns McDonnell did not include airspace one of the components to determine the price of the landfill's assets.

We bought the assets in 2009 based on the formula described in the 3-19-2008 report which gave the Authority a discount from the original asset's value based on airspace. In 2011 Clarke and Buzz realized that there wasn't as much airspace in the landfill as we expected and had another survey done by a different company. This second survey showed about 24% less airspace than our first survey.

Because we use airspace as the factor to discount the value of the asset from its original purchase price, we needed to adjust the purchase price downward. Thus, Kim's letter of July 20, 2012 recognizes the lower value of the asset since the life of the landfill would be shorter based on the reduced amount of airspace and provides instructions on how the City wanted to refund the money owed.

The 7-20-12 letter discusses airspace because the price of what we pay is discounted by the life of the asset as determined by remaining airspace. But it doesn't say or imply that the remaining airspace is part of the infrastructure asset that we bought when we took over the Concord Turnpike operation.

The 7-20-12 letter doesn't include airspace as part of the Concord Turnpike assets because the Master Use Agreement has the Authority paying for airspace through the Excess Revenue process. That's never changed.

Seth Cunningham and Scott Pasternak of Burns McDonnell reiterated that in a memorandum of June 10, 2015. Seth reiterated again that the "landfill capacity and land" component of the price did not include airspace in an e-mail of 9-21-17.

You'll see airspace in all of the communications about the infrastructure assets we bought because available airspace is how we judge how much to discount the asset. Just because we base the discount on available airspace doesn't mean that the value of the airspace is included in the price of the asset. It is not.

The terms are pretty consistent throughout Burns McDonnell's paper work: Landfill Capacity refers to the ground based infrastructure that holds the solid waste while airspace refers to the space within the infrastructure that is filled by the solid waste.

Hope that helps and I'm happy to talk with you about these distinctions at your convenience.

Attachments:

- Financial Inventory and fiscal Year 2009 Annual Budget, R. W. Beck, March 19, 2008
- August 5, 2011 memorandum from R. W. Beck on the Payment from Lynchburg
- June 10, 2015 memorandum from Burns & McDonnell on Excess Revenue Review
- September 21, 2017 E-mail from Seth Cunningham

CLERK NELSON COUI /
CIRCUIT COURT
JUN 0 6 2022
FILED

MEMORANDUM

R·W·BECK

To: Mr. Bryan David, Amherst County
Mr. Jack Gross, City of Bedford
Mr. David Laurrell, Campbell County
Mr. Steve Carter, Nelson County
Mr. Kim Payne, City of Lynchburg

CC: Mr. Bob White, Virginia's Region 2000 Partnership Local Government Council
Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

From: Scott Pasternak

Subject: Regional Solid Waste Financial Compensation and Planning Issues

Date: September 8, 2005

The purpose of this memo is to summarize key financial and planning issues that R. W. Beck would like to receive input on from the participating communities concerning the Regional Solid Waste Management Analysis that R. W. Beck is completing on behalf of the Virginia's Region 2000 Partnership Local Government Council (Council). We would expect that these issues would be discussed during a meeting in October.[1]

Issue 1: How should each landfill community be compensated for the net assets that would become part of the new regional system?

As a part of the transition to the Regional Entity, the assets from the landfills would need to formally transfer from each landfill community to the Regional Entity. As a part of this process, decisions need to be made concerning how the communities should be compensated. In the interest of reducing potential debt service costs, R. W. Beck would recommend the consideration of either option B or C.

Option A: Upfront payment, which would require debt issuance by the Regional Entity.

Option B: Compensate each community over time based on the remaining life of the assets with cash payments.

Option C: Compensate each community over time based on the remaining life of the assets with a reduced disposal rate.

[1] This meeting will ideally occur after we receive a response from the Virginia Department of Environmental Quality concerning regulatory solid waste issues.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
G

Issue 2: How should potential excess revenue or short-term deficits generated by the Regional Entity be used or distributed?

There is a possibility that the Regional Entity may generate excess revenue.[2] If this does occur, the need will exist to decide how this excess revenue should be used and/or distributed. It is important to note that scenarios could occur where the Regional Entity would incur short-term deficits. In general, the Regional Entity would benefit from using excess revenue to establish a reserve fund, which could be used to off-set any potential short-term deficits. Once the reserve fund is established, additional excess revenue could be distributed to member communities. The following options focus on the use of excess revenue (note: more than one option could be selected):

Option A: Establish a reserve fund, which could later be used to off-set any potential future deficits. In the future, the reserve fund could be used in the development of a landfill/transfer system after the existing facilities reach capacity.

BOTH COMBINE

Option B: Distribute excess revenue to member communities based on the percentage of usable air space contributed by the landfill communities. Under this option, the landfill communities would receive excess revenue, but also be responsible for potential deficits. Other member communities would benefit from cost of service based tipping fees.

Option C: Distribute excess revenue to member communities based on the percentage of waste brought to the facility that year. This option allows all member communities to share excess revenue based on the concept that the landfill communities will have already been compensated for their assets.

Issue 3: How will local governments pay for the tonnage that they send to the landfill from their collection vehicles and/or convenience stations?

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

Recommendation: Each individual community pays a fee based on the tonnage brought to the facility based on the established member community disposal rate. Each local government would need to decide whether it would fund this expense either through rates, assessments or the general fund.

[2] It should be emphasized that the potential for excess revenue will likely depend on whether waste from BFI is disposed of within Region 2000 in the future given BFI's on-going efforts to permit and develop a transfer station in Appomattox County.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issues 4: How should the rate structure be established?

Decisions will need to be made concerning how disposal rates will be established for the Regional Entity. Since there are no regulations concerning these rates, this will be a policy decision by the Regional Entity and the member communities.

Recommendation: Member communities pay a rate based on the cost of service. The cost of service could be calculated directly by Regional Entity staff or by an independent third party (e.g. consulting firm). The Regional Entity would need to reevaluate this rate once every one to two years.

PAY SAME GATE RATES AS COMMERCIAL BASED ON MARKET WITH REBATES

Non member local governments and private companies would pay a "market rate," which could vary based on quantity and time periods. The Regional Entity could also consider inter-local agreements and contracts with these entities.

Issue 5: How should the Regional Entity address potential cases where another community wants to join the Regional Entity?

In the future, there may be other communities that express an interest in joining the Regional Entity. If this occurs, having a policy in place of how to address this would be beneficial.

Recommendation: Require the interested community to fund an analysis that would evaluate the financial and operational feasibility of their participation. If it is feasible, require the prospective member to pay a pro rata fee of all expenses to date related to the feasibility and establishment of the Regional Entity.

Issue 6: What resource should the Regional Entity use for administration support functions?

While the Regional Entity will make efforts to be as self-sufficient as possible, the Regional Entity will need some outside assistance concerning various administrative functions. These functions may include payroll, human resources support, etc.

Option A: Contract with the Council

Option B: Contract with one of the participating communities

Option C: Contract with a private company that provides these services

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

Issue 7: How will the participating landfill communities fund their existing financial assurance liability for closure and post-closure?

Each of the three landfill communities will need to compensate the Regional Entity for existing financial assurance liabilities for closure and post-closure since the Regional Entity will assume this responsibility in the future. The amount will be based on the quantity of air space consumed by each landfill community. In the establishment of the Regional Entity there will be a need to fund the closure and post-closure reserves for the Regional Entity.

Of the three landfill communities, the City of Lynchburg has saved funds for its future closure and post-closure costs. Amherst and Campbell Counties have decided to address this issue using a different approach, where they will fund this liability in the future.

Option A: Community would transfer the current liability amount to the Regional Entity upon creation of the Regional Entity. This option is feasible for the City of Lynchburg since it already has reserves in place for this purpose. R. W. Beck would recommend that the City of Lynchburg pursue this option.

Option B: For Amherst and Campbell Counties there may be a need to identify an alternative to the immediate transfer of the reserve amount to the Regional Entity. One approach to this would be to account for the closure and post-closure liability as a part of the asset/liability inventory being conducted. Through this approach, the community's net asset contribution reflects a liability for the closure and post-closure costs, which would reduce the asset valuation. Depending on the value of the assets and closure and post closure liabilities, there may be cases where the community has a negative net-asset value. In these circumstances, the community would need to pay the Regional Entity over time either through a higher rate or receiving less excess revenue (if applicable). The Regional Entity would also need to build a reserve fund that would be used in the future to fund future closure and post-closure costs. Efforts also need to be undertaken to evaluate whether this approach would satisfy financial assurance requirements.[3]

Issue 8: How would the participating communities like to address disposal needs after the existing landfills reach capacity?

After the landfills in the region reach final capacity, decisions will need to be made concerning the next disposal method. While the need for this would be approximately 15 – 20 years from now, it is important to being planning these decisions as early as possible given the time required

[3] R. W. Beck is currently completing this as a part of the regulatory analysis for this project.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

to permit and develop solid waste facilities. Note, a specific decision on this issue is not required at this time.

Option A: Consider expanding an existing site or developing a new site within Region 2000. Could consider a "host fee" as an incentive to encourage a participating community.

Option B: Further examine opportunities to direct haul waste to the Appomattox County Landfill, which has approximately 1,000 permitted acres.

Option C: Consider the development of a transfer station, which would be used to send waste outside of Region 2000.

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

REGION 2000 SERVICES AUTHORITY

Regio. 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019
2:00 p.m.

AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair
   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair
   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)

5. **Request from Wheelabrator** ..... Clarke Gibson

7. **Director's Report** ..... Clarke Gibson

8. **Meeting Schedule and Location**

   a) January 22
   b) March 25
   c) May 20
   d) August 26
   e) December 2

9. **Closed Session**

10. **Next Meeting:** January 22, 2020

REGION 2000 SERVICES AUTHORITY

Region 2000 Services Authority
Location
Haberer Bldg.
47 Courthouse Lane
Rustburg, VA 24588

Date | Time
~~December 4, 2019~~
December 18, 2019

2:00 p.m.

WORKING AGENDA

1. **Welcome** ..... Bonnie Svrcek, Chair

   a) Introduction of new PDC Financial Services Professional Tonya Hengeli.

2. **Public Comment** ..... Bonnie Svrcek, Chair

   Individual citizens are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Services Authority. The Authority may elect to extend this time period with approval of a majority of its members.

3. **Approval of September 25, 2019 Meeting Minutes** ..... Bonnie Svrcek, Chair
   (Attached)

4. **Financials Update** ..... Rosalie Majerus
   (Attached)
   a) Audit report
   b) Year to Date Revenues/Expenditures
   c) Budget Schedule
      i. January 22 – initial budget discussions/presentation
      ii March Budget Work Session
      iii. May Approval

5. **Request from Wheelabrator** ..... Clarke Gibson

   Bays Trash Disposal/Wheelabrator of Bedford asks if we will accept an industrial dust and slag material, much like we were taking from Griffin Pipe.

   Recommend:

   a) $36.23 per ton for dust (10% discount for high density waste) – estimated 2,500 tons per year would generate $90,575 for operating fund and $14,950 for Excess Revenue fund. The price would fluctuate as the commercial rate changes over the years, but would always be 10% less than the commercial rate.

b) $0 for slag (inert material with beneficial use) – estimated 2,000 tons per year that could be used on our internal roads and reduce the amount of stone material purchased for road maintenance
c) 5 year contract with two one year optional renewals

6. **Director's Report** ..... Clarke Gibson

a) Report on Livestock Road Gas Collection System RFP
b) Tonnage *(Attached)*
c) Report on Hazardous Household Waste Collection event in October
d) Safety Meeting
e) Odor Update
f) Solid Waste Management Plan

7. **2020 Meeting Schedule and Location (suggesting 5 meetings instead of six)**

a) January 22
b) March 25
c) May 20
d) August 26
e) December 2

8. **Other Business**

9. **Closed Session**

Closed Session: Consultation with legal counsel pertaining to probable litigation regarding the Concord Turnpike Gas Collection System and consideration of salary increases for two Service Authority employees.

Return to Open Session

I move that the Board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed or considered in a closed session.

10. **Next Meeting:** January 22, 2020

March 4, 2005

VIA EMAIL

Mr. Robert White
Deputy Director
Region 2000 Regional Commission
915 Main Street, Suite 202
Lynchburg, VA 24504

Re: Regional Solid Waste Management Analysis – Draft Report

Dear Mr. White:

R. W. Beck is pleased to submit our draft report to the Region 2000 Regional Commission (Commission) of the "Regional Solid Waste Management Analysis" that we have completed.

R. W. Beck would emphasize that to provide the report to the Commission by the requested deadline, we have not completed our final internal review. We will continue to review the report to ensure that all information is as accurate as possible.

The analysis and recommendations presented in this study would not be possible without the assistance of staff from the Commission and each of the participating communities. We would like to express our sincere appreciation to those who participated in the conduct of this analysis.

If you have any questions concerning the enclosed report please call me at (512) 450-0991. We look forward to our meeting next week to discuss the draft report.

Sincerely,

R. W. BECK, INC.

Scott Pasternak
Manager

cc: Ms. Teresa Nuckols, Amherst County
Mr. Clarke Gibson, City of Bedford
Mr. Clif Tweedy, Campbell County
Ms. Susan McSwain, Nelson County
Mr. Dave Owen, City of Lynchburg

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

5806 Mesa Drive, Suite 310 Austin, Texas 78731, Phone (512) 450-0991, Fax (512) 450-0515

EXHIBIT
H

R. W. BECK
Regional Solid Waste Management Analysis

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables

Section 1 Executive Summary 1-1
1.1 Introduction 1-1
1.2 Project Purpose 1-2
1.3 Planning Level Financial Review 1-2
1.4 Waste Stream Analysis 1-2
1.5 Cost Analysis of Existing Transfer/Disposal Operations 1-3
1.6 Regional Alternative: Joint Use of Existing Facilities 1-3
1.7 Regional Alternative: Waste-to-Energy 1-4
1.8 Regional Alternative: Transfer Station 1-5
1.9 Creation of a Regional Authority 1-5
1.10 Key Findings and Recommendations 1-6

Section 2 Waste Stream Analysis 2-1
2.1 Introduction 2-1
2.2 Historical Tonnage Amounts 2-1
2.3 Population Forecast 2-3
2.4 Projected Tonnage Amounts (2006–2015) 2-4

Section 3 Cost Analysis of Existing Transfer/Disposal Operations 3-1
3.1 Introduction and Methodology 3-1
3.2 Cost Analysis for Participating Communities 3-1
3.3 Cost Analysis for Appomattox and Bedford Counties 3-8

Section 4 Regional Alternative: Joint Use of Existing Facilities 4-1
4.1 Overview 4-1
4.2 Regulatory Considerations 4-2
4.3 Cost Analysis 4-2
4.4 Advantages and Disadvantages 4-15
4.5 Industry Trends 4-15
4.6 Conclusion 4-16

Table of Contents

Section 5 Regional Alternative: Waste-to-Energy 5-1
- 5.1 Overview 5-1
- 5.2 Cost Analysis 5-2
- 5.3 Incremental Cost Analysis 5-3
- 5.4 Advantages and Disadvantages 5-4
- 5.5 Industry Trends 5-4
- 5.6 Conclusion 5-5

Section 6 Regional Alternative: Transfer Station 6-1
- 6.1 Overview 6-1
- 6.2 Cost Analysis 6-1
- 6.3 Incremental Cost Analysis 6-5
- 6.4 Advantages and Disadvantages 6-5
- 6.5 Industry Trends 6-6
- 6.6 Conclusion 6-6

Section 7 Creation of a Regional Authority 7-1
- 7.1 Introduction 7-1
- 7.2 Reasons to Consider a Regional Authority 7-1
- 7.3 Legal Process 7-1
- 7.4 Next Steps to Develop a Regional Planning Authority 7-2

Section 8 Economic Comparison and Recommendations 8-1
- 8.1 Introduction 8-1
- 8.2 Economic Comparison of Regional Alternatives 8-1
- 8.3 Key Findings and Recommendations 8-13
- 8.4 Additional Opportunities for Regionalization 8-15
- 8.5 Waste Generation Assessments as a Cost Recovery Tool 8-18

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

Copyright 2005, R. W. Beck, Inc.
All rights reserved.

1. Facilities
2. Land
3. Buildings
4. Equipment
5. Permits

For each asset, the value should be calculated based on valuation criteria typically used in the solid waste industry and be based on the asset's remaining useful life.

Similarly, the value of each community's solid waste liabilities would need to be calculated. A valuation of liabilities may include the following:

1. Closure costs
2. Post-closure costs
3. Existing debt service

The total value of a community's liabilities contributed would be applied against the value of assets contributed, yielding a net asset (or net liability) contribution figure. This approach would serve as the basis for each community's net asset contribution valuation.

7.4.3 Compensation Scenarios

There would be a need to determine how each community would be compensated for (1) the net assets that would become part of the new regional system and (2) potential excess revenue that would not be generated by individual facilities when a regional system is created. Such compensation could be provided via a number of methodologies including the development of rate structures for each community that reflect the net value of their respective net solid waste assets contributed or the development of a single rate structure for all communities that reflects any new debt the new regional entity would issue to compensate each community for their respective net solid waste assets. To the extent that excess revenue will be generated in the future, there will be a need to determine how to allocate these funds to the communities with landfills.

Note that in the event any community's liabilities contributed exceed its assets, the first scenario could be employed in its present form to compensate other communities. If the second scenario were to be used under such a circumstance, a surcharge should be added to the rate of the net liability contributing community to enable the other communities to recover the amount of this net liability.

7.4.4 Financial Analysis

After determining the specific operational plan for the regional authority, there would be a need to complete a thorough financial analysis. This analysis would build from the evaluation completed in this report. This evaluation would provide a more

2/26/07
2/5/07

BOARD OF SUPERVISORS MINUTES

// REGIONAL LANDFILL LOCAL OPERATIONS

Clifton M. Tweedy, Deputy County Administrator, along with Bob White, Region 2000 Local Government Council, requested the Board's approval to form a Regional Landfill Authority with Amherst County, Nelson County, the City of Bedford and the City of Lynchburg. Jeffrey T. Crate of Draper Aden Associates was also present.

The regional concept calls for the three communities that have landfills, Amherst County, City of Lynchburg and Campbell County, to come together with the City of Bedford and Nelson County under one management group and operate one landfill at a time. Once this concept was approved by the member localities, the working group was directed to move into the implementation phase. The first step was to work with the Department of Environmental Quality (DEQ) to determine if the concept would meet their regulatory needs. DEQ has been supportive of the concept. The group was also asked to look at allowing Amherst County to operate its landfill at the same time as Campbell County and the City of Lynchburg. While it would cost a little more, doing this would still make sense from a regional perspective. Any increased costs would be borne by Amherst County. The third task was to come up with a detailed implementation schedule and budget formation.

Mr. White reviewed the cost savings to the members of the regional landfill. Over the course of the life of the current landfills, the region could save over $35 million. Campbell County would save nearly $17 million as a result of savings from tipping fees and excess revenue from fees charged to haulers.

The next steps would involve legal, engineering and staffing activities related to forming the Authority by May 2007. This would cost the member localities approximately $181,000, of which Campbell County would be required to pay $30,838. It was the goal to have the Authority up and running by July, 2008 at a cost of approximately $549,500 (Campbell County's share would be $120,890). The working group requested the Board's approval to move forward with the implementation phase.

In answer to questions raised at the last meeting regarding services provided at the local level, Mr. Tweedy looked at the savings on a yearly basis. The projected annual savings was approximately $980,000. The County could operate three days a week to accept the citizens free tonnage, white goods, bulk items, tires, etc. at a cost of $50,000 per year. To operate six days a week would cost an additional $60,000 mostly for personnel costs. The cost to haul waste from the green box sites (transfer sites) to Lynchburg for the first six years would cost around $180,000. The County would be able to save these costs when the landfill comes back to Campbell County. With a contingency of $100,000, the net annual savings was estimated at $650,000. An additional $75,000 could be saved if the Board chose to close the landfill and ask the citizens to take their bulk items to the City of Lynchburg.

The Public Works Committee has discussed the formation of an in-house construction group to build ball fields, demolish buildings and take care of nuisances. This has been included in the priorities and initiatives and could reduce the net annual savings by $150,000. If this is

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

EXHIBIT
number
1

approved, the current equipment should be adequate for four or five years, then the Board would need to consider the purchase of new equipment.

Mr. Tweedy indicated that a decision on the provision of local services was not required at this meeting. The Authority would not begin operations until July, 2008, so the Campbell County landfill would continue normal operations through June 30, 2008 and then it would take some time to transition to the authority. The management of the Authority would be set up along the same lines as the regional jail with each locality appointing one member to the Authority.

Supervisor Gunter expressed some concern if the County only accepts bulk items on three days. Mr. Tweedy advised the majority of bulk items were currently received on Friday, Saturday and Monday. The transfer sites were not a part of the regional landfill and would be operated on a normal basis. Supervisor Gunter commented the County would need to consider several sources to explain this new initiative to the citizens. Mr. Tweedy agreed indicating information would be transmitted via the newspaper, the County Chronicle and possibly flyers handed out at busy transfer sites.

In answer to a question by Supervisor Falwell, any usable equipment currently owned by each locality would be purchased by the Authority. Believing the Authority might become a reality, Campbell County has delayed the purchase of some equipment. Other equipment may be retained for the in-house construction group; therefore, by the time the transfer of equipment is made to the authority, Campbell County would have very little useful equipment. The compactors at the transfer sites were owned by the hauler and would remain at the transfer sites.

Supervisor Pendleton commented the concept of a regional landfill has been discussed many times and while there were still details to be worked out, he offered the following motion to approve the formation of a regional landfill.

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors approves Campbell County as a member of the proposed regional landfill authority with the intent to offer the citizens of Campbell County equal or better waste management services; authorizes funding of approximately $40,000 from the Fiscal Year 2007 Budget; authorizes approximately $121,000 to be included in the Fiscal Year 2008 budget; and authorizes the continuation of an in-house construction group for County construction projects.

The vote was: Aye: Boyer, Carter, Falwell, Gunter, Pendleton, Puckett, Rosser
Nay: None

// REGIONAL SOLID WASTE STUDY

The Board was provided the final report prepared by R. W. Beck on a plan to handle waste regionally. The Plan has received preliminary approval by DEQ. The partners would include the Counties of Amherst, Campbell, Nelson and the Cities of Bedford and Lynchburg. The plan included a temporary closure of the Campbell County landfill while the Lynchburg landfill was being used. Based on additional study it was determined that it was not feasible to operate the Amherst landfill as a single facility so that facility would continue to operate concurrently with Lynchburg and then Campbell County until it was full. Amherst County would pay a slightly higher tipping fee to support the change. Final approval of the plan would be scheduled for the Board's February 20th meeting.

Supervisor Pendleton reiterated his request for information on the effects of the plan on Campbell County citizens such as being allowed to bring in two tons of waste to the landfill free of charge each year. He was concerned the cost savings may not be as high as projected if the County has to incur additional costs to provide these services. Supervisor Gunter wanted to know how it would affect the transfer sites. Administrator Laurrell indicated a cost comparison of current services would be provided to the Board. Mr. Tweedy added the County may need to consider manned transfer sites whether or not the County went to a regional landfill.

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v.

Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
12th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

DEMURRER

The County of Appomattox, by counsel, files the following Demurrer to the "Amended Complaint" filed by the Plaintiffs:

1. The plaintiffs allege in their amended complaint that "The Authority is governed by its Amended and Restated Articles of incorporation, its Bylaws dated January 31, 2008, and by the terms of a Member Use Agreement ("MUA"), adopted January 31, 2008, and as amended thereafter" and incorporates all of these documents by reference into its pleading. (Amended Complaint ¶ 7)

2. In ¶ 8 of their amended complaint, the Plaintiffs falsely assert that "[i]ncorporated by reference into the MUA is a certain document entitled Financial Inventory and Fiscal Year 2009 Annual Budget, by R.W. Beck, Inc., hereinafter known as the "Beck Analysis" A review of the MUA will confirm that no such reference is

EXHIBIT
tabbies
E

made to the listed document and it is in no way a part of the MUA.

3. The Plaintiffs ask this court to make certain declarations with respect to a definition contained in the MUA on "Excess Revenue."

4. The interpretation of a contract presents a question of law. City of Chesapeake v. States Self-Insurers Risk Retention Group, Inc., 271 Va. 574, 628 S.E.2d 539 (2006) (Citing Bentley Funding Group, L.L.C. v. SK & R Group, L.L.C., 269 Va. 315, 324, 609 S.E.2d 49, 53 (2005)).

5. The contract is construed as written, without adding terms that were not included by the parties. Id (Citing Wilson v. Holyfield, 227 Va. 184, 187, 313 S.E.2d 396, 398 (1984))

6. When the terms in a contract are clear and unambiguous, the contract is construed according to its plain meaning. Id (Citing Bridgestone/Firestone, Inc. v. Prince William Square Assocs., 250 Va. 402, 407, 463 S.E.2d 661, 664 (1995). "Words that the parties used are normally given their usual, ordinary, and popular meaning. No word or clause in the contract will be treated as meaningless if a reasonable meaning can be given to it, and there is a presumption that the parties have not used words needlessly." D.C. McClain, Inc. v. Arlington County, 249 Va. 131, 135-36, 452 S.E.2d 659, 662 (1995).

7. The Plaintiffs are asking this court to turn a **definition** in the contract into the sole and controlling language concerning the issue of "Excess Revenue," when the terms of the MUA clearly and unequivocally state terms contrary to the position taken by the Plaintiffs.

8. Pursuant to the MUA, "Excess Revenue" is calculated by determining "the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee." (Plaintiff's Exhibit C to Amended Complaint p.3). It is calculated by determining the "excess" that is charged to private haulers to dump at the landfill. In other words, the charges to "private haulers" sets the parameters for any "excess revenue" calculation.

9. The MUA by its terms is clear and unambiguous that:

> "The Authority shall set the Tipping Fees for Private Haulers on a cost-plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs." (Amended Complaint Exhibit C p. 11 §5.1(b)).

10. The clear term of the contract shows that "private hauler" revenues can be used to "create a capital or other reserve fund" **or** to reimburse "Member Jurisdictions." The MUA is clear that the Plaintiff's have no contractual "right" to the Private Hauler funds which may be used for Capital or Reserve Fund purposes.

11. Section 5.11 of the MUA (Amended Complaint Exhibit C page 15) is even more explicit by stating:

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board **may vote to distribute** some or all of such Excess Revenue to Lynchburg and Campbell, respectively... (emphasis added).

12. The MUA is clear and unambiguous that the payment of Excess Revenue requires a discretionary vote of the Authority members.

13. The clear unambiguous language of the MUA is that the payment of Excess Revenue to the plaintiffs' is not a "right."

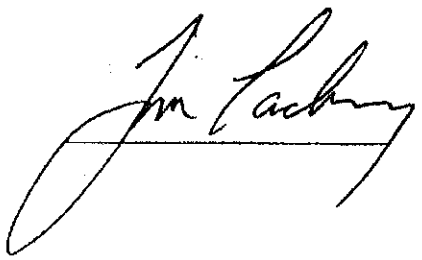
14. In paragraph 15 of their Amended Complaint the Plaintiff's tacitly admit that the decision to pay Excess Revenue is discretionary but argue that said discretion must be exercised in "good faith."

15. The Plaintiffs do not allege a single fact that would support the contention that the member jurisdictions have not behaved in good faith with respect to the payment of Excess Revenue.

16. The plaintiffs' entire Amended Complaint centers on the MUA and the alleged breach of that MUA. As such, the Plaintiffs are in essence alleging a standard breach of contract case which is not proper for Declaratory Judgment since the Plaintiffs have an adequate remedy at law.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia

153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

F.E. "Tripp" Isenhour, III.
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.
100 West Franklin Street, Suite 300
Richmond, VA 23220

This 5th day of January, 2021

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Demurrer

Comes now Nelson County, by counsel, and file this her demurrer to the amended complaint.

1. Plaintiffs County of Campbell and the City of Lynchburg allege that a total of $2,545,402.00 in Excess Revenue is "due those localities." (Complaint ¶¶ 11, 13.)

2. What plaintiffs are actually asking this Court to decide is whether the defendants have breached the contract between them.

3. Issuance of a declaratory judgment would be an abuse of discretion here because a breach of contract claim provides plaintiffs an adequate remedy at law.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

EXHIBIT
tabbies
F

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 20 21
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Phillip Payne

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	CL20002216-00
	)	
Region 2000 Services Authority, *et als.*,	)	
	)	
	)	
Defendants.	)	

Nelson County's Plea in Bar

Comes now Nelson County, by counsel, and file this her plea in bar to the amended complaint.

1. The agreement among the parties expressly provides that the Authority is not mandated to distribute Excess Revenue.

2. Section 5.10 of the Member Use Agreement provides, in part, that "the Authority Board *may* vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell...." (emphasis added).

3. "If language is clear and unambiguous, there is no need for construction by the court...." *Brown v. Lukhard*, 229 Va. 316, 321 (1985).

4. As Section 5.10 is dispositive, plaintiffs' other questions address breach of contract issues or seek an advisory opinion.

WHEREFORE, defendant Nelson County prays that the amended complaint be dismissed.

County of Nelson

By _____
Of counsel

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 2021
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

I certify that a true copy of Nelson County's response was mailed first-class postage prepaid this 13th day of January, 2020, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Walter C. Erwin, III, Esquire
Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

/Phillip Payne/

TWENTY-FOURTH JUDICIAL CIRCUIT OF VIRGINIA

JOHN T. COOK, JUDGE
CAMPBELL COUNTY CIRCUIT COURT
P.O. BOX 96
RUSTBURG, VIRGINIA 24588
(434) 592-9515
FAX (434) 332-9680

CAMPBELL COUNTY
CIRCUIT COURT CLERK
P.O. BOX 7
RUSTBURG, VIRGINIA 24588
(434) 592-9517
FAX (434) 332-9598

COMMONWEALTH OF VIRGINIA
CITIES OF LYNCHBURG AND BEDFORD
COUNTIES OF AMHERST, BEDFORD, CAMPBELL AND NELSON

March 18, 2022

F. E. "Tripp" Isenhour, III, Esquire
Caskie & Frost
Post Office Box 6320
Lynchburg, VA 24505

Matthew Freedman, Esquire
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne, Esquire
Post Office Box 299
Lovingston, VA 22949

Jeremy Carroll, Esquire
Guynn Waddell Carroll & Lockaby
415 S. College Avenue
Salem, VA 24153

Thomas E. Lacheney, Esquire
Office of the Appomattox County Attorney
153-A Morton Lane
Post Office Box 863
Appomattox, VA 24522

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
18th day of March, 2022
VALERIE P. YOUNGER, CLERK
Teste: _____
Deputy Clerk

Re: County of Campbell and City of Lynchburg v. Region 2000 and County of Appomattox and County of Nelson
Case No.: CL20002216-00

Dear Counsel:

EXHIBIT
tabbies
6

I am writing to render a decision on the demurrer filed by Appomattox County and the plea in bar and demurrer filed by Nelson County. I have considered the memoranda filed by all the parties and the oral argument of February 25, 2022.

In their Amended Complaint, Campbell County and the City of Lynchburg plead that there is an actual justiciable controversy as to whether they are entitled to Excess Revenue under an amended Member Use Agreement (hereinafter referred to as "the Agreement") (Exhibit B), to compensate them for capital they contributed to the Region 2000 Services Authority (hereafter referred to as "the Authority"). In 2019 and 2020, the Board of the Authority deadlocked in a vote of 2-2 as to whether to Excess Revenue would be paid to Campbell County and to Lynchburg. A total of $2,545,402 of Excess Revenue has accumulated for the two years.

Before I address the merits, I will address the issue of standing. The plaintiffs argue that Appomattox County and Nelson County do not have standing to object to their claims in that the Authority only has standing. They cite Erie Insurance v. Hughes, 240 Va. 165 (1990), which requires all parties in interest be included in a declaratory judgment action. The plaintiffs argue that they only included the two counties to satisfy this rule.

In support of the argument, they cite Linton v. Commonwealth, 287 Va. 92 (2014). In Linton, a criminal defendant was not allowed to raise on appeal an objection made by a co-defendant that he did not join in at trial. The Linton case is not persuasive. As parties in interest, the two counties have standing to object to the matters raised in the Amended Complaint.

I will now address the merits of the demurrers and the plea in bar. On demurrer, the court tests the sufficiency of the plaintiff's factual allegations to determine whether a cause of action has been stated. Fun v. Virginia Military Institute, 245 Va. 249, 252 (1993). A demurrer will be sustained if the pleading, considered in the light most favorable to the plaintiff, fails to state a valid cause of action. C. Porter Vaughan v. DiLorenzo, 279 Va. 449, 455 (2010). A demurrer tests only the legal sufficiency of a pleading, not matters of proof. Hop-In Food Stores, Inc. v. Serv-N-Save, Inc., 237 Va. 206, 209 (1989). In considering a demurrer, the Court must apply the settled rule that a demurrer admits the truth of all well-plead facts expressly alleged, those which fairly can be viewed as impliedly alleged and those which may be fairly and justly inferred from the facts alleged. Rosillo v. Winters, 235 Va. 268,270 (1988). On demurrer, a court may examine not only the substantive allegations of the pleading, but any accompanying exhibit mentioned in the pleading. Flippo v. F & Land Co., 241 Va. 15,17 (1991).

"A plea in bar asserts a single issue, which, if proved, creates a bar to a plaintiff's recovery." Hawthorne v. VanMeter, 279 Va. 566, 577 (2010). The party asserting the plea in bar bears the burden of proof. Id. Two possible standards of review apply, depending on whether the plea's proponent elects to meet that burden by presenting evidence or relying on the pleadings. In the former situation, in which the parties present evidence on the plea ore tenus, the circuit court's factual findings are accorded the weight of a jury finding and will not be disturbed on appeal unless they are plainly wrong or without evidentiary support. Id. In the

latter situation, "where no evidence is taken in support of a plead in bar, the trial court, and the appellate court on review, consider solely the pleading in resolving the issue presented. In doing so, the facts stated in the plaintiff's complaint are deemed true. Lostangio v. Laingford, 261 Va. 495, 497 (2001). Massenburg v. City of Petersburg, 298 Va. 212, 216 (2019).

No evidence was presented, so this court must accept the facts in the pleadings as true. Appomattox County and Nelson County argue that the Agreement is clear and unambiguous that the payment of Excess Revenue to Campbell County and Lynchburg is discretionary under Section 5.11(in pertinent part):

> In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectfully, based on the basis of the relative percentage of available air space each Facility had at the date of the transfer.

"The question whether a contract is ambiguous is not one of fact but one of law." Wilson v. Holyfield, 227 Va. 184, 187 (1984). "Language is ambiguous if it admits of being understood in more than one way or refers to two or more things simultaneously. An ambiguity exists when the language is difficult to comprehend, is of doubtful import, or lacks clearness and definiteness. If language is clear and ambiguous, there is no need for construction by the court. . . "Brown v. Lukhard, 229 Va. 316, 321 (1985).

The plaintiffs alleged in paragraph 8 of the Amended Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement. Paragraph 3.1 of the Agreement states that the Purchase Price for the Campbell County facility and the Lynchburg facility shall be based on a calculation by R.W. Beck, Inc. In its demurrer and in oral argument Appomattox County assert that this is a false allegation that Exhibit D is incorporated in the Agreement. Nelson County did not address the Beck analysis in its demurrer or in oral argument. This court must accept the allegation as true and consider Exhibit D under the standard of review.

The Beck analysis provides under market rate for private haulers:

> Amount collected in excess of cost of service rate will be distributed as excess revenue to the City of Lynchburg and Campbell County and allocated based on the amount of airspace contributed to the Authority. (Section 2-2).

The Beck analysis further provides:

> Excess Revenue as defined in Section 2.2 is the revenue contribution of the existing Lynchburg contracts and market rate customers (all private haulers) beyond the cost of

> service disposal fee. The excess revenue will be distributed to the City of Lynchburg and Campbell County based on amount of landfill airspace contributed to the Authority. (Section 2.3.8)

The Beck analysis describes the amounts the City of Lynchburg and Campbell County should annually budget for the excess revenue at 80% of estimates stated in the analysis. "If the remaining 20 per cent is available at the end of the year, then it too would be distributed as excess revenue to these two member jurisdictions using the same methodology." (Page 2-11).

The definition of "Excess Revenue" in the Agreement is as follows:

> "Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell, respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year.

When I consider the Beck analysis and the definition of Excess Revenue in the agreement, I find the Agreement to be ambiguous as to whether the payment of Excess Revenue is mandatory or discretionary. The language used says two different things.

I also find there is an actual justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue. The Agreement has a 50-year term that ends in 2058. The plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim.

For these reasons, I deny the demurrers and the plea in bar. I request Mr. Isenhour prepare the order which should provide that the defendants answer the Amended Complaint within 21 days.

Very truly yours,

By: John T. Cook, Judge

John T. Cook

JTC/kfc
c: Court file

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF CAMPBELL

COUNTY OF CAMPBELL, VIRGINIA,

&

CITY OF LYNCHBURG, VIRGINIA,

Plaintiffs,

v.

REGION 2000 SERVICES AUTHORITY,

Defendant,

COUNTY OF APPOMATTOX, VIRGINIA,

An Interested Party,

COUNTY OF NELSON, VIRGINIA,

An Interested Party,

Case No. CL20002216-00

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

ORDER ON DEMURRERS AND PLEA IN BAR

On February 25, 2022, the parties came, by counsel, on the County of Appomattox's Demurrer to the Plaintiffs' Amended Complaint, and on the County of Nelson's Demurrer and Plea in Bar to the Plaintiffs' Amended Complaint. Having considered the Demurrers, the Plea in Bar, the Memoranda in Support and Opposition to the same, and the arguments of counsel, the Court Adjudges, Orders, and Decrees as follows, based upon the reasons stated upon the record and in the Court's March 18, 2022 letter ruling to counsel:

1. The County of Appomattox's Demurrer should be, and it hereby is DENIED.
2. The County of Nelson's Demurrer should be, and it hereby is DENIED.
3. The County of Nelson's Plea in Bar should be, and it hereby is DENIED.

EXHIBIT
tabbies
H

4. The County of Appomattox and the County of Nelson shall be permitted to file answers to the Plaintiff's Amended Complaint within 21 days of the entry date of this Order.

5. The Clerk of this Court is directed to send a certified copy of this Order, as entered, to all counsel of record.

Entered this 6th day of May, 2022.

John T. Cook

Judge John T. Cook

I ask for this:

P.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

CC. Isenhour
Freedman
Carroll
Lacheney
Payne

SEEN AND AGREED:

Matthew C. Freedman (VSB# 78496)
City of Lynchburg, Virginia
City Attorney's Office
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

SEEN:

Jeremy B. Carroll (VSB 41331)
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, VA 24153
(540) 387-2320
(540) 389-2350 (fax)
jeremyc@guynnwadell.com
Counsel for Region 2000 Service Authority

SEEN AND OBJECTED TO FOR THE REASONS STATED ON THE RECORD AT ORAL ARGUMENT AND IN THE DEMURRERS AND BRIEFS; as well as based upon the attached Objection to Letter Opinion and Order

Thomas E. Lacheney (VSB 35588)
Dezi & Lacheney, P.C.
183-A Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Appomattox County

See attached objections.

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Nelson County

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v.

Case
CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

OBJECTION TO LETTER OPINION & ORDER

The County of Appomattox, by counsel, files the following objections to the Letter Opinion of the Court dated March 18, 2022 and the subsequently entered order:

OBJECTION 1

The "Beck Analysis' (Exhibit D to Amended Complaint) as a matter of law is not incorporated by reference into the Member Use Agreement.

The original Member Use Agreement dated January 31, 2008 contains three (3) references to R.W. Beck Inc. (Exhibit B to Amended Complaint) . On June 20, 2008 the Member Use Agreement was amended by the parties (Exhibit C to Amended Complaint). There are again exactly three (3) references to R.W. Beck Inc., and the references are **virtually identical** to those in the original Member Use Agreement with only minor changes to the language:

A. The purchase price for ~~each~~ the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of ~~the~~ those Facilities as determined in an independent assessment by R. W. Beck, Inc.

B. A final determination of net assets and liabilities, ~~and~~ the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be ~~made~~ further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology~~:~~ and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts ~~will~~ be approved by the Authority Board.

C. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc.

(Added language in Red and deleted language struck out).

Both versions of the Member Use Agreement reference R.W. Beck Inc. but neither version references any specific document. More importantly, the "Beck Analysis" is a misnomer selected by the plaintiffs. The actual document the plaintiffs allege is incorporated by reference is titled "*Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority*" dated March 19, 2008 prepared

by R.W. Beck (Exhibit D) and neither version of the Member Use Agreement references that specific document.

As a matter of law, Exhibit D cannot have been incorporated by reference into the original Member Use Agreement (Exhibit B) because it is a fundamental rule that to incorporated a document by reference, it must have existed at the time of contract execution.

> Virginia recognizes the doctrine of incorporation by reference and there are three requirements in order for the doctrine to apply. **The first requirement is that the paper sought to be incorporated by reference must have been in actual existence** at the time of the will. Second, the face of the will must indicate that it is a paper in existence at that time. Finally, the paper must be identified and described with reasonable certainty in the will. See Triplett's Ex'r v. Triplett, 161 Va. 906, 172 S.E. 162 (1934); Lawless v. Lawless, 187 Va. 511, 47 S.E.2d 431 (1948).

Freeman v. Anderson, 55 Va. Cir. 353, 355, 2001 Va. Cir. LEXIS 297, *5 (emphasis added).

It therefore strains credulity to argue that the amended Member Use Agreement intended to incorporate Exhibit D when it uses almost identical language concerning R.W. Beck as in the original Member Use Agreement when the document did not exist.

Furthermore, the "paper must be described with reasonable certainty..." Id.

> "Incorporation by reference is proper where the **underlying contract makes clear reference to a separate document, the identity of the separate document may be ascertained**, and incorporation of the document will not result in surprise or hardship." Standard Bent Glass Corp. v. Glassrobots Oy, 333 F.3d 440, 447 (3d Cir. 2003); *see also* 11 Richard A. Lord, *Williston on Contracts* § 30:25 (4th ed. 2011) ("As long as the contract makes clear reference to the document and describes it in such terms that its identity may be ascertained beyond doubt, the parties to a contract may incorporate contractual terms by reference to a separate, non-contemporaneous document..."

Fastener Corp. of Am. v. Asheboro Elastics Corp., 2013 U.S. Dist. LEXIS 88834, *9-10, 2013 WL 3227665 (emphasis added).

Not only must the contract make a "clear reference" to the allegedly i]ncorporated document, "[i]t must be clear that the parties to the agreement had knowledge of and assented to the incorporated terms, *Williston on Contracts* § 30:25..." Logan & Kanawha Coal Co., LLC v. Detherage Coal Sales, LLC, 514 Fed. Appx. 365, 367-368, 2013 U.S. App. LEXIS 5613, *6, 2013 WL 1150490

As the Virginia Supreme Court explained:

> "Incorporation by reference" is defined in Black's Law Dictionary, in part, as: "A method of making a secondary document part of a primary document by including in the primary document a statement that the secondary documents should be treated as if it were contained in the primary one." Black's Law Dictionary 781 (8th ed. 2004); *see* Farley v. Farley, 7 Va. Cir. 260, 261 (Virginia Beach City 1985) (quoting Black's Law Dictionary 690 (5th ed. 1979) (defining incorporation by reference as "'[t]he method of making one document of any kind become a part of another separate document by referring'"); *see also* United States v. Stevenson, 832 F.3d 412, 425 (3d Cir. 2016) ("'**[A]n incorporation by reference must be clear, full, and definite and must be expressly done.**'" (quoting 11A Cyc. of Federal Proc. § 42:105 (3d ed.))); Schneider Nat'l Transp. v. Ford Motor Co., 280 F.3d 532, 538 (5th Cir. 2002) ("An incorporation by reference must be sufficiently clear for [a] court to conclude the parties intended the incorporation."); Advanced Display Sys., Inc. v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000) ("**To incorporate material by reference, the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found in the various documents.**"); Navlet v. Port of Seattle, 164 Wn.2d 818, 194 P.3d 221, 235 n. 15 (Wash. 2008) ("**[I]ncorporation by reference must be clear and unequivocal.**"); *cf.* Lawless v. Lawless, 187 Va. 511, 518-19, 47 S.E.2d 431 (1948) (discussing the doctrine of incorporation by reference as related to documents extrinsic to a will).

Va. Elec. & Power Co. v. City of Chesapeake, 95 Va. Cir. 106, 116-117, 2017 Va. Cir. LEXIS 7, *22-23 (emphasis added).

The first Member Use Agreement could not incorporate a document that did not exist, and the amended Member Use Agreement did not contain a "clear, full and definite" reference to the *Final Report - Financial Inventory and Fiscal Year 2009 Annual Budget - Region 2000 Services Authority"* Id. Likewise, the amended Member Use Agreement did not "identify with detailed particularity what specific material it incorporates and clearly indicate where the material is found.." with respect to Exhibit D, nor was any incorporation "clear and unequivocal." Id.

Finally, the actual words used in the Member Use Agreement are actually quite specific as to what R.W. Beck would be doing:

A. Provide a calculation of net assets and liabilities so a purchase price could be determined.

B. Provide a final determination of net assets and liabilities so that a purchase price can be "approved by the Authority Board."

C. Provide a calculation of the total capacity of the landfill.

The Member Use Agreement was explicit and detailed as to the role of R.W. Beck and it did not include the incorporation of a 45 page external document into a 27 page agreement.

OBJECTION 2

The Allegation that "Beck Analysis' (Exhibit D to Amended Complaint) was incorporated by reference into the Member Use Agreement need not be accepted as true.

This Court stated that "[t]he plaintiffs alleged in paragraph 8 of the Amended

Complaint that the Beck analysis (attached as Exhibit D) is incorporated by reference in the Agreement" and that [t]his Court must accept the allegation as true and consider Exhibit D under the standard of review." (Memorandum Opinion p.3).

This however, is not a correct statement of the law on demurrer. The Virginia Supreme Court has clearly laid out the standard in this regard:

> "Because this appeal arises from the grant of a demurrer, we accept as true all factual allegations expressly pleaded in the complaint and interpret those allegations in the light most favorable to the plaintiff." Coward v. Wellmont Health Sys., 295 Va. 351, 358, 812 S.E.2d 766 (2018). Though we "accept as true unstated inferences to the extent that they are reasonable, we give them no weight to the extent that they are *unreasonable*. The difference between the two turns on whether 'the inferences are strained, forced, or contrary to reason,' and thus properly disregarded as 'arbitrary inferences.'" Id. at 358-59 (emphases in original) (citations omitted). **We also "distinguish allegations of historical fact from conclusions of law. We assume the former to be true *arguendo*, but we assume nothing about the correctness of the latter because 'we do not accept the veracity of conclusions of law camouflaged as factual allegations or inferences.'"** Id. at 359 (citation omitted).

Sweely Holdings, LLC v. R SunTrust Bank, 296 Va. 367, 370-371, 820 S.E.2d 596, 598, 2018 Va. LEXIS 169, *2, 2018 WL 6071127 (emphasis added).

Both the question of whether a document is i]ncorporated by reference, and the issue of whether a contract is ambiguous are questions of law and the court need not accept the claims of the plaintiff as true.

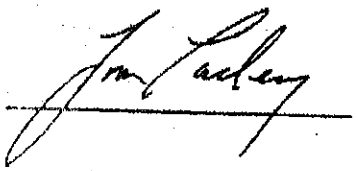
OBJECTION 3

If the Member Use Agreement is unambiguous, all other issues are resolved. In the penultimate paragraph of the Courts Letter Opinion, the Court declares that the "plaintiffs have raised multiple issues in the Amended Complaint that are beyond a breach of contract claim."

The fact is that all issues are resolved in the actual Member Use Agreement and all of the plaintiffs' "questions" must be resolved from the four (4) corners of the Member Use Agreement. That agreement is clear and unambiguous that it takes an affirmative vote of the Authority to pay excess revenue, and the plaintiffs' questions all seek a determination from the Court that this clause can be overridden by the court. In essence the relief requested is an amendment of that unambiguous term and the Court to mandate a payment of excess revenue, and to strike the language requiring a vote by an appointed body of a political subdivision of the Commonwealth. This the Court cannot do and there are therefore no issues left to be resolved.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:



Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

Nelson County's objections to the Court's opinion and order:

1. Nelson County adopts and incorporates by reference the Objection to Letter Opinion & Order filed by Appomattox County.

2. Nelson County objects to the Court's denial of her demurrer and its finding of ambiguity in the Member Use Agreement in connection with the distribution of Excess Revenue as the Agreement provides that "the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell…", a discretionary power fully comporting with the mandate of Virginia Code § 15.2-5113. "A majority of board members shall constitute a quorum and the vote of a majority of board members shall be necessary for any action taken by the authority." *Id.*

3. Nelson County objects to the Court's denial of her plea in bar and its ruling that "there is an actual and justiciable controversy as to the ongoing obligation to pay the member jurisdictions the Excess Revenue" as an abuse of the Court's discretion on the grounds that plaintiffs' claim lies in contract: that they are seeking a total of $2,545,402.00 in Excess Revenue. The other questions posed by plaintiffs seek advisory opinions or answers to inquiries that are merely speculative and thus not justiciable in a declaratory judgment action.

Phillip D. Payne IV

Of counsel

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA
IN THE CIRCUIT COURT FOR CAMPBELL COUNTY

COUNTY OF CAMPBELL
CITY OF LYNCHBURG

Plaintiffs

v.

Case CL20002216-00

REGION 2000 SERVICES AUTHORITY

Defendant

COUNTY OF APPOMATTOX
COUNTY OF NELSON

Interested Parties.

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
16th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: J Wedwick
Deputy Clerk

ANSWER

The County of Appomattox, by counsel, files the following Answer to the "Amended Complaint" filed by the Plaintiffs:

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted

3. Paragraph 3 is admitted except that Reid Wodicka no longer serves in the identified capacities, which is hereby denied.

4. Paragraph 4 is admitted

5. Paragraph 5 is admitted

6. Paragraph 6 is admitted

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibit A, A1, and Exhibit C. Denied as to Exhibit B which has been superseded in its entirety.



8. Paragraph 8 is denied.

9. Paragraph 9 is denied in that no "Beck Analysis" was considered.

10. Paragraph 10 is Denied. Exhibit E purports to be "Draft" minutes.

11. Paragraph 11 is admitted that a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted that a tie vote occurred. Otherwise denied.

14. Admitted that the distribution of Excess Revenue is discretionary and that such revenue may be used for multiple purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent it is required.

16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18. Paragraph 18 is admitted with respect to the MUA, but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Appomattox County has insufficient information either to admit or deny the allegations in paragraph 29 and denies the same.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extend an answer is required.

32. Paragraph 32 is denied to the extend an answer is required.

33. Paragraph 33 is denied to the extend an answer is required.

34. Paragraph 34 is denied to the extend an answer is required.

35. Paragraph 35 is denied to the extend an answer is required.

36. Paragraph 36 is denied to the extend an answer is required.

37. Paragraph 37 is denied to the extend an answer is required.

38. Paragraph 38 is denied to the extend an answer is required.

39. Paragraph 39 is denied,

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. All allegations not specifically admitted in this answer are denied.

AFFIRMATIVE DEFENSES

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however, such assets are denominated.

WHEREFORE, Appomattox County asks that this case be dismissed with prejudice and that it be awarded its costs.

Respectfully Submitted:

Thomas E. Lacheney (VSB #35588)
Deal & Lacheney P.C.
County Attorney
Appomattox County, Virginia
153-A Morton Lane
P.O. Box 863
Appomattox, Va. 24522
888-456-1547
877-457-1231 (Fax)
tlacheney@appomattoxcountyva.us

CERTIFICATE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid to

F.E. "Tripp" Isenhour, III
County Attorney
P.O. Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman
City Attorney
900 Church Street
Lynchburg, VA 24504

Phillip D. Payne
P. O. Box 299
Lovingston, VA 22949

Bill Hefty
Hefty Wiley & Gore, P.C.

100 West Franklin Street, Suite 300
Richmond, VA 23220

Jeremy Carroll
Guynn Waddell Carroll & Lockaby
415 S College Ave.
Salem, VA 24153

This 4th day of May, 2022

APPOMATTOX COUNTY, VIRGINIA

OFFICE OF THE COUNTY ATTORNEY

THOMAS E. LACHENEY
DEAL & LACHENEY P.C.
COUNTY ATTORNEY

tlacheney@appomattoxcountyva.us
PHONE: (888) 456-1547
FAX: (877) 457-1231

MAILING ADDRESS:
153-A MORTON LANE
POST OFFICE BOX 863
APPOMATTOX, VA 24522

May 4, 2022

Valerie P. Younger, Clerk
Campbell Circuit Court
732 Village Highway
P. O. Box 7
Rustburg, VA 24588-0007

Re: County of Campbell v. Region 2000 Services Authority
Case # CL20002216-00

Dear Ms. Younger:

Enclosed you will find an Asnwer to be filed in this case. Please let me know if you have any questions. I look forward to hearing from you and I am,

Sincerely yours,

Thomas E. Lacheney

enclosure

c: F.E. "Tripp" Isenhour, III
Matthew Freedman
Phillip D. Payne
Bill Hefty
Jeremy Carroll

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 06 2022
FILED

VIRGINIA:

IN THE CIRCUIT COURT OF CAMPBELL COUNTY

County of Campbell, et al.,

Plaintiffs,

v.

Region 2000 Services Authority, et als.,

Defendants.

CL20002216-00

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
20th day of May, 2022
VALERIE P. YOUNGER, CLERK
Teste: V. Younger
Deputy Clerk

Nelson County's Answer

Comes now Nelson County by counsel and files this her answer to the amended complaint.

1. Paragraph 1 is admitted.

2. Paragraph 2 is admitted.

3. Paragraph 3 is admitted except that Nelson County has insufficient information to either admit or deny Reid Wodicka's position.

4. Paragraph 4 is admitted.

5. Paragraph 5 is admitted.

6. Paragraph 6 is admitted.

7. Paragraph 7 is admitted in part and denied in part. Admitted with respect to Exhibits A, A1, and C. Denied as to Exhibit B as having been superseded in its entirety.

8. The allegations in paragraph 8 are denied.

9. Paragraph 9 is denied as no "Beck Analysis" was considered.

10. Paragraph 10 is denied. Exhibit E purports to be draft minutes.

11. Paragraph 11 is admitted to the extent a tie vote occurred. Otherwise denied.

12. The staff report, if in writing, speaks for itself. Otherwise denied.

13. Paragraph 13 is admitted to the extent a tie vote occurred. Otherwise denied.

14. Nelson County admits that the distribution of Excess Revenue is discretionary and that such revenue may be used for other purposes. Otherwise denied.

15. Paragraph 15 is denied to the extent an answer is required.



16. Paragraph 16 is admitted.

17. Paragraph 17 is denied.

18 Paragraph 18 is admitted with respect to the MUA but denied as to the Beck Analysis.

19. Paragraph 19 is denied.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

23. Paragraph 23 is denied.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. Paragraph 26 is denied.

27. Paragraph 27 is denied.

28. Paragraph 28 is denied.

29. Nelson County has insufficient information either to either admit or deny the allegations in paragraph 29.

30. Paragraph 30 is denied.

31. Paragraph 31 is denied to the extent an answer is required.

32. Paragraph 32 is denied to the extent an answer is required.

33. Paragraph 33 is denied to the extent an answer is required.

34. Paragraph 34 is denied to the extent an answer is required.

35. Paragraph 35 is denied to the extent an answer is required.

36. Paragraph 36 is denied to the extent an answer is required.

37. Paragraph 37 is denied to the extent an answer is required.

38. Paragraph 38 is denied to the extent an answer is required.

39. Paragraph 39 is denied.

40. Paragraph 40 is denied.

41. Paragraph 41 is denied.

42. Paragraph 42 is denied.

43. The final paragraph constitutes a prayer for relief and require no response.

44. Nelson County denies all allegations not specifically admitted in this answer.

Affirmative Defense

Campbell County and the City of Lynchburg have been paid in full for their assets conveyed to the Authority, however such assets are denominated.

WHEREFORE, Nelson County prays that the amended complaint be dismissed and that she be awarded her costs and attorney's fees ion this behalf expended.

County of Nelson

By _____
~~Of counsel~~

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

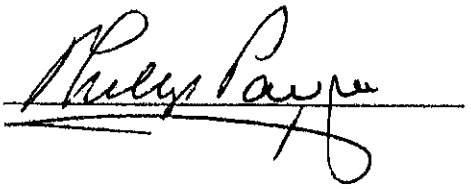
I certify that a true copy of Nelson County's answer was mailed first-class postage prepaid this 10th day of May; 2022, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA	)	CLERK NELSON COUNTY CIRCUIT COURT
and	)	JUN 27 2022
APPOMATTOX COUNTY, VIRGINIA,	)	**FILED**
Petitioners,	)	
v.	)	**Case No.: CL22000180-00**
REGION 2000 SERVICES AUTHORITY, et al.,	)	
Respondents.	)	

NOTICE OF HEARING

TO: **REGION 2000 SERVICES AUTHORITY**
Jeremy E. Carroll
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

COUNTY OF APPOMATTOX, VIRGINIA
Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139

COUNTY OF NELSON, VIRGINIA
Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949

CITY OF LYNCHBURG, VIRGINIA
Matythew C. Freedman, City Attorney
900 Church Street
Lynchburg, VA 24504

PLEASE TAKE NOTICE that the County of Campbell, Virginia and the City of Lynchburg, Virginia, by counsel, will appear before the Honorable Judge of the Nelson County Circuit Court on August 3, 2022 at 9:30 A.M. to present their Motion to Intervene and Motion to Consolidate to the Court; and

YOU MAY THEN AND THERE APPEAR AND DO WHAT MAY BE NECESSARY TO PROTECT YOUR INTEREST HEREIN.

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By _____
County Attorney

F.E. "Tripp" Isenhour, III, Esquire
VSB # 76871
Caskie & Frost
P. O. Box 6320
2306 Atherholt Road
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB# 78496
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

CERTIFICATE

I, F.E. "Tripp" Isenhour, III, do hereby certify that a copy of the foregoing Notice of Hearing was sent to the addresses of all parties and counsel for parties listed in the body of the said Notice on June 22, 2022.

F.E. "Tripp" Isenhour, III

CASKIE & FROST
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2306 ATHERHOLT ROAD
PLEASE REPLY TO: P. O. BOX 6320
LYNCHBURG, VIRGINIA 24505
WRITER'S EMAIL: TISENHOUR@CASKIEFROST.COM

LEIGHTON S. HOUCK
THEODORE J. CRADDOCK
JOY LEE PRICE
MARK J. PEAKE
JOHN R. ALFORD, JR.
J. FREDERICK WATSON
PAVLINA B. DIROM
F. E. "TRIPP" ISENHOUR, III
WILLIAM E. PHILLIPS
PHYLLIS C. SPENCE

JAMES R. CASKIE (1909-1969)
E. MARSHALL FROST (1920-1988)

JOHN R. ALFORD (RETIRED)
JOSEPH C. KNAKAL, JR. (RETIRED)
GREGORY P. COCHRAN (RETIRED)

TELEPHONE: 434 846-2731
FACSIMILE: 434 846-0496

June 22, 2022

Ms. Lisa D. Bryant, Clerk
Nelson Circuit Court
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

RE: Nelson County, Virginia and Appomattox County, Virginia v Region 2000 Services Authority
Case No.: CL22-000180-00

Dear Ms. Bryant:

I enclose herewith a Notice of Hearing for filing on behalf of the County of Campbell, Virginia and the City of Lynchburg, Virginia in the above captioned matter.

With a copy of this letter, I certify that a true copy of the within mentioned Notice of Hearing was mailed to Jeremy E. Carroll, Esquire, Counsel for Region 2000 Services Authority, Phillip D. Payne, IV, County Attorney for Nelson County, Virginia and to Thomas Lacheney, Esquire, County Attorney for Appomattox County, Virginia.

Please advise if you have any questions or need anything further at this time.

Very truly yours,

CASKIE & FROST

By: F. E. "Tripp" Isenhour, III

FEI/sjh
Enclosures
CC: Matthew C. Freedman, Esquire
Jeremy E. Carroll, Esquire
Phillip D. Payne, IV, Esquire
Thomas Lacheney, Esquire

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

Jeremy E. Carroll, Esquire
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, VA 24153

Phillip D. Payne, IV, Esquire
County Attorney
Nelson County, Virginia
P.O. Box 299
Lovingston, VA 22949

Thomas Lacheney, Esquire
County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

Matthew C. Freedman, Esquire
City of Lynchburg, Virginia
City Attorney's Office
900 Church Street
Lynchburg, VA 24504

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

NELSON COUNTY,	)	
	)	
AND	)	
	)	
APPOMATTOX COUNTY,	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY,	)	
	)	
Respondent.	)	

ANSWER OF RESPONDENT REGION 2000 SERVICES AUTHORITY

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Answer to the Petitioners' Petition for Temporary Injunction states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claim asserted in the Petition for Temporary Injunction arises out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

WHEREFORE, because Region 2000 has two of its members bringing this action as Petitioners and its other two members seeking to intervene in this action, Region 2000 respectfully requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

NELSON COUNTY,	)	CLERK NELSON COUNTY CIRCUIT COURT
AND	)	JUN 27 2022
APPOMATTOX COUNTY,	)	FILED
Petitioners,	)	
v.	)	Case No. CL22000180-00
REGION 2000 SERVICES AUTHORITY,	)	
Respondent.	)	

REGION 2000 SERVICES AUTHORITY'S RESPONSE TO THE MOTION TO INTERVENE FILED BY CAMPBELL COUNTY AND THE CITY OF LYNCHBURG

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Response to the Motion to Intervene filed by Campbell County and the City of Lynchburg states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claim asserted in the Petition for Temporary Injunction arises out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

4. Region 2000 takes no position on the Motion to Intervene.

WHEREFORE, because Region 2000 has two of its members bringing this action as Petitioners and its other two members seeking to intervene in this action, Region 2000 takes no

position on the Motion to Intervene and requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

VIRGINIA:

IN THE CIRCUIT COURT FOR NELSON COUNTY

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 27 2022
FILED

NELSON COUNTY,	)	
	)	
AND	)	
	)	
APPOMATTOX COUNTY,	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY,	)	
	)	
Respondent.	)	

REGION 2000 SERVICES AUTHORITY'S RESPONSE TO THE MOTION TO CONSOLIDATE FILED BY CAMPBELL COUNTY AND THE CITY OF LYNCHBURG

COMES NOW, the Region 2000 Services Authority ("Region 2000"), and for its Response to the Motion to Consolidate filed by Campbell County and the City of Lynchburg states as follows:

1. Region 2000 has four member jurisdictions: Campbell County, the City of Lynchburg, Appomattox County and Nelson County.

2. The claims asserted in this action and in *County of Campbell, Virginia and the City of Lynchburg, Virginia v. Region 2000 Services Authority, County of Appomattox, Virginia, and the County of Nelson, Virginia*, Case No. CL20002216-00 pending in Campbell County Circuit Court arise out a dispute among Region 2000's four members concerning the disposition of Excess Revenue.

3. Undersigned counsel's representation of Region 2000 is limited to requesting that this Court take no action to prejudice Region 2000 during its consideration of this matter.

4. Region 2000 takes no position on the Motion to Consolidate.

WHEREFORE, because these matters involve a dispute between Region 2000's four members concerning the disposition of Excess Revenue, Region 2000 takes no position on the Motion to Consolidate and requests that this Court refrain from any action during its consideration of this matter that would prejudice Region 2000.

REGION 2000 SERVICES AUTHORITY,

By: _____
Of Counsel

Jeremy E. Carroll (VSB #41331)
GUYNN, WADDELL, CARROLL & LOCKABY, P.C.
415 S. College Avenue
Salem, VA 24153
Phone: 540-387-2320
Fax: 540-389-2350
jeremyc@guynnwadell.com
Counsel for Respondent Region 2000 Services Authority

CERTIFICATE OF SERVICE

I do hereby certify that on this 24th day of June, 2022, I emailed and mailed the foregoing to the following:

F.E. "Tripp" Isenhour, III, Esq. (VSB #76871)
County Attorney
PO Box 6320
Lynchburg, VA 24505
Phone: 434-846-2731
Fax: 434-846-0496
feisenhour@co.campbell.va.us
Counsel for County of Campbell

Phillip D. Payne, IV, Esq. (VSB #25405)
Attorney at Law
P.O. Box 299
Lovingston, VA 22949
Phone: 434-263-5555
Fax: 434-263-4440
phillip.payne@phillippaynelaw.com
Counsel for Nelson County

Matthew C. Freedman, Esq. (VSB #78496)
Deputy City Attorney
900 Church Street
Lynchburg, VA 24504
Phone: 434-455-3980
Fax: 434-847-9049
matthew.freedman@lynchburgva.gov
Counsel for City of Lynchburg

Thomas E. Lacheney, Esq. (VSB #35588)
Deal & Lacheney, P.C.
153-A Morton Lane
P.O. Box 863
Appomattox, VA 24522
Phone: 888-456-1547
Fax: 877-457-1231
tlacheney@appomattoxcountyva.gov
Counsel for Appomattox County

Jeremy E. Carroll

GW
CL
— 1995 —

Guynn, Waddell, Carroll & Lockaby, P.C.

- Attorneys at Law -

June 26, 2022

CLERK NELSON COUNTY
CIRCUIT COURT
JUN 28 2022
FILED

VIA FEDEX
Hon. Lisa Dugan Bryant, Clerk
Nelson Circuit Court
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

Re: Nelson County and Appomattox County v. Region 2000 Services Authority
Case No. CL22-180

Dear Ms. Bryant:

Enclosed please find Region 2000 Service Authority's Answer to Petitioners' Petition for Temporary Injunction and Responses to Campbell County's and the City of Lynchburg's Motion to Consolidate and Motion to Intervene. Please file these pleadings in the above-referenced matter on behalf of the Region 2000 Services Authority. We have included the original and a copy of each pleading. Please mark the copy filed and return to us in the enclosed self-addressed, stamped envelope.

Thank you for your assistance in this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,

GUYNN, WADDELL, CARROLL & LOCKABY, P.C.

Jeremy E. Carroll

JEC/kar
Enclosures
cc/enc: F.E. "Tripp" Isenhour, III, Esq. (via email and US mail)
Matthew C. Freedman, Esq. (via email and US mail)
Phillip D. Payne, IV, Esq. (via email and US mail)
Thomas E. Lacheney, Esq. (via email and US mail)

VIRGINIA: IN THE CIRCUIT COURT OF NELSON COUNTY

NELSON COUNTY, VIRGINIA	)	
	)	
and	)	
	)	
APPOMATTOX COUNTY, VIRGINIA,	)	**Case No. CL22000180-00**
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
REGION 2000 SERVICES AUTHORITY	)	
	)	
Defendant.	)	

CLERK NELSON COUNTY
CIRCUIT COURT
JUL 21 2022
FILED

AGREED MOTION FOR CONTINUANCE

COME NOW the County of Campbell and the City of Lynchburg, by counsel, and hereby move the Court to continue the hearing currently scheduled for August 3, 2022. In support of their Motion, Campbell and Lynchburg state as follows:

1. The parties have scheduled hearings on August 3, 2022, on the various motions filed in this matter.

2. The parties have agreed to participate in mediation and have scheduled mediation for September 14, 2022.

3. The parties have agreed to continue generally the hearings scheduled for August 3, 2022, to be reset upon the docket of the Court if needed.

4. The matters scheduled for hearing have not previously been continued by any party.

5. A proposed order of continuance has been agreed to by the parties via email and is circulating for endorsement. Said proposed order shall be presented as soon as is practicable.

WHEREFORE, the County of Campbell, Virginia and the City of Lynchburg, Virginia, by counsel, request that the Court continue all hearings in this matter scheduled for August 3, 2022.

COUNTY OF CAMPBELL, VIRGINIA

By _____
Of Counsel

F.E. "Tripp" Isenhour, III, Esquire
VSB No. 76871
Caskie & Frost
P. O. Box 6320
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
feisenhour@co.campbell.va.us
County Attorney for Campbell County

CITY OF LYNCHBURG, VIRGINIA

By _____
Of Counsel

Matthew C. Freedman, Esquire
VSB# 78496
900 Church St.
Lynchburg, VA 24504
(434) 455-3980 – Telephone
(434) 847-9049 – Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

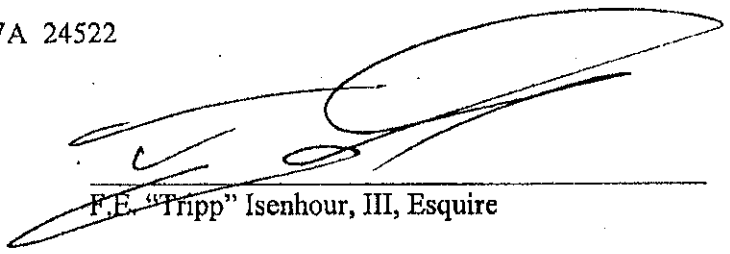
CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of July, 2022, a true and correct copy of the foregoing Agreed Motion for Continuance was delivered by U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522



F.E. "Tripp" Isenhour, III, Esquire

Campbell County
Virginia

County Attorney
F.E. "Tripp" Isenhour, III
2306 Atherholt Rd.
Lynchburg, Virginia 24501
feisenhour@co.campbell.va.us
Phone: 434-846-2731
Fax: 434-846-0496

July 19, 2022

Hon. Lisa Dugan Bryant
Nelson Circuit Court
P. O. Box 10
Lovingston, VA 22949-0010

Re: County of Nelson v. Region 2000 Services Authority, et al.
Nelson Circuit Court Case No.: CL22000180-00

Dear Ms. Bryant:

Please find enclosed for filing an agreed motion for continuance in the captioned matter. I have begun this day circulating under separate cover a draft order of continuance which I expect to be presented soon.

Please feel free to call should you have any questions, or should you require anything further from me. I remain,

F.E. "Tripp" Isenhour, III
County Attorney

cc: Frank J. Rogers, IV, County Administrator, Campbell County
Matthew C. Freedman, City Attorney, City of Lynchburg
Jeremy E. Carroll, Attorney for Region 2000
Phillip D. Payne, IV, County Attorney, Nelson County
Thomas Lacheney, County Attorney, Appomattox County

CLERK NELSON COUNTY
CIRCUIT COURT
JUL 21 2022
FILED

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA	)	
	)	
Plaintiff,	)	
	)	
v.	)	**Case No.: CL22000180-00**
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Defendants.	)	
	)	

AGREED CONTINUANCE ORDER

On motion of the intervenors, by counsel, and agreed to by all parties, and for good cause shown, it is hereby ordered that the hearings in this matter currently scheduled to be heard on August 3, 2022, be and hereby is continued generally. Counsel are directed to contact the judicial assistant of this Court to reschedule the matters scheduled for hearing.

Entered this 1ST day of AUGUST, 2022.

Judge

We ask for this:

F.E. "Tripp" Isenhour, III (VSB# 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

VIRGINIA:

IN THE CIRCUIT COURT OF NELSON COUNTY

CLERK NELSON COUNTY
CIRCUIT COURT
FEB 01 2023
FILED

Nelson County, *et al.*, Petitioners,	)	
v.	)	NOTICE CL2200018000
Region 2000 Services Authority, Respondent.	)	

PLEASE TAKE NOTICE that on April 7, 2023, at 2:00 o'clock p.m., or as soon thereafter as the matter may be heard, in the Circuit Court of Nelson County, Lovingston, Virginia, petitioners' prayer for a temporary injunction will come on for hearing.

Nelson County

By Phillip Payne
Of counsel

Phillip D. Payne IV
Attorney at Law
Post Office Box 299
Lovingston, Virginia 22949
VSB #25405
Telephone (434) 263-5555
Facsimile (434) 263-4440
Counsel for Nelson County

Certificate of Service

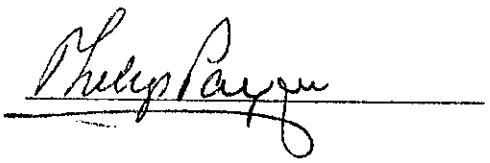
I certify that a true copy of Nelson County's notice was mailed first-class postage prepaid this 1st day of February, 2023, to:

F.E. Isenhour, III, Esquire
Post Office Box 6320
2306 Atherholt Road
Lynchburg, Virginia 24505

Matthew C. Freedman, Esquire
900 Church Street
Lynchburg, Virginia 24504

Thomas E. Lacheney, Esquire
153-A Morton Lane
Post Office Box 863
Appomattox, Virginia 24522

Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Avenue
Salem, Virginia 24153



CASKIE & FROST
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2306 ATHERHOLT ROAD
PLEASE REPLY TO: P. O. BOX 6320
LYNCHBURG, VIRGINIA 24505
WRITER'S EMAIL: TISENHOUR@CASKIEFROST.COM

LEIGHTON S. HOUCK
THEODORE J. CRADDOCK
JOY LEE PRICE
MARK J. PEAKE
JOHN R. ALFORD, JR.
PAVLINA B. DIROM
F. E. "TRIPP" ISENHOUR, III
WILLIAM E. PHILLIPS
PHYLLIS C. SPENCE
ALEXANDRA M. SMITH

JAMES R. CASKIE (1909-1969)
E. MARSHALL FROST (1920-1988)

JOHN R. ALFORD (RETIRED)
JOSEPH C. KNAKAL, JR. (RETIRED)
GREGORY P. COCHRAN (RETIRED)

TELEPHONE: 434 846-2731
FACSIMILE: 434 846-0496

March 24, 2023

CLERK NELSON COUNTY
CIRCUIT COURT
MAR 27 2023
FILED

Ms. Lisa D. Bryant, Clerk
Nelson Circuit Court
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

RE: County of Nelson, Virginia v Region 2000 Services Authority, et al
Case No.: CL22-000180-00

Dear Ms. Bryant:

I enclose herewith a Notice of Hearing for filing on behalf of the County of Campbell, Virginia and the City of Lynchburg, Virginia in the above captioned matter.

With a copy of this letter, I certify that a true copy of the within mentioned Notice of Hearing was mailed to Jeremy E. Carroll, Esquire, Counsel for Region 2000 Services Authority, Phillip D. Payne, IV, County Attorney for Nelson County, Virginia and to Thomas Lacheney, Esquire, County Attorney for Appomattox County, Virginia.

Please advise if you have any questions or need anything further at this time.

Very truly yours,

CASKIE & FROST

By: _____
F. E. "Tripp" Isenhour, III

FEI/sjh
Enclosures
CC: Matthew C. Freedman, Esquire
Jeremy E. Carroll, Esquire
Phillip D. Payne, IV, Esquire
Thomas Lacheney, Esquire

VIRGINIA: IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No.: CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Defendants.	)	
	)	

CLERK NELSON COUNTY
CIRCUIT COURT
MAR 27 2023
FILED

NOTICE OF HEARING

TO: REGION 2000 SERVICES AUTHORITY
Jeremy E. Carroll, Esquire
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

COUNTY OF APPOMATTOX, VIRGINIA
Thomas Lacheney, County Attorney
Deal & Lacheney, P.C.
3876 Old Buckingham Road
Powhatan, VA 23139

COUNTY OF NELSON, VIRGINIA
Phillip D. Payne, IV, County Attorney
402 Court Street, 2nd Floor
Lovingston, VA 22949

PLEASE TAKE NOTICE that the County of Campbell, Virginia and the City of Lynchburg, Virginia, by counsel, will appear before the Honorable Judge of the Nelson County Circuit Court on April 7, 2023 at 2:00 P.M. to present their previously-filed Motion to Intervene as well as their Motion to Consolidate to the Court; and

YOU MAY THEN AND THERE APPEAR AND DO WHAT MAY BE NECESSARY TO PROTECT YOUR INTEREST HEREIN.

Respectfully submitted,

COUNTY OF CAMPBELL, VIRGINIA

By _____
County Attorney

F.E. "Tripp" Isenhour, III, Esquire
VSB # 76871
Caskie & Frost
P. O. Box 6320
2306 Atherholt Road
Lynchburg, VA 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496

CERTIFICATE

I, F.E. "Tripp" Isenhour, III, do hereby certify that on March 24, 2023 a copy of the foregoing Notice of Hearing was sent by email and U.S. Mail, postage prepared to:

Jeremy E. Carroll
Counsel for Region 2000 Services Authority
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S. College Ave.
Salem, VA 24153

Phillip D. Payne, IV, County Attorney
Nelson County, Virginia
P. O. Box 299
Lovingston, VA 22949

Thomas Lacheney, County Attorney
Appomattox County, Virginia
P.O. Box 863
Appomattox, VA 24522

Matthew C. Freedman, City Attorney
900 Church Street
Lynchburg, VA 24504

_____
F.E. "Tripp" Isenhour, III

spilman
thomas & battle

Jeremy E. Carroll, Esq.
540.512.1821
jcarroll@spilmanlaw.com

April 27, 2023

VIA FIRST CLASS MAIL

The Honorable Lisa Dugan Bryant, Clerk
Nelson Circuit Court
P.O. Box 10
84 Courthouse Square, 1st Floor
Lovingston, VA 22949-0010

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 01 2023
FILED

Re: County of Nelson, Virginia v. Region 2000 Services Authority, et.al.
Case No. CL22000180-00

Dear Ms. Bryant:

Please see the enclosed Notice of Appearance for filing on behalf of the Defendant in the above referenced matter.

Thank you for your assistance and if you have any questions, please do not hesitate to contact me.

Very truly yours,

Jeremy E. Carroll

JEC/oel:
Enclosure
cc: F.E. "Tripp" Isenhour, III, Esq. via first class mail and e-mail (w/enc)
Matthew C. Freedman, Esq. via first class mail and e-mail (w/ enc)
Thomas E. Lacheney, Esq. via first class mail and e-mail (w/ enc)
Phillip D. Payne, IV, Esq. via first class mail and e-mail (w/enc)
William H. Hefty, Esq. via e-mail (w/ enc)
Alec Brebner, Executive Director via e-mail (w/enc)

VIRGINIA:

IN THE CIRCUIT COURT FOR THE COUNTY OF NELSON

COUNTY OF NELSON, VIRGINIA	)	
	)	
Petitioners,	)	
	)	
v.	)	Case No. CL22000180-00
	)	
REGION 2000 SERVICES AUTHORITY, et al.,	)	
	)	
Respondents.	)	

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 01 2023
FILED

NOTICE OF APPEARANCE

Please take Notice that effective April 24, 2023, Jeremy E. Carroll counsel for the Respondents, joined the firm of Spilman Thomas & Battle, PLLC and Notice is given that said firm is hereby appearing as counsel, along with Jeremy E. Carroll and the contact information for future notices, pleadings and correspondence shall include counsel and said firm as follows:

Jeremy E. Carroll, Esq.
Spilman Thomas & Battle, PLLC
P.O. Box 90
310 First Street
Suite 1100
Roanoke, Va. 24011
Phone- (540) 512-1800
Fax- (540) 342-4480
Email jcarroll@spilmanlaw.com

An order allowing the firm of Guynn, Waddell, Carroll & Lockaby, P.C. to withdraw as counsel for Defendant will be circulated and presented to the Court for consideration and entry.

REGION 2000 SERVICE AUTHORITY

By: _____
Of Counsel

Jeremy E. Carroll (VSB No. 41331)
Spilman Thomas & Battle, PLLC
P.O. Box 90
310 First Street
Suite 1100
Roanoke, Va. 24011
Phone- (540) 512-1800
Fax- (540) 342-4480
Email: *jcarroll@spilmanlaw.com*
Counsel for Region 2000 Service Authority

Certificate of Service

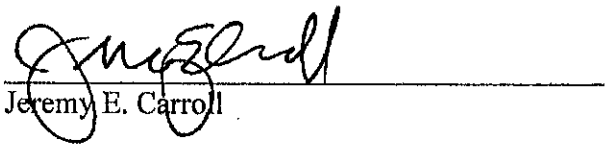
I hereby certify that a true and correct copy of the foregoing Notice of Appearance was served by first class mail postage prepaid on this the 27th Day of April, 2023 to the following counsel on record:

F.E. "Tripp" Isenhour, III (VSB No. 76871)
Caskie & Frost
P.O. Box 6320
Lynchburg, Virginia 24505
Telephone: (434) 846-2731
Facsimile: (434) 846-0496
County Attorney, Campbell County

Matthew C. Freedman, Esq., (VSB No. 78496)
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504
(434) 455-3980 — Telephone
(434) 847-9049 — Facsimile
Matthew.Freedman@lynchburgva.gov
City Attorney for the City of Lynchburg, Virginia

Thomas E. Lacheney (VSB 35588)
Deal & Lacheney, P.C.
153 A Morton Ln.
Appomattox, VA 24522
(888) 456-1547
(877) 457-1231 (fax)
tlacheney@appomattoxcountyva.us
County Attorney, Nelson County

Phillip D. Payne, IV (VSB 25405)
P.O. Box 299
Lovingston, VA 22949
(434) 263-5555
(434) 263-4440
County Attorney, Appomattox County



Jeremy E. Carroll

spilman
thomas & battle

Jeremy E. Carroll, Esq.
540-512-1821
jcarroll@spilmanlaw.com

May 11, 2023

CLERK NELSON COUNTY
CIRCUIT COURT
MAY 17 2023
FILED

BY FIRST-CLASS MAIL

Lisa Dugan Bryant, Clerk
Nelson County Circuit Court
84 Courthouse Square, First Floor
Lovingston, Virginia 22949

Re: County of Nelson, Virginia, et al. v. Region 2000 Services Authority, et al.
Case Number: CL22000180-00

Dear Ms. Bryant:

Please find enclosed a proposed Order endorsed by counsel in the matter referenced above.

Please forward the Order to the Court for consideration and entry.

By copy of this letter, we are serving copies of the enclosed on counsel of record.

Thank you for your assistance with this matter.

Very truly yours,

Jeremy E. Carroll

JEC/pcr
029362.0003

Enclosure
Cc Region 2000 Service Authority (w/enc.) (By Electronic Mail)
F.E. "Tripp" Isenhour, III, Esq. (w/enc.) (By Electronic Mail)
Matthew C. Freedman, Esq. (w/enc.) (By Electronic Mail)
Thomas E. Lacheney, Esq. (w/enc.) (By Electronic Mail)
Phillip D. Payne, Esq. (w/enc.) (By Electronic Mail)

#3461 | 12/4/2020 | Wright | Freidman | [redacted] | Cook |

2:32 Campbell County v. Region 2000 Services Authority
CL20-2216 : Motion to Amend

- Kristin Wright present
- Matthew Freidman (from City of Lynchburg) present
- Called case, no one else present
- motion to amend Complaint to add City of Lynchburg as Plaintiff
- Wright has an agreed order
- They will file Amended Complaint
- Ct grants amendment & enters order

Kelly Cox

From: Kelly Cox
Sent: Wednesday, November 24, 2021 9:34 AM
To: 'Thomas E. Lacheney'
Cc: JeremyC@guynnwaddell.com; phillip.payne@phillippaynelaw.com; 'Isenhour, F.E. (Tripp) III'; 'Freedman, Matthew'
Subject: RE: Campbell v. Region 2000

Spec JTC 11/24/21

CL20 2216

I have this hearing on Judge Cook's calendar on February 25, 2022, at 1:30, for 90 minutes.
Happy Thanksgiving!
Kelly

Kelly F. Cox
Judicial Assistant to Judge John T. Cook
and Judge J. Frederick Watson
Campbell County Circuit Court
P. O. Box 96
Rustburg, VA 24588
E-mail address: KCox@VaCourts.Gov
(434)332-9515
Fax: (434)332-9680

From: Thomas E. Lacheney <tlacheney@appomattoxcountyva.us>
Sent: Wednesday, November 24, 2021 9:29 AM
To: Kelly Cox <kcox@vacourts.gov>
Cc: JeremyC@guynnwaddell.com; phillip.payne@phillippaynelaw.com; 'Isenhour, F.E. (Tripp) III' <feisenhour@co.campbell.va.us>; 'Freedman, Matthew' <Matthew.Freedman@lynchburgva.gov>
Subject: RE: Campbell v. Region 2000

EXTERNAL EMAIL

THIS MESSAGE ORIGINATED FROM AN EXTERNAL ADDRESS. USE CAUTION CLICKING ON ANY LINKS OR DOWNLOADING ANY ATTACHMENTS

Ms. Cox:

This email will confirm that we have scheduled a 90 minute hearing for February 25 at 1:30 p.m. to be heard with respect to the Demurrer of Appomattox County, and the Demurrer and Plea in Bar filed by Nelson County.

I will send a notice to the court.

Thomas E. Lacheney
County Attorney
County of Appomattox, Virginia
153-A Morton Lane
Appomattox, Virginia 24522

(888) 456-1547 **(Office)**
(877) 457-1231 **(Facsimile)**
(804) 464-8970 **(Direct)**

The information contained in this email message is attorney-client privileged and confidential information intended only for the use of the individual(s) named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited.

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: REGION 2000 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON,
DIRECTOR
361 LIVESTOCK RD
RUSTBURG VA 24588

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Wednesday, October 07, 2020

Clerk of Court: VALERIE P YOUNGER

by _____ (CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 001
Service filed: October 06, 2020

Served by: SPECIAL PROCESS SERVER
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: REGION 2000 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON,
DIRECTOR
361 LIVESTOCK RD
RUSTBURG VA 24588

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Wednesday, October 07, 2020 with a copy of the Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Wednesday, October 07, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: COUNTY OF APPOMATTOX, VIRGINIA
SERVE: THOMAS LACHENEY, CO ATT
COUTNY ATTORNEY
3876 OLD BUCKINGHAM RD
POWHATAN VA 23139

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Wednesday, October 07, 2020

Clerk of Court: VALERIE P YOUNGER

by _____ (CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 002
Service filed: October 06, 2020

Served by: SPECIAL PROCESS SERVER
Judge:
Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY
Service on: COUNTY OF APPOMATTOX, VIRGINIA
SERVE: THOMAS LACHENEY, CO ATT
COUTNY ATTORNEY
3876 OLD BUCKINGHAM RD
POWHATAN VA 23139

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Wednesday, October 07, 2020 with a copy of the Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Wednesday, October 07, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: COUNTY OF NELSON, VIRGINIA
SERVE: PHILLIP D. PAYNE, IV
COUNTY ATTORNEY
402 COURT ST
2ND FLOOR
LOVINGSTON VA 22949

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Wednesday, October 07, 2020

Clerk of Court: VALERIE P YOUNGER

by _____
(CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 003
Service filed: October 06, 2020

Served by: SPECIAL PROCESS SERVER
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: COUNTY OF NELSON, VIRGINIA
SERVE: PHILLIP D. PAYNE, IV
COUNTY ATTORNEY
402 COURT ST
2ND FLOOR
LOVINGSTON VA 22949

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Wednesday, October 07, 2020 with a copy of the Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Wednesday, October 07, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: CITY OF LYNCHBURG, VIRGINIA
SERVE: WALTER C. ERWIN, III
CITY ATTORNEY
900 CHURCH ST
LYNCHBURG VA 24504

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Wednesday, October 07, 2020

Clerk of Court: VALERIE P YOUNGER

by _____ (CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 004
Service filed: October 06, 2020

Served by: SPECIAL PROCESS SERVER
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: CITY OF LYNCHBURG, VIRGINIA
SERVE: WALTER C. ERWIN, III
CITY ATTORNEY
900 CHURCH ST
LYNCHBURG VA 24504

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Wednesday, October 07, 2020 with a copy of the Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Wednesday, October 07, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: REGION 200 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON, DIR
361 LIVESTOCK RD
RUSTBURG VA 24588

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Thursday, December 17, 2020

Clerk of Court: VALERIE P YOUNGER

by _____
(CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 005
Service filed: October 06, 2020

Served by: CAMPBELL COUNTY
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: REGION 200 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON, DIR
361 LIVESTOCK RD
RUSTBURG VA 24588

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Thursday, December 17, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

1047

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the 20
day of December 2020
VALERIE P. YOUNGER, CLERK
Teste: K. Reid
Deputy Clerk

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 005
Service filed: October 06, 2020
Judge:

Served by: CAMPBELL COUNTY
Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY
Service on: REGION 200 SERVICES AUTHORITY
SERVE: CLARKE W. GIBSON, DIR
361 LIVESTOCK RD
RUSTBURG VA 24588

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Serve between 9A - 11A on Monday 12/21/2020
Lisa Johnson - Contact person
Call for Entrance.
Instructions: 434-455-6086

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date
Service issued: Thursday, December 17, 2020

Name Clark W. Gibson, Dir
☑ Personal Service
☐ Being unable to make personal service, a copy was delivered in the following manner:

For Sheriff Use Only

☐ Delivered to person found in charge of usual place of business or employment during business hours and giving information of its purport.
☐ Delivered to family member (not temporary sojourner or guest) age 16 or older at usual place of abode of party named above after giving information of its purport. List name, age of recipient, and relation of recipient to party named above.

☐ Posted on front door of usual place of abode. Address listed above. (Other authorized recipient not found.)
☐ Not Found
Date: 12/21/20
Serving Officer: G.H. LACY
For: WINSTON W. CLARK, III
SHERIFF, CAMPBELL CO., VA

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: COUNTY OF APPOMATTOX, VIRGINIA
SERVE: THOMAS LACHENEY
3876 OLD BUCKINGHAM RD
POWHATAN VA 23139

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Thursday, December 17, 2020

Clerk of Court: VALERIE P YOUNGER

by _____ (CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 006
Service filed: October 06, 2020

Served by: POWHATAN COUNTY
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: COUNTY OF APPOMATTOX, VIRGINIA
SERVE: THOMAS LACHENEY
3876 OLD BUCKINGHAM RD
POWHATAN VA 23139

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Thursday, December 17, 2020

For Sheriff Use Only

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

VIRGINIA
CIRCUIT COURT
CAMPBELL COUNTY
Received and Filed this the
14th day of January, 20 21
VALERIE P. YOUNGER, CLERK
Teste: [signature]
Deputy Clerk

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

8'19

Case number: 031CL20002216-00
Service number: 006
Service filed: October 06, 2020

Served by: POWHATAN COUNTY
Judge:
Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY
Service on: COUNTY OF APPOMATTOX, VIRGINIA
SERVE: THOMAS LACHENEY
3876 OLD BUCKINGHAM RD
POWHATAN VA 23139

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Thursday, December 17, 2020

For Sheriff Use Only

[ ] Personal Service
[✓] Being unable to make personal service, a copy was delivered in the following manner:
[ ] Delivered to person found in charge of usual place of business or employment during business hours and giving information of its purport
[ ] Delivered to family member (not temporary sojourner or guest) age 16 or older at usual place of abode of party named above after giving information of its purport.
Name of recipient, age, and relation of recipient to party named above:
[✓] Posted on front door or such other door as appears to be the main entrance of usual place of abode, address listed above (other authorized recipient not found)
[ ] Served on Secretary of the Commonwealth
[ ] Not Found

Serving Officer M Kowba Date 12-21-20
For Sheriff Bradford W. Nunnally

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Summons

To: COUNTY OF NELSON, VIRGINIA
SERVE: PHILLIP D. PAYNE, IV
402 COURT ST, 2ND FLOOR
LOVINGSTON VA 22949

Case No. 031CL20002216-00

The party upon whom this summons and the attached complaint are served is hereby notified that unless within 21 days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter an order, judgment, or decree against such party either by default or after hearing evidence.

Appearance in person is not required by this summons.

Done in the name of the Commonwealth of Virginia on, Thursday, December 17, 2020

Clerk of Court: VALERIE P YOUNGER

by _____
(CLERK/DEPUTY CLERK)

Instructions:

Hearing Official:

Attorney's name: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

COMMONWEALTH OF VIRGINIA

CAMPBELL CIRCUIT COURT
Civil Division
732 VILLAGE HWY, P. O. BOX 7
RUSTBURG VA 24588-0007
(434) 332-9517

Proof of Service

Virginia:
In the CAMPBELL CIRCUIT COURT

Case number: 031CL20002216-00
Service number: 007
Service filed: October 06, 2020

Served by: NELSON COUNTY
Judge:

Style of case: COUNTY OF CAMPBELL, VIRGINIA vs REGION 2000 SERVICES AUTHORITY

Service on: COUNTY OF NELSON, VIRGINIA
SERVE: PHILLIP D. PAYNE, IV
402 COURT ST, 2ND FLOOR
LOVINGSTON VA 22949

Attorney: ISENHOUR, F E; III
P O BOX 6320
LYNCHBURG VA 24505

Instructions:

Returns shall be made hereon, showing service of Summons issued Thursday, December 17, 2020 with a copy of the Amended Complaint filed Tuesday, October 06, 2020 attached.

Hearing date :
Service issued: Thursday, December 17, 2020

For Sheriff Use Only