

**MINUTES OF THE BOARD OF DIRECTORS OF THE  
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

**October 25, 2017**

The Regular Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. Marley Woodall **10:45	(CH)	Mr. Eric Martin	(CH)
Mr. Everett Williams	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Roy Chesson	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Cheran Cordell	(PO)
Mr. Mark Hodges <i>absent</i>	(SH)	Mr. Michael Johnson	(SH)
Mr. David Arnold <i>absent</i>	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino <i>absent</i>	(VB)	Mr. John Barnes	(VB)

\* Indicates Late Arrival

\*\* Indicates Early Departure

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included the Alternate Ex-Officio Members, Mr. Steven Jenkins (CH), Mr. Harvey Howard (NO) \*\*11:50, Ms. Erin Trimyer (PO), Mr. Eric Nielsen (SU) and the following SPSA executives, Ms. Liesl R. DeVary, Interim Executive Director and Treasurer, and Mrs. Blanche Christian, Administrative Coordinator and Secretary, Warren Tisdale, General Counsel Brad Nowak, Special Counsel and staff from SPSA and the Hampton Roads Planning District Commission.

The meeting was then called to order by Chairman Keifer followed by the invocation, the Pledge of Allegiance, and Roll Call. A quorum was present.

**1. INFORMAL ITEMS: DISCUSSION ONLY**

**A. MONTHLY REPORTS ON WHEELABRATOR**

Mr. Rob Johnson began his monthly report on the operational stats for Wheelabrator Portsmouth for the month ending September. The total waste received from SPSA was 37,112 tons and a total of 58,580 tons of waste was delivered to the RDF facility. The total RDF tons processed was 58,418 and 16,143 tons of ash was sent to the regional landfill. The total electric power sold to the grid was 22,301 megawatts and 24,446 k-pounds of steam were sold to the Navy. The overall boiler availability was 91% and the overall generator availability was 99%. There were no environmental incidents during the period, but we did have an OSHA recordable incident during the period. Boiler 1 had a scheduled outage. Major work included super heater replacement, grate overhaul and bag house replacement. A boiler inspector was on site for the annual inspection for the boiler internals.

The majority of our forced downtime was due to issues with the bottom ash systems affecting boilers 3 and 4. Overall, the wait time has improved; focus is on improving the night shift operations. We have added additional manpower to see if we can continue to make improvements on that as we finish the year.

## B. PRESENTATION: LANDFILL LEACHATE PROJECT

Chairman Keifer (NO) commented that we'd need to have some discussions about long-term plans for dealing with leachate, and those will be scheduled for a future meeting.

Mr. Jeff Murray from HDR began a presentation on the status of the leachate project. Leachate elevations remain under transducer control. SPSA continues to maintain the pump station and forcemain discharge to HRSD and the Nansemond plant at about 50,000 gallons a day. SPSA is now operating the pump and haul system with internal forces, and to date that has been limited to less than 40,000-50,000 gallons per month.

We continue to coordinate the corrective action plan with DEQ, which was submitted over the summer and approved on October 2. That includes the modifications to the operations and other changes to the system facilities. We will owe them a progress report in January as an update for which thresholds or measurements we have made. DEQ has also approved the permit modification for the loadout station construction.

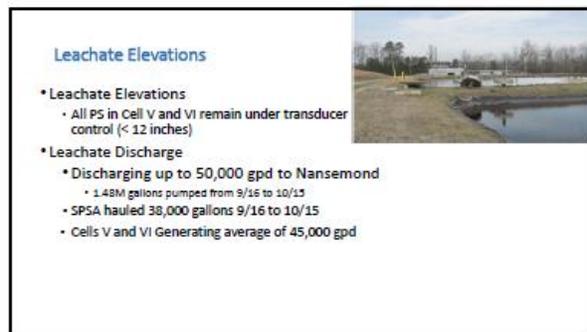
The SCADA system implementation is underway. SPSA's contract is with REW Corporation, we are in a submittal phase right now. They have delivered some materials to the site, and we will be ramping up for site installation of the fiber optic lines shortly. It is a long lead-time with some of the electronics and equipment; this project will run through at least April maybe into the early summer of next year. The permanent loadout station permit was approved by DEQ. We have received some comments from the City of Suffolk for our site plan application. We anticipate filing those responses this week. Most of those problems were just on adding notes for clarification on the plans, but nothing of substance with respect to those system operations. The sequence fill plan draft was submitted to SPSA staff. We will review that and incorporate any comments. We have committed to DEQ that by January, we will be implementing those filling changes.

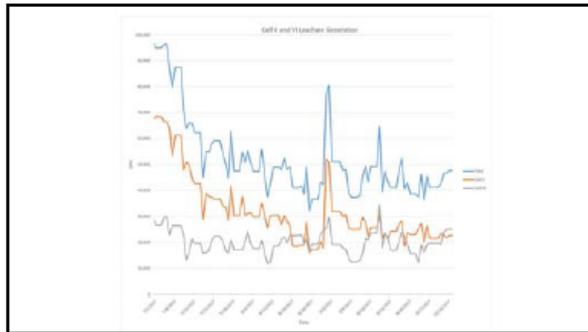
We are waiting on additional clarification from HRSD with respect to both the COD and SWIFT criteria. We went ahead and assessed a number of different technologies for reducing the load or reducing the inflowing criteria from the leachate treatment system with some assumptions of what we believe HRSD may be requiring. To date, we have heard from HRSD and there are some specific parameters they have identified as elements of concern. Some of those have some volatile organic compounds, which are difficult to remove. We have reviewed a number of technologies for removing solids. We do have suspended solids within the leachate flow, so we need to remove those in advance of any other kind of secondary treatment to reduce the impact on ultrafiltration or reverse osmosis systems to get the solids out first. We also looked at about sludge processes to remove the biological demand and then a number of different technologies to remove nutrients and metals, as well as some dewatering or evaporation type technologies to help achieve affluent criteria, which we believe that HRSD is headed towards, but also to reduce the operational maintenance costs of a long-term SPSA's treatment.

Through that evaluation process, we received proposals from over 20 vendors on different types of

technologies. We had two alternatives, which were recommended for further evaluation and consideration. Both of those included upfront a membrane biological reactor to remove solids, as well as remove some of the organic components from the system, and both followed activated carbon ion exchange removal, COD and other volatile organic compounds. A second alternative includes reverse osmosis, which may achieve a higher reduction of some of those particular compounds but it has a much more significant capital cost than the first alternative. That second alternative would also have some heat-assisted evaporation to deal with the residue that comes off the reverse osmosis system. We looked at the feasibility of implementing our own individual discharge permit. The treatment would probably require some additional removals of some compounds, but it is very difficult get approval through the state due to nutrient loading and not having the availability to provide offsets to those in a reasonable period. We want to continue to assess the compounds and parameters within the leachate to see what the impacts would be on the affluent criteria. We also want to potentially look at assessing long-term pump and haul operations from an operational cost perspective and compare that to what an advanced treatment, provided that there is an outlet to continue to receive leachate from the landfill. We may also want to evaluate a forcemain that is not going to be implementing the SWIFT program. We are pumping and hauling to the Washington District pump station, and that leachate flows to a system that does not -- will not be implementing SWIFT. Therefore, it is an opportunity to modify the forcemain some 70,000 feet to tie into the Washington District system. We could assess where those capital costs would be comparative than implementing a full treatment system to continue to pump to the Nansemond plant. Once we have criteria from HRSD and assessed the different alternatives further there would be a preliminary design phase and then implementation.

Capital and operating costs for alternatives 1 and 2 could range from \$4 to \$11 million and there may be some variations between the two alternatives that may be changed to achieve the criteria. We're looking at between five to ten cents per gallon for treatment of leachate to address potential discharge criteria. We do not know what that exact criteria or what the requirements will be, but under these two scenarios, it's significant jump than what you are paying for leachate treatment right now. Your current costs are just shy of two cents a gallon with pumping from the site through Suffolk's sewer system and into the Nansemond plant. Your costs are about 1.6 cents per gallon versus five or ten cents per gallon and you will still be paying those costs on top. There is significant capital and operating costs associated with treating the leachate. I would imagine the forcemain is going to be a substantial investment of \$4-\$5 million dollars for forcemain construction. You will not have the operator maintenance costs, but there will be some operational maintenance. We could do a more full briefing of the leachate alternatives at a later date, but we wanted to provide a little bit of information that we were able to share with the executive committee of where we're at with the assessment and what the potential costs are.





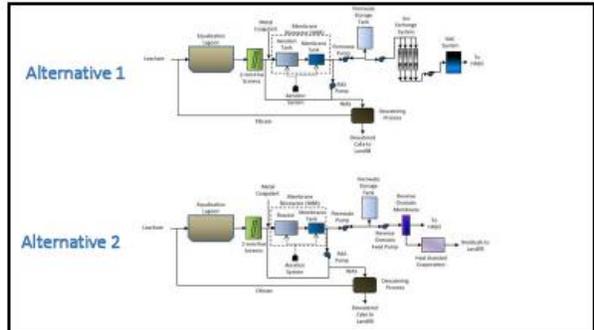
- ### DEQ Coordination
- Corrective Action Plan
    - Approved by DEQ 10/2/17
    - Progress Report Due in January 2018
  - Compliance Schedule
    - Monthly Avg 35,000 gpd from Cell VI by December 29, 2017 – **Achieved**
    - Monthly Avg 30,000 gpd from Cell V by March 30, 2018 – **Achieved**
    - Revised Operations Manual by December 31, 2017 – in process
    - Implement Fill Sequence Changes in January 2018 – in process
    - Install Permanent Loadout Station by April 30, 2018 – in process
    - Install Sitewide SCADA System by August 31, 2018 – in process
  - Addendum to Minor Permit Modification Approved for Loadout

- ### Ongoing Work
- SCADA System
    - Submittal Process underway
    - Materials delivered to site
  - Permanent Loadout Design and Pump Station Modification
    - DEQ Permit approval received
    - Suffolk Comments Received 10/5
      - Response this week
    - Sequence Fill Plan – Draft submitted to SPSA

- ### Leachate Treatment
- HRSD Evaluating COD Loading and SWIFT Criteria
    - 1,4 dioxane, NDMA and Bromide are of concern
  - Draft Assessment Report Completed
    - Reviewed with Executive Committee
      - Solids Removal
      - Activated Sludge
      - Nutrient and Metals Removal
      - Advanced Oxidation
      - Proprietary Membrane Processes
      - Zero Liquid Discharge



- ### Leachate Treatment
- Two Alternatives Recommended
    - Alt 1 - MBR, GAC and Ion Exchange
    - Alt 2 - MBR, RO and Heat Assisted Evaporation
  - Individual Discharge Permit
    - Feasible, but Not Practical
  - Future Work
    - Assess Long Term Pump & Haul
    - Evaluate Forceman to Washington District
    - Preliminary Design of Treatment System



### Capital and O&M Costs

Parameter	Alternative 1	Alternative 2
Capital Cost Estimate 2017\$	\$4,120,000	\$11,090,000
20-Year O&M NPW 2017\$	\$15,610,000	\$23,160,000
Total 20-Year NPW, 2017\$	\$19,730,000	\$34,250,000
Cost per gallon, 2017\$/gal	\$0.054	\$0.094

- SWIFT Compliance Schedule To Be Determined
- Preliminary Design and Pilot Testing Likely in 2018

Mr. Everett Williams (FR) commented HRSD was going to evaluate the chemical content of what we were putting out and determine whether we could increase the 50,000 gallons a day incrementally. What is the status of the half million pilot carbon filtration system?

Mr. Murray responded no we are not proceeding with that pilot program. We are still waiting on a schedule from HRSD for what the parameters would be for removal. It seems like they are trending to look at some individual compounds rather than a whole suite of reductions and the current criteria, but we just do not know. I know they are still working through the process to assess that through their regulatory process and their permits for injection to groundwater. It may be that it's more specific compounds related than a full reduction of all metals. I do not have a time frame for

when we believe we will receive that criteria. Our existing discharge permit has limitations, primarily because of the chemical oxygen demand (COD), which is inherently in the leachate. So we are capped at 50,000 gallons per day because of that concentration. They are reviewing it.

Chairman Keifer (NO) commented we are proceeding with the SCADA system, and have some things for the pump and haul, but with respect to treatment of leachate cost and so forth, there is no recommendation at this time because we need to determine exactly what the SWIFT program and HRSD are going to require. We do not know their specific parameters and they have not got the SWIFT program approved yet. When they do, it is going to take a couple years to implement it. Therefore, we will have time to react once we see when that is, but it continues to go along and we will discuss it further in the coming months when we hear from HRSD.

Mr. Murray commented we have provided some assessment of what we thought might be needed just to give you some ground on possible impacts to your operating and capital costs. It is probably still prudent to start setting aside some money. We know it's coming with respect to what that capital investment is going to be, whether it starts in FY18 or afterwards. It is going to depend on the implementation schedule, but it is going to be a capital and operating impact on the system overall.

### C. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary began by stating we have not had any odor complaints. The first phase of hydro seeding of slopes and washouts has been completed. The new excavator was delivered two weeks ago; we get delivery of this equipment much sooner than we did previously. It was purchased through a joint procurement contract. The tire shredder was down for about a week, but it is up and running as of yesterday. There was an HHW special event at the Greenbrier Mall this past weekend and we had 124 participants.

SPSA submitted the renewal application for participation in the Virginia Environmental Excellence Program (VEEP). The VEEP program requires a fully implemented and documented environmental management system (EMS), a pollution prevention program, and a record of compliance. This is something that we maintain and have participated in since 2001. It provides a discount on our annual permit fees for each of the transfer stations. The total discount received in this current fiscal year was nearly \$12,000 on those permit fees. I would like to ask Warren to speak to the status of the board appointments.

Mr. Warren Tisdale commented that he'd be contacting the Secretary of the Commonwealth to get the status on the governor's appointments based on the nominations. My understanding is that the members have made all the nominations. I appreciate you and your county, city attorneys working on that. I will take the opportunity to ask that your local appointees, ex-officio members and alternates, once your government body has nominated those, if you will send those to Blanche so she can start her recordkeeping for the new year. We will start a list of people who are going to be serving in that capacity.

Ms. DeVary continued that we are looking at the feasibility of starting to videotape the board meetings as requested. I should have more information for you shortly. Items for future discussion at your December board meeting; we would conduct a public hearing on the tip fee schedule, adopt the new tipping fee schedule; revisions to the strategic operating plan, hopefully we will have new

transfer station leases for Chesapeake and Isle of Wight for your review, the Clearfield lease and a presentation of the annual audit. At the January board meeting we will be having new board member orientation, perhaps before the January board meeting, hopefully we may have some more information on the SWIFT program and Jeff would be able to talk more in detail about the leachate treatment alternatives, but naturally if we don't have that information, we will have to be push that to another month.

#### D. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) commented that last month I mentioned the road project for access to the landfill. Under the agreement with Suffolk CUP, we are required to either build an access road in from the back of the landfill or an overpass from Route 58. The overpass from Route 58 is programmed for 2038 in the regional transportation plan. We have been talking about seeing if we can get that moved up, which would eliminate the need for the access road from the back and we will have more information about that at another meeting.

As I understand it, beginning in January communities will be charged when their residents bring their waste into the transfer stations. SPSA would require bringing bulk waste in as well, which we do not want to do. Regarding the bulk waste, we are contemplating a change to the strategic operating plan. With respect to citizen disposal, this is something that I think we really need to discuss. SPSA deals directly with the citizens of the region. Currently citizens bring their waste into the various transfer stations, and there is no charge to the communities for that. After January, the communities will be charged which means that the residents will weigh their vehicles when they come in to dispose of their trash and then weigh their vehicles when they leave. The cost of that weight will be added to the city's bill, which is a significant amount. I think we said on average its \$5 dollars a ton if you average it across the system, but it will be different for each city. I felt for a long time that having citizens come into the transfer stations is not a good idea as it can present a safety concern. Other communities have drop-off stations, and we have some out in the western communities, which is something I think we should consider. I think that the city representatives should discuss this and decide what to do before we start because once we start this we are committed to it. My thought would be to ask the board to appoint a committee of the city representatives to sit down and talk about this on November 14 at 9:30 a.m. Anybody could be invited to attend, like your public works directors and solid waste managers.

Ms. DeVary commented that a presentation in regards to this will be given later in the agenda.

Chairman Keifer (NO) continued I think it is a region-wide concern. My thought is we set up a couple of convenience centers, not necessarily one in every city. Another alternative to mention is Norfolk pays SPSA to keep the transfer station open on Saturday and Sunday afternoons just for citizen drop-off. I think this is something that the communities should sit down, talk about, and decide what they really want to do before January. I would like to appoint that committee. Do we need a motion?

Mr. Warren Tisdale stated the board appoints a committee consisting of the locally appointed eight members of the board to meet on the 14 of November 2017 to speak about residential waste delivered directly to the transfer stations and potential drop-off points. We would need a motion for that.

**Mr. McCoy (PO) moved, seconded by Mr. Martin (CH) have the locally appointed members of the board to meet on November 14, 2017 to discuss the residential waste. The vote on the motion was unanimous.**

Chairman Keifer (NO) continued the meeting will be here November 14 at 9:30 and we will get a report in December. The board, appointed a committee to be involved if the search for the new executive director and I am going to ask Luke to give a report on where we are in that process. We are in open session and we do not want to mention any names at this time for obvious reasons.

Mr. McCoy began his update. John appointed me as the selection committee Chairman along with Mike Johnson from Southampton and Patrick Roberts from Suffolk. We have met over five times in the last 45 days. The first meeting consisted of a meeting with John Maxwell with the Mercer Group that was hired to select the applications for us to interview. John received 27 applications for the position. He referred ten of those applications to the selection committee. The selection committee went over those ten and we reduced it to six applicants. We set interviews for the six applicants, with two of them being out of state. Two hours prior to his interview, one of two out of state applicants withdrew their name from being considered. We have had in excess of an hour and a half interviews with those remaining five applicants and we will be referring to the executive committee for their input of those to be considered. Those interviewed all have impeccable credentials. It was a very hard decision, and we will be able to share that at a later date.

Chairman Keifer (NO) commented that based on that, we are going to have a meeting of the executive director selection committee and the executive committee on November 8 at 9:30 to discuss and further interview those candidates. The intention would be to bring in a recommendation for the executive director position at the December board meeting. If anybody has any questions about the process please talk to Liesl or I or one of the other board members.

2. ACTION AGENDA  
A. MINUTES OF THE BOARD MEETING

Chairman Keifer (NO) moved to the action agenda. The minutes of the September 27, 2017 Board of Director's meeting have been distributed. He asked if there were any additions or changes.

**Mr. Johnson (SH) moved, seconded by Mr. McCoy (PO) that the September 27, 2017 minutes of the SPSA Board meeting be approved as presented. The vote of the motion was unanimous.**

B. FINANCIAL MATTERS  
(1) Financial Reports

Ms. DeVary began for the month ending September 30, 2017, total revenues exceeded total expenses by approximately \$1.2 million as compared to \$2 million in the previous year. Tipping fees reflect a 4.8% decrease or approximately \$592,000 as compared to last year. Through September, municipal waste tonnages are down approximately 3,000 tons as compared to this time last year. Total municipal waste tonnages were 100,737 tons as compared to 103,725 year ago. Total expenses as of September 30 were approximately \$11.2 million as compared to \$10.7 million in the prior year. Cash balances are at \$23 million, and they were designated with \$1.8 million in the operating fund, \$3.6 million in undesignated fund balance, \$6.4 million in the landfill closure

fund, \$1.2 million reserved for accrued leave and \$10 million in the operating reserve. Since all of the debt has been paid off, next month I will be moving that \$10 million operating reserve over to landfill closure, as has been planned all along.

Mr. Woodall (CH) asked on the cash how much of that is legally required.

Ms. DeVary responded now that the debt has been paid only part of the \$6.4 million for landfill closure, which I believe is \$3.95 million that is required for a DEQ financial assurance.

Mr. Woodall (CH) commented we have overpaid you and I want my money back. Why would not you; you have a contract ending and a new contract starting. There is no reason in the world in my mind that you would take this money that you got from six communities that have paid it in and put it over to a new contract with eight communities. Anything you put it towards the six communities paid for, not the eight communities. I have no problem with the other two communities coming up with a number and cost to go into the \$20 million or so, and they can pay into that going over. That makes it fair, but if you are not going to do something, that is an overpayment. I think it should go back just like we did the other rebate. I also think that maybe Virginia Beach has been paying now for a little bit, so if you were to do something like that you would have to consider what Virginia Beach has been paying. I do not think you should hold this money. I know I would think my council thinks they know how to spend their money better than SPSA knows how to spend their money. I would look at this as an overpayment now that you have met all our obligations minus whatever legally you have to keep for closure or anything else. You have a \$40+ million budget and \$23 million in cash, and I am not aware of any company that I have ever been associated with that had 50% in cash for next year's budget. You have the full good faith in credit of every community. That is the law under SPSA, so you cannot go wrong. Bills will be paid because the cities have to pony up under our agreements. It is not like a private company. They should get their money back, or at least have an opportunity to see if they want their money back. It is not your money it is the communities that paid.

Chairman Keifer (NO) commented you make a good point. I think it is something that bears further discussion. I appreciate you bringing up that aspect of it. There are a couple things coming as we are going through the RFP. We have the leachate issue and the 2019 budget, but I think that is something that would be an item to discuss perhaps at the next meeting.

Ms. DeVary commented on your financial statement, as of June 30 you have an accrued liability of \$16.6 million for landfill closure. All along, since 2009 the plan has been to be putting money aside for landfill closure. It is a prudent decision; it has been on our financial statements. You have to record that liability because you do have that liability. It is based on air space consumed to date. The plan that has been communicated to you all along is to transfer the \$10 million in operating reserve into landfill closure so that when the new use and support agreements began, you knew you were starting at least with sufficient funds to cover the closure of Cells V and VI based on capacity used to that point. I believe it is prudent to be planning for the future and having those assets and having the cash available for closure. Whether or not DEQ would come in and want us to temporarily close Cell V because waste is no longer going in there, you would probably need around \$8 million right away. The \$3.6 million is what has been accumulated over the last couple of years as of June 30 in an undesignated fund balance, and my recommendation is to keep that to have towards these potential leachate costs coming in the future. Certainly, it is the board's decision whether or not you would like to return any of the cash, but you are going to pay for it one way or

another. I believe its prudent financial management to plan for it as we go.

Chairman Keifer (NO) asked for a further briefing so we can discuss this at the December board meeting.

Mr. Everett Williams (FR) commented that I agree with Liesl. As I remember it, the total cost for closure of Cells V and VI was about \$24 million. That \$16 million would give us at this stage a pro rata share of the closure cost for the available space that we have used. In other words, we have about 30% of the air space still left in there, and so we have to accumulate funds for closure of Cells V and VI to go from \$16 to \$24 million until we get there. If we continue and put all of our waste in the landfill, then we are going to have to start very soon, coming up with about \$30 more million dollars to open Cell VII, so unlike Woody, I do not think that I want to give it back. I am concerned that we do not have enough considering Cell VII and where it looks like we might be going.

Mr. Martin (CH) commented given Everett's observation that we may have significant capital costs in the future and we have talked about cash funding everything, if we wanted to do bond financing that is going to require some sort of reserves that would cover our debt ratios and things like that. Can you look at kind of that element of this because I do not want us to get to a point where we cannot spend \$30 million because we do not have \$30,000. We are going to have to borrow \$10 million to get started. You have to have some other cash on hand as a backstop to support those bonds. So I do not know whether you want to look at that element of it to give us that flexibility in the future of being able to bond-fund some of the larger expenditures, whether it is a closure or a capital, a new cell.

Ms. DeVary responded I have always planned that everything would be cash-funded. I have schedules of reserves set up depending on which direction we go how much money to set aside for constructing Cell VII, closure, et cetera. If you are interested in looking at borrowing, I have to see if whether or not it is restricted in the use and support agreement. I certainly know that we have a lot of studies and things that will have to be done because of House Bill 1872 that restricted the ability to borrow. As you know, it does not make sense to borrow money if you do not have a 20-year agreement with your member communities, but I will try to incorporate thoughts for your next meeting.

**Mr. Taylor Williams (FR) moved, seconded by Mr. Johnson (SH) that the financial reports subject to audit be approved as presented. The vote of the motion was unanimous.**

2. Contracts
  - a. Wheeled loader - CTS

Ms. DeVary asked Patrick Lee, the fleet maintenance superintendent to the podium.

Mr. Lee commented the first item is to replace the wheel loader at Chesapeake transfer station. The current machine is a 2010 Volvo L120 loader. It has a significant number of hours on it. We have a NJPA contract which we would like to award to McClung Logan in the amount of \$359,502, it was budgeted at \$400,000. We currently have an old Caterpillar 950G that is the backup. We plan to trade the old loader in on this purchase and keep the newer Volvo 2010 L120 as the emergency backup.

**Mr. Keaton (IW) moved, seconded by Mr. Broad (NO) to award the contract for the Chesapeake transfer station wheeled loader to McClung Logan as presented. The vote of the motion was unanimous.**

b. Wheeled Excavator – NTS

Mr. Lee continued the second item is to replace the wheeled excavator at Norfolk transfer station. Unit #15-29 is a 2005 Caterpillar M315C. We have an NJPA price from McClung Logan for a Volvo excavator in the amount of \$300,324. A number of years ago we took an excavator from Norfolk and put that at the landfill for ditch cleaning, which is where it is currently. That was in an effort to save track wear from a track machine continually running around the ramp. Therefore, the plan on this machine is to take the wheeled excavator from Norfolk that is being replaced, put it at the landfill, since it is a little bit newer and less hours and trade the machine that is at the landfill in on this purchase.

Mr. Everett Williams (FR) asked how much time we spend cleaning ditches at the landfill.

Mr. Strickland responded it is a lot of hours. I can look and bring that back to you, but we have a full time person running it.

Mr. Barnes (VB) commented that one of the things that would be helpful, instead of looking at these things individually, is to come up with an equipment replacement plan that documents the kind of stuff that you have here. Maybe you have that, I'm not sure, but approaching each of these decisions individually makes it tough to make a good decision about what the replacement plan is and what your annual expenditures are. We usually do a five to six -year replacement plan. If this were approached broadly, it would make it a lot easier to tackle these individual decisions.

Ms. DeVary responded Patrick maintains at least a ten-year replacement plan. In addition, in the back of the budget document we provided is a five-year capital replacement plan. It includes all the equipment, as well as improvements to transfer stations

Mr. Barnes (VB) commented I guess what has provided here are the hours and what maintenance expenditures and that sort of thing. That's really the justification for what you're doing, and I'm sure that's the basis for the summary that you've provided, but knowing that we've got the right equipment, the right replacement, we're maintaining the equipment well and we're replacing it at the appropriate points.

Mr. Lee commented this is a substantial amount of information. We have a ten-year plan that I have been maintaining for 28 years. There is 50 pieces of heavy equipment. You have to space them out and try not to stack them up one year over the other. We do not bring you anything here that is not needed or planned; we just do not want a shiny piece of new equipment. We know that at a certain point in time it is going to start failing, and then that's going to affect the dependability of the transfer station or the landfill.

**Mr. Johnson (SH) moved, seconded by Mr. Keaton (IW) to award the contract for the Norfolk transfer station wheeled excavator to McClung Logan as presented. The vote of the motion was unanimous.**

Mr. Woodall (CH) commented that I am not going to participate in the closed session. I am not comfortable with two things you have there and I do not think they should be in closed session. The first one is dealing with Portsmouth. I am not comfortable with the arrangement proposed for them. Portsmouth will be taking their trash to Wheelabrator, we will be charged a certain fee, and then we are going to charge a much higher tipping fee. I am not comfortable with taking advantage of one of the community members like that. If their city attorney, city manager, mayor and all their council people are aware of this and the differential in those fee structures and are happy about it, I will put the money in the wallet and go home. I just want to make sure that you guys are happy with it.

Chairman Keifer (NO) commented that the reason we have it in closed session is that it relates to some negotiations.

Mr. Woodall (CH) continued the other one is regards to commercial waste. When you're looking at that, think about it like you have SPSA with eight communities, you've determined all your costs, you have your tonnage, so that's basically how you establish your tipping fee right now to the best of my knowledge. Hampton wants to join SPSA. So they approach us and say, we would like to get in and we have 100,000 tons we can bring into the system, what would you charge us if everybody approves for us to come in? So if you look at that and the way I understand you're determining the rates is you have taken 100,000 tons added it into your costs and you say that would lower the rate because of the increased tonnage. In this instance, you would look at that incremental cost that went to us to take in this new body into this system. I think you are saying we already have the people and equipment on board we are just taking in the extra tonnage. That cost for those people and equipment is an incremental cost opposite your basic matrix cost to handle the 350,000 tons for eight communities. If you put any more on there, you have an incremental cost. You have to bring it back to what the basic cost would be to operate for the eight communities under 350,000 tons. You cannot just divide the tons in there because if you do that, then this group is subsidizing the commercial business, and I know that is not your intent. In fact, I think it is probably against the law. I do not think we as an authority can subsidize the commercial business. What is our basic cost for handling the needs of all the communities? Anything above that is an incremental cost to that, and at that number, whatever that 350,000 tons is, how many people do we need to put on? How many trucks do we need to have? How many people could we cut off, how many trucks would we take off the road, how much insurance would we need just to handle that 350,000? It has to be added onto that basic rate, not just divided by the tonnage. That is the point I think that maybe is being overlooked right now, and I would appreciate it in your discussions.

Chairman Keifer (NO) commented that this matter was discussed at the executive committee, and it was not Liesl's idea. It came in as a request from the private haulers and it was discussed a little bit at the last meeting, but I understand your comments and we will consider that.

### **3. CLOSED SESSION**

Mr. Tisdale, General Counsel read the closed session motion as follows:

*I move that a closed session be held for discussions regarding (a) the terms and scope of a proposed extension of the Refused Derived Fuels and Waste to Energy Service Agreement between SPSA and Wheelabrator; (b) consideration of contractual arrangements to handle solid waste generated in the City of Portsmouth; (c) SPSA's legal rights in connection with consideration of a*

*form for Waste Disposal Agreements for SPSA's post-2018 Non-Municipal Customers; and (d) consideration of a request for proposals to address the disposal of Solid Waste from SPSA's member localities after January 25, 2018 – in each case in accordance with Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, and as applicable, Virginia Code Section 2.23711(A)(29).*

**Mr. Roberts (SU) moved, seconded by Mr. Broad (NO) to approve the closed session certification as read. The vote of the motion was unanimous.**

#### **4. ACTIONS ARISING FROM CLOSED SESSION**

Immediately upon completion of the closed meeting, the following certification was read by General Counsel, Warren Tisdale.

*The Committee hereby certifies that, to the best of each member's knowledge: (a) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification applies; and (b) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.*

**Mr. Taylor Williams (FR) moved, seconded by Mr. Everett Williams (FR) to approve the closed session certification as read. The vote of the motion was unanimous.**

Chairman Keifer (NO) commented following the closed session meeting we have a presentation on the proposed addendum to the Wheelabrator Service Agreement.

Mr. Brad Nowak began his presentation on the Proposed Addendum No. 6 to the service agreement. Unless otherwise extended under the current service agreement between SPSA and Wheelabrator, that contract will expire on January 24, 2018. Under such agreement, SPSA has the option to extend it up to ten years. At the September SPSA board meeting, the board approved a motion authorizing the executive director and counsel to negotiate an extension of the Wheelabrator Service Agreement for an interim period and present such extension terms at the October meeting. Since that meeting, SPSA staff and legal counsel have negotiated proposed form of Addendum No. 6 to the service agreement for consideration and possible approval by the SPSA board. If Addendum No. 6 to the service agreement is approved, the existing service agreement will be extended and the amendment will be effective January 25, 2018.

The term would be extended from January 24, 2018, until January 31, 2019. Additionally, SPSA would have the one-time option to extend that period for an additional five months, from February 1, 2019 through January 30, 2019. In order to do so you must give notice to Wheelabrator by October 3, 2018. In such addendum, the service fee is being amended. The waste tipping fee, which is the amount payable by SPSA to Wheelabrator, is \$36 per ton, plus an additional 50 cents per ton for SPSA's use of the RDF tipper. The residue disposal fee, which is amount payable by Wheelabrator to SPSA for disposing of residues at the Regional Landfill, effectively is \$19 per ton through January 31, 2019, and if SPSA exercises its one-time option, then it would increase to \$20

per ton during that extension period through June 30, 2019. The addendum also eliminates SPSA sharing of the steam revenue, as well as the SPSA loading and hauling fees.

In addition to the foregoing changes that I discussed, there are some other updates, amendments to simplify the service agreement. Eliminate SPSA's Annual Delivery Guarantee, also known as the put-or-pay, which is currently at 500,000 tons per year. SPSA would remain obligated to deliver all MSW from designated transfer stations, or equivalent tons from other SPSA transfer stations. Eliminate Wheelabrator's hauling of non-processible waste and Wheelabrator contract commercial waste from SPSA transfer stations. Transfer ownership of SPSA RDF assets, which are the RDF scales and scalehouses, roadways, and tipping floor, to Wheelabrator, which was a provision already contemplated to occur on January 24, 2018 under the current service agreement. Additionally, the addendum references that it will replace the parent guarantee from Waste Management, which is no longer a Wheelabrator parent company, to Wheelabrator's current parent company, Granite acquisition, Inc., replace the current \$5 million letter of credit with a \$5 million performance bond. It would eliminate the steam and processing guarantee calculations and testing, but Wheelabrator would be obligated to process, combust SPSA waste. It would also eliminate the mutual change in law pass-through costs to the rate. It would eliminate SPSA's obligation to sort non-processible waste from processible waste at the SPSA transfer stations. It would allow SPSA to charge overtime costs in addition to its incremental transport costs for any waste diversions. It would adjust Wheelabrator's liability cap to \$41.7 million, which is based on the new tipping fee calculation. Finally, the addendum would reduce the termination-liquidated damages if there were an event of default of either Wheelabrator or SPSA in recognition of the shorter term. If there was a Wheelabrator default, the current liquidated damage amount is \$25 million, which would be reduced to \$12.5 million, and for a SPSA default, it is currently \$10 million would be reduced to \$5 million.

Chairman Keifer (NO) commented to clarify what this does is this extends the current way of doing business by extending Wheelabrator for one year, which will give us the opportunity to take more time to determine our long-term options with waste disposal.

Mr. Nowak read the resolution authorizing the approval and execution of addendum no. 6 to service agreement as follows:

***WHEREAS***, the Southeastern Public Service Authority of Virginia ("SPSA") owns and operates an integrated solid waste disposal system in the geographic area of its Member Communities, including a landfill located in Suffolk, Virginia;

***WHEREAS***, SPSA's core purpose is the management of the safe and environmentally sound disposal of regional waste;

***WHEREAS***, SPSA is party to that certain Refuse Derived Fuels and Waste to Energy Facilities Service Agreement dated as of September 9, 2009, as amended (the "Service Agreement"), between SPSA and Wheelabrator Portsmouth Inc., a Delaware corporation (as successor by assignment from Wheelabrator Technologies Inc., a Delaware corporation) ("Wheelabrator"), pursuant to which Wheelabrator manages, operates and maintains the refuse derived fuel and waste-to-energy facilities located in Portsmouth, Virginia (together, the "Facilities"), in accordance with the terms and conditions described therein;

**WHEREAS**, the Facilities process up to 2,370 tons of solid waste per day and generate steam to meet the needs of the U.S. Navy and renewable energy which is sold to the local utility;

**WHEREAS**, unless otherwise extended by SPSA in accordance with the Service Agreement, the initial term of the Service Agreement expires on January 24, 2018;

**WHEREAS**, the Service Agreement provides that SPSA has the right to extend the term of the Service Agreement for an additional period not to exceed ten (10) years;

**WHEREAS**, pursuant to the Service Agreement, SPSA desires to exercise its right to extend the term of the Service Agreement through January 31, 2019 (the "Extension Period"), with the option of a five-month extension (at SPSA's election);

**WHEREAS**, Wheelabrator has waived the requirement for SPSA to provide prior notice to exercise its right to extend the term of the Service Agreement;

**WHEREAS**, the proposed Extension Period is in the best interests of SPSA and its Member Communities, and will allow for (a) during the Extension Period, ability for SPSA to continue disposal of municipal solid waste from SPSA's Member Communities in an environmentally sound manner and (b) SPSA to plan and consider its long-term option(s) for municipal solid waste disposal for the period following expiration of the Extension Period;

**WHEREAS**, in connection with exercise of the Extension Period, certain amendments to the Service Agreement are proposed, including a reduction in the fee payable by SPSA for work performed by Wheelabrator under the Service Agreement, an increase in the residue disposal fee payable by Wheelabrator to SPSA for residue disposal from the Facilities at the Suffolk landfill, and such other modifications, amendments and supplements as more particularly described in Addendum No. 6 to Service Agreement, substantially in the form attached hereto as Exhibit A ("Addendum No. 6");

**WHEREAS**, the proposed amendments set forth in Addendum No. 6 are advantageous to, and in the best interests of, SPSA and its Member Communities for many reasons, including (among other things) reduced fees payable by SPSA for services performed under the Service Agreement, increased revenues payable to SPSA for residue disposal at the Suffolk landfill and will save airspace at the Suffolk landfill by reducing the volume of municipal solid waste being disposed of by SPSA in the Suffolk landfill; and

**WHEREAS**, following due consideration of Addendum No. 6, including consideration of presentations prepared and delivered by SPSA's Executive Staff and its advisors, the Board has determined it is in the best interests of SPSA and its Member Communities to (a) approve the exercise of SPSA's right to extend the term of the Service Agreement for the Extension Period and (b) approve and enter into Addendum No. 6.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of SPSA as follows:

1. The Board hereby (a) approves the exercise of SPSA's right to extend the term of the Service Agreement for the Extension Period, and (b) approves, adopts and accepts Addendum No. 6, substantially in the form attached hereto as Exhibit A.

2. The Board hereby authorizes and directs the Chairman or the Executive Director of SPSA, in the name of and on behalf of SPSA, to (a) execute Addendum No. 6, and to deliver the same to Wheelabrator, such execution and delivery conclusively to evidence the due authorization and approval thereof by SPSA and (b) perform SPSA's obligations as set forth in Addendum No. 6.

3. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, instruments, certificates and agreements, each in the name of and on behalf of SPSA, that he or she may deem necessary or desirable to carry out the intent and purposes of the foregoing resolutions.

4. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to take any and all steps and to do all things that he or she may deem necessary or advisable in order to effect the purposes of each and all of the foregoing resolutions.

5. The Board hereby ratifies, confirms and approves all actions heretofore taken by the Executive Director of SPSA, in the name and on its behalf, in connection with any of the foregoing resolutions.

Adopted this 25<sup>th</sup> day of October 2017.

**Mr. Taylor Williams (FR) moved, seconded by Mr. Everett Williams (FR) to adopt the resolution and authorize the Chairman to execute the agreement on behalf of SPSA. All were in favor of the motion with the exception of Mr. Barnes (VB).**

## 5. PROPOSED REVISIONS TO FY 2018 BUDGET

Ms. DeVary began her presentation. The first thing I would like to talk about with you is residential waste. Currently there is no charge for residents to use SPSA transfer stations. Residential waste trips are tallied, but the waste has never been weighed. The applicable member community also has not tracked residential waste. Residents must provide proof of residency before they are able to dump for free. Under the new use and support agreement and strategic operating plan, it states that beginning January 25, 2018, residential waste will be charged to the applicable member locality similar to how HHW charges are applied now on a per-visit manner. In order to prepare for, this, SPSA implemented a driver's license scanning module, which ties into the scalehouse software program. The scan only captures the name and address so that we are able to tie that person to a member community. Legally we are not allowed to capture anything else from the driver's license scan. This enables us to be able to charge the applicable member community based on this address. The recommendation effective January 25, 2018 is that we would weigh residential waste and charge the applicable member community at a rate of \$65 per ton with a \$20 minimum fee per trip.

RESIDENTIAL WASTE ~ NO. OF TRIPS BY TRANSFER STATION	
TRANSFER STATION	FY 2017
CHESAPEAKE	20,421
FRANKLIN	3,456
ISLE OF WIGHT	9,667
LANDSTOWN	21,802
NORFOLK	21,208
SUFFOLK	33,119
TOTAL	109,673

Residents are not permitted at the Oceana Transfer Station

RESIDENTIAL WASTE ~ NO. OF TRIPS BY MEMBER LOCALITY		
***Allocated based on a 3 month average***		
Member Locality	Total Trips	Cost @ \$20
Chesapeake	29,038	\$580,763
Franklin	2,359	\$47,180
Isle of Wight	9,502	\$190,042
Norfolk	22,328	\$446,560
Portsmouth	4,457	\$89,134
Suffolk	18,022	\$360,440
Southampton	1,412	\$28,241
Virginia Beach	22,555	\$451,101
Total	109,673	\$2,193,460

There were 110,000 trips in fiscal year 2017, which are tallied by each transfer station. We implemented the driver's license scanning module a few months ago. We use it for our HHW events, but also to start tracking how the residential charges will be applied to member communities. I took three months of data and extrapolated it, so the first column is the member locality and the total trips. Assuming that each trip is a minimum of \$20, these are the kinds of dollars you are looking at. It is almost \$2.2 million. The one thing I will say about having a minimum fee per trip is you have charged SPSA with operating like a business, and that is exactly how a business would operate. Every other customer that comes through the transfer station has a minimum fee.

Chairman Keifer (NO) commented that this is where we created a committee earlier to talk about this on November 14, 2018.

Ms. DeVary continued her presentation regarding charges to the tip fee schedule. I am recommending that the municipal tipping fee be reduced to \$65 per ton effective January 25, 2018. This includes changes such as reducing the regional landfill-operating budget by approximately \$2.3 million due to hauling leachate in house. If you recall in the budget process, we were assuming because of the leachate levels that we were going to do three rounds of pumping and hauling of leachate. We are reducing the capital budget by approximately \$4.15 million due to leachate issues that we did not have to incur this year. We would be increasing the budget for the Wheelabrator extension that you just approved. Effective January 25, 2018 we will be paying a host fee to the City of Suffolk for tons that go into the landfill. There will be further reductions in operating expenses that will be identified with the FY 2019 proposed budget to coincide with changes in operations. New revenues such as commercial waste, extension of the Navy contract and charges for residential waste will be added. I am being conservative with just bringing your tipping fee down to \$65, but hopefully come July 1, with the new fiscal year that will go down even further. I am requesting to have a few months to see how the new operation works, staff needs, et cetera, before cutting back the municipal tipping fee anymore.

These are the tip fee changes that are recommended. Non-municipal waste that is not accepted at a transfer station was previously referred to as non-processible will be charged \$75 per ton. CDD is \$47; however, it needs to go up \$4 per ton because that \$4 will be passed onto the City of Suffolk for the host fee. This is also reflected in the charges for campers/trailers and boats.

### Tip Fee Changes

Waste Category	Current Tip Fee (per ton)	Proposed Tip Fee (per ton)
<b>Waste Disposal at SPSA Transfer Stations</b>		
Municipal Waste	\$125	\$65
Contract Waste - Non-Municipal Customer (NEW)	N/A	\$49
Non-Contract Waste - Non-Municipal Customer (NEW)	N/A	\$75
<b>Waste Disposal at Regional Landfill</b>		
Municipal Waste (not accepted at transfer stations)	\$125	\$65
Non-Municipal Waste (not accepted at transfer stations) (previously non-processible)	\$69.56	\$75
CDD	\$47	\$51
Campers/Trailers	\$0.10 per lb	\$204 per ton
Boats	\$0.04 per lb	\$84 per ton

### Tip Fee Changes ~ Continued

Waste Category	Current	Proposed
Household Hazardous Waste (charged to member locality)	\$35 per visit	\$36 per visit
Appliances with CFC Disposed at SPSA's Landfill	\$12 each	\$15 each

PRELIMINARY - OCTOBER 25, 2017



**SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**  
**Fees and Charges for Solid Waste Management**

Proposed Effective January 25, 2018

WASTE DISPOSAL - TRANSFER STATIONS	
Waste Delivered to All Disposal Points:	Rate
Municipal Solid Waste (delivered by or on behalf of any SPSA Member Community directly to a SPSA Transfer Station or directly to the WPI RDF Facility)	<del>\$125 per ton</del> \$65 per ton
Contract Municipal Solid Waste (delivered on behalf of a SPSA Member Jurisdiction directly to a SPSA Transfer Station or directly to the WPI RDF Facility)	<del>\$125 per ton</del>
Contract Non-Municipal Customers (minimum 50,000 lpy at rate per contract)	\$49 per ton
Non-Contract Non-Municipal Customers	\$75 per ton
U.S. Navy Waste under contract with SPSA	Per Contract
Other SPSA Acceptable Waste under contract with SPSA (see table below)	Rate
Delivered directly to SPSA Tipping Fleet at RDF Plant	\$24 per ton
Delivered directly to SPSA Transfer Station	\$50 per ton
Residential Solid Waste Delivered in accordance with Residential Guidelines (Billed to SPSA Member Community - minimum \$20 per trip)	No Charge \$65 per ton
Weighing Charge Per Vehicle, Per Trip	\$20
Suffolk Municipal Solid Waste (delivered by the City of Suffolk)	No Charge
Suffolk Contract Municipal Solid Waste (delivered under contract with the City of Suffolk)	No Charge

\*\*Regulated Medical Waste is Prohibited at all SPSA Facilities. A Penalty will be charged Per Occurrence of \$250, Plus any Costs Incurred/Revenues Lost\*\*

WASTE DISPOSAL - LANDFILL ONLY	
Waste Delivered to SPSA's Regional Landfill:	Rate
Municipal Solid Waste Unacceptable at Transfer Stations (delivered by or on behalf of any SPSA Member Community)	\$65 per ton
Solid Waste Unacceptable at Transfer Station (non-municipal customer)	\$75 per ton
Non-Processible Solid Waste (non-contract)	<del>\$69.54 per ton</del>
Industrial Process Waste (accepted only with prior approval)	\$75 per ton
Dead Animals Bagged or Unbagged (household pets only, i.e. dogs and cats)	\$20 each
Water Treatment Plant Sludge from any Member Community Transported by SPSA	<del>\$44 per ton</del> \$50 per ton
	\$47 per ton
Construction and Demolition Waste	\$51 per ton
Campers/trailers (minimum fee \$204 each)	<del>\$204 per ton</del> \$204 per ton
Boats (minimum fee \$84 each)	<del>\$84 per ton</del> \$84 per ton

(All liquids must be removed prior to delivery and disposal)

HOUSEHOLD HAZARDOUS WASTE	
User Fees:	Rate
Rate Per Resident Visit (Billed to SPSA Member Community)	<del>\$35 per visit</del> \$36 per visit
Waste Accepted at SPSA's Regional Landfill (from Businesses)	Rate
Batteries (lead & rechargeable)	\$60 per ton
Alkaline Batteries	\$0.75 / lb.

SPSA reserves the right to reject certain quantities of batteries dependent on storage availability

MISCELLANEOUS	
Appliances with CFC Disposed at SPSA's Regional Landfill:	Rate
SPSA Member Communities or Residents (Billed to SPSA Member Community)	<del>\$12.50 each</del> \$15 each
Businesses	<del>\$12.50 each</del> \$15 each
White Goods Containers (Includes rental rate plus haul cost)	\$75 - \$125 per pull

**GRAY SOILS FOR USE AS ALTERNATIVE DAILY COVER (ADC)**

Material Type	Disposal Rate Per Ton
ADC10	\$10.00
ADC15	\$15.00
ADC20	\$20.00
ADC25	\$25.00

**General Rate Explanation:** Those wishing to dispose of soils as ADC **must** receive prior approval from the Landfill Superintendent or his/her designee. At a minimum, SPSA requires the submission of specified analytical results prior to delivery and acceptance of any soils. No soils will be considered for use as ADC containing rebar or with debris containing rebar. Material with a higher than desirable moisture content will be charged the ADC25 rate.

- ADC10 (\$10 rate) applies to material of screen quality
- ADC15 (\$15 rate) applies to material with manageable amounts of 1' or smaller debris such as brick, concrete, or asphalt
- ADC20 (\$20 rate) applies to material that contains a manageable amount of debris such as brick, concrete, or asphalt between 1' and 2' in size
- ADC25 (\$25 rate) applies to material that contains a manageable amount of debris such as brick, concrete, or asphalt, larger than 2' or high moisture content

**For any category of Waste Disposal which is based on weight, the Minimum Fee is \$20.00.**

Mr. Roberts (SU) asked what methodology was used to estimate what the anticipated expenses would be for each of the localities for the residential charge back to each individual locality.

Ms. DeVary responded we are continuing to capture data from the scanning of licenses. Prior to

that, all we tracked was number of trips. Residents would come to a transfer station show proof of residency and as long as it was within the SPSA area, they were allowed to dump. They have not been weighed yet. What has been assumed all these years is that each trip was 200 pounds because when you look at the monthly financial report on the waste stream, you see a number there for residents. I just do not know if that is true or not. Based on 200 pounds each trip, 100,000 trips equates to 10,000 tons.

Mr. Chesson (IW) asked how you handle military and out of state licenses?

Ms. DeVary responded if they will not scan then they are manually typed in and they have to show proof of residency, such as a utility bill.

Mr. Martin (CH) commented that there would probably be more traffic in our transfer station, whether or not we could consider a Saturday-Sunday opening like Norfolk does and try to shift that traffic onto a kind of like a nonpeak commercial residential schedule. As part of the budget, I would ask you to look at what it would take to add that service to Chesapeake's transfer station.

Ms. DeVary commented that if we will not get as much commercial waste as we do now. The transfer stations are not going to be as busy.

Mr. Keaton (IW) commented that is assuming every trailer or every pickup is 615 pounds versus the assumption right now that it is 200 pounds. We could potentially be paying three times as much based on a volume of waste. Therefore, I think we need to look at charging for the actual weight versus a minimum.

Ms. DeVary responded that we are proposing that they are weighed in and out and the rate is \$65 per ton, but there will be a minimum fee of \$20. I can tell you at Bethel the minimum fee is one and a half tons.

Mr. McCoy commented that my concern is that you have estimated how many trips I had last year. I can budget \$20 per trip based on how many trips I had last year. I cannot base if a thousand of those trips was over a ton and I had to pay \$65. I have taken enough trash out there to say your minimum of 200 pounds is very low. I can see at least for the next twelve months trying a fee of \$20 per trip, not \$65 a ton. Keep your records for a year and let us know how many times someone brings in a ton versus a minimum of \$20, because if people can find that they can go out there and it's going to be charged back to the community, the tonnages are going to go up because they're going to drop it off rather than have it sitting at their curb.

Ms. DeVary responded that the only change to the resident is that they will be weighed out. They are not charged.

Mr. McCoy (PO) commented you could set your fee at \$20 per trip and no tonnage the first year. Get a history of the tonnage so the cities can prepare next year. Do it incrementally instead of all at one time because if I ended up with 2,000 trips at \$65 a ton that is a big difference than paying a \$20 flat fee.

Mr. Barnes (VB) commented one of the things I would recommend in preparation for the meeting on the 14<sup>th</sup> is to look at what data is available. I know that residents currently use Norfolk on

Saturdays and Sundays. To the extent that that data can be sorted out so that you can figure out what the residential trips are. Looking at the tonnage data in addition to the vehicle trips is going to tell us whether the 200, 600 or 100, and whether it is really worth it or not. The other thing is that weighing residential cars in and out is going to be a hassle. The scales might get you to within 100 or 200 pounds. I do not know what the accuracy is there at the lower weights; it is going to be minimal.

**6. RESOLUTION SETTING THE PUBLIC HEARING FOR SCHEDULE OF FEES AND CHARGES.**

Ms. DeVary continued that the recommendation is to adopt the resolution setting a public hearing for the preliminary schedule of fees and charges for December 13, 2017, as presented.

***RESOLUTION TO ADOPT PRELIMINARY SCHEDULE OF FEES AND CHARGES FOR THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA AND SETTING DATE FOR PUBLIC HEARING ON SAME***

***WHEREAS***, the Board of the Southeastern Public Service Authority of Virginia (sometimes referred to herein as “SPSA”) desires to add new rates, fees and/or charges to be levied by SPSA and change certain rates, fees or charges previously fixed by SPSA for the services available through its refuse collection and disposal system, primarily by reductions to the rate payable for disposal of municipal solid waste, adding a new rate for non-municipal contract waste and increasing certain disposal fees charged for waste types delivered directly to the regional landfill, with such changes to be effective January 25, 2018; and

***WHEREAS***, in connection with such proposed changes to existing rates, fees or charges and such proposed fixing of new rates, fees or charges to be levied by SPSA for the disposal of solid waste at its facilities, Section 15.2 5136(G) and Section 15.2-5136(H) of the Virginia Water and Waste Authorities Act (the “Act”) require (i) the adoption by SPSA of a resolution setting forth a preliminary schedule fixing and classifying such rates, fees and/or charges, (ii) SPSA to set and hold a public hearing with respect to such preliminary schedule where all users of the systems or facilities and all other interested parties have an opportunity to be heard concerning the proposed rates, fees and charges set forth therein, (iii) notice of such public hearing, setting forth the proposed schedule of rates, fees and charges, to be given by two publications, at least six days apart, in a newspaper having a general circulation in the area served by SPSA’s refuse collection and disposal system, with the second notice being published at least 14 days before the date fixed in such notice for the hearing, and (iv) a copy of such notice to be mailed to the governing bodies of all localities in which such refuse collection and disposal system or any part thereof is located;

***NOW, THEREFORE, BE IT RESOLVED***, that the Board of the Southeastern Public Service Authority of Virginia hereby adopts the Preliminary Revised Schedule of Fees and Charges for Solid Waste Management setting forth such rates, fees and charges to be levied by SPSA for the disposal of solid waste at its facilities, with the changed and new rates reflected in such Schedule to be effective January 25, 2018, as set forth on the attached page; and

***FURTHER RESOLVED***, that the Board of the Southeastern Public Service Authority of Virginia hereby (i) establishes December 13, 2017 at 9:30 a.m. as the date and time for the public hearing

*on the Preliminary Revised Schedule of Fees and Charges for Solid Waste Management and (ii) authorizes and directs SPSA executive staff to provide notice of such public hearing, as required under and in accordance with the applicable provisions of Section 15.2 5136(G) of the Act, by publication and with copies by mail to the governing bodies of SPSA's member localities.*

*Adopted by the Board this 25th day of October 2017.*

**Mr. McCoy (PO) moved, seconded by Mr. Johnson (SH) that the resolution setting a public hearing for the schedule of fees and charges be adopted as provided this 25<sup>th</sup> day of October.**

**Roll Call:**

<b>Mr. Eric Martin (CH):</b>	<b>Yes</b>
<b>Mr. Everett Williams (FR)</b>	<b>No</b>
<b>Mr. Taylor Williams (FR)</b>	<b>Yes</b>
<b>Mr. Roy Chesson (IW)</b>	<b>Yes</b>
<b>Mr. Randy Keaton (IW)</b>	<b>Yes</b>
<b>Mr. John Keifer (NO)</b>	<b>Yes</b>
<b>Mr. Richard Broad (NO)</b>	<b>Yes</b>
<b>Mr. Luke McCoy (PO)</b>	<b>Yes</b>
<b>Ms. Cheran Cordell (PO)</b>	<b>Yes</b>
<b>Mr. Mike Johnson (SH)</b>	<b>Yes</b>
<b>Mr. Patrick Roberts (SU)</b>	<b>Yes</b>
<b>Mr. John Barnes (VB)</b>	<b>No</b>

**The motion to approve the resolution setting a public hearing for the schedule of fees and charges be adopted as provided this 25<sup>th</sup> day of October passed 10-2.**

**7. OLD/NEW BUSINESS**

Chairman Keifer (NO) commented that there is not a board meeting scheduled for November. The next regular board meeting is scheduled in December.

**8. ADJOURN MEETING**

There being no other business to come before this Board of Directors this regular meeting was adjourned at 12:51 p.m.



Liesl R. DeVary

Interim Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors