

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

**February 22, 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	(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**10:15	(PO)
Mr. Mark Hodges	(SH)	Mr. Michael Johnson <i>absent</i>	(SH)
Mr. David Arnold <i>absent</i>	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(VB)	Mr. John Barnes <i>absent</i>	(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. Randy Martin (FR), Mr. Harvey Howard (NO), Mr. Eric Nielsen (SU), Mr. Phil Davenport (VB), and the following SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director, Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer, and Mrs. Blanche Christian, Administrative Coordinator and Secretary, Trey Huelsberg, General Counsel, and staff from SPSA and the Hampton Roads Planning District Commission.

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

**1. INFORMAL ITEMS: DISCUSSION ONLY**

**A. MONTHLY REPORTS ON WTE OPERATIONS**

Mr. Rob Johnson began his report on the operational stats for Wheelabrator Portsmouth for the month of January. The total waste received by SPSA was 32,508 tons and 55,772 tons of waste was delivered to the RDF facility. The total tons processed were 55,453 and 13,804 tons of ash was delivered to the regional landfill. The total electricity sold to the grid was 18,259 megawatts and 70,841 K-pounds of steam was sold to Navy. The overall availability was 90% and the generator availability was 96%. There was one OSHA recordable where an individual fractured his little finger and this employee has returned to work. Boiler 2 had a scheduled outage. The major work

included super heater replacement, major grate overhaul and SDA wing cone replacement. During this time WPI also scheduled outage on our TG#1 to inspect and clean the condenser, inspected and cleaned the boiler and the air coolers and additional work on instrumentation calibration and electrical PM for the equipment.

## B. EXECUTIVE DIRECTOR UPDATES

Mr. Taylor began his monthly report. There have been no odor complaints received at the landfill during this period. The roof replacement on the landfill operations building is under construction and should be completed within the next several weeks. Joe Readling of HDR Engineers will be providing a presentation later in the agenda relating to our leachate project.

The requested information for the CUP and Rezoning applications for Cell VII that the City of Suffolk provided to us has been submitted and currently it's anticipated that the information and applications will be provided to the Suffolk City Planning Commission in March

The Commercial/Private Hauler Waste committee had their first meeting with Bay Disposal and Wheelabrator Portsmouth shortly after the January Board meeting. We provided a term sheet of important business and legal points to them for their comments. Subsequently, Trey is in the process of developing a contract document for consideration by the bidders. The committee is scheduled to meet after this meeting to further discuss the proposals, including negotiated contract terms, and to continue toward developing a recommendation regarding a Notice of Intent to Award for consideration at the March 22<sup>nd</sup> Board meeting.

A copy of the RePower South monthly report has been included in your agenda packet. The Agreement/Contract for the offtake agreement is scheduled to be completed during the month of March. Once that has been accomplished, financing activities can be completed and construction can commence.

Mr. Sorrentino (VB) apologized for missing the last meeting and asked for some clarification on the missed deadline by RePower South.

Mr. Huelsberg responded that the deadline for the agreement and contract for the offtake coincided with our last board meeting. They have not satisfied those conditions as of that date, which in turn gave SPSA the right to terminate the agreement as it does not terminate automatically. RePower came and made a comprehensive presentation in conjunction with the legal review of SPSA's rights. At the time the board elected to take no specific action, but our right to terminate has not been exercised nor waived.

## C. CHAIRMAN COMMENTS

Chairman Woodall (CH) commented that we received letters from the Governor and Senator Cosgrove asking us to cooperate with RePower South. I met with RePower South's financial people and I felt pretty confident about it. Once RePower receives their offtake agreement by the end of

March the financing can be met.

## 2. ACTION AGENDA

### A. MINUTES OF BOARD MEETING

Chairman Woodall (CH) moved to the action agenda. The minutes of January 25, 2017 SPSA Board of Directors meeting have been distributed and he asked if there were any additions or changes.

**Mr. Eric Martin (CH) moved, seconded by Mr. Keifer (NO) that the January 25, 2017 Board minutes be approved as presented. The vote of the motion was unanimous.**

### B. FINANCIAL MATTERS

#### (1) Financial Reports

Ms. DeVary began by stating that for the month ending January 31, 2017, total revenues exceeded total expenses by approximately \$1.3 million, as compared to a shortfall in the previous year of approximately \$675,000. Tipping fees reflect a 16% increase or approximately \$3.7 million as compared to last year, and this increase is largely due to the end of the Ash and Residue Agreement and their corresponding rebate in tip fees. Municipal waste tonnages are down 1% or 2,353 tons as compared to last year. Municipal waste tonnages were 232,988 as compared to 235,341 a year ago. Total expenses as of January 31<sup>st</sup> were approximately \$26.4 million as compared to \$25.5 million in the prior fiscal year. A total of \$1.86 million was applied as a credit from the tip fee stabilization to certain localities' invoices for the month of January. The remaining balance of \$1.26 million will be applied to the February invoices, and that will use up all of the Tip Fee Stabilization Fund money. Overtime for transportation is approximately \$153,300 year to date as compared to \$35,000 a year ago. As of January it is over budget by about \$53,300. The increase is primarily due to the excessive wait times at the RDF, and we believe the budget shortfall will be covered by the budget savings in fuel. Cash balances are \$25.8 million and they are designated with \$6.7 million in the operating fund, \$3.1 million in the tip fee stabilization fund which will be reduced by the credit, \$6 million in landfill closure and \$10 million in the operating reserve.

Mr. Hodges (SH) asked if the increase in overtime can be explained in more detail.

Ms. DeVary responded that Mr. Toney Saunders can answer this in more detail as it has to do with our transportation drivers having to wait to unload at the RDF plant. He keeps a detailed account of the wait times.

Mr. Saunders responded that primarily a great percentage of our wait time is due to the time it takes us to unload at the RDF plant. From the time we arrive in line, unload should normally average in the 30 to 45 minutes time frame. It gives us a good possibility to complete our hauls in an 8-hour day, but on average right now we're waiting anywhere from an hour to almost two hours on any given day. The longer time it takes us to return to the transfer station, the longer time it takes us to haul the amount of waste for that day. Our average day is anywhere from 8-9 hours, but based on the tipping floor, we can run it anywhere to 10-13 hour day, which, in essence, accumulates

overtime. I don't know why there is an increase in wait times as I don't operate the RDF plant or the tipping floor, but when you can only get one or two trucks on the floor at a time and you've got five or six trucks in line, the City of Portsmouth in line, the City of Chesapeake in line and other haulers in line that increases the wait time it takes a truck to get on the floor.

Mr. Rob Johnson commented that I have pieces of the data and I'd like to have a bit more comprehensive understanding of all the data that we're looking at. Certain things will affect it, but we can work together and make sure that we're getting a comprehensive view of the situation. There is zero benefit for me to have a line at that facility so I'm invested in moving that as well.

Chairman Woodall (CH) stated staff has exhausted their solutions and so we do need your help. I'd like you to work with staff and let's find out what that bump in this road is and let's get rid of it because we can't afford this. I would like you to include this issue in your monthly report.

Mr. Johnson commented that we will definitely work with staff to find a solution and include it in the monthly report.

**Mr. Davenport (VB) moved, seconded by Mr. McCoy (PO) that the financial reports subject to audit be approved as presented. The vote of the motion was unanimous.**

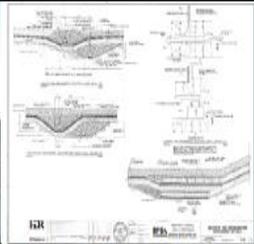
- (2) Contracts
  - (a) Tire De-Rimmer

Ms. DeVary stated that we have one contract for your consideration this month. We put out a bid for a tire de-rimmer for the tire shredder. This is to replace a very outdated and undersized tire de-rimmer. The new equipment can handle regular passenger car tires as well as tires up to 18.25 x 38 tractor tires. The tire shredder handles approximately 290,000 tires per year. We budgeted 45,000 and received one bid from Eagle International for \$44,700, and that's who we recommend to the board.

**Mr. McCoy (PO) moved, seconded by Mr. Roberts (SU) to award the contract to Eagle International, LLC in the amount of \$44,700 as presented. The vote of the motion was unanimous.**

### **3. PRESENTATION: LANDFILL LEACHATE PROJECT**

Mr. Joe Readling with HDR Engineering began his presentation. At the last board meeting, Jeff Murray, one of my co-workers, gave an update to this forum during the executive session. I'm following up with that on his behalf.

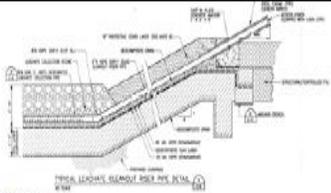
**Improvements Update  
Regional Landfill Leachate  
Management System**

SPSA Board Meeting | February 22, 2017



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### Unusual Condition



- Leachate accumulated within Cells V and VI well in excess of 12-inches above liner system
  - Collected more per day than was pumped to HRSD for treatment and disposal
  - Condition existing likely for several years
- Field measurements of depth to leachate in cleanout piping confirmed condition on 1/24/17
- Conditions in Cell V worse than Cell VI
- Analysis indicated waste mass is stable
- Leachate is fully contained, no known discharges
  - Groundwater quality and elevations do not appear to be impacted

### DEQ Coordination

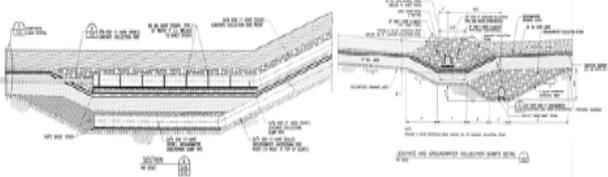
- Verbal Notice of Unusual Condition Provided on 1/25/17
- Written update on status of unusual condition and action items provided 1/27/17
- Staff and representatives from HDR and Wilcox and Savage met with DEQ representatives on 2/8/17 at DEQ Tidewater Office to provide additional detail
  - Bi-weekly updates starting 2/17/17
  - Schedule of corrective actions by 2/24/17
  - Corrective actions may require up to 24 months
    - Volume available to be extracted difficult to determine, can be confirmed during dewatering
  - HRSD Permit limitation discussed
  - DEQ is reviewing situation and is considering enforcement options

### Actions Taken

- Operations modified for withdrawal from Cell V, pumping 7 days per week up to allowable 50,000 gpd
- HRSD 50,000 gpd discharge limit
  - COD:BOD ratio > 6:1
  - COD concentrations greater than 1,000 mg/L
- Coordination with HRSD and City of Suffolk
  - Applicable restrictions/limitations for discharge up to 300,000 gpd
  - Allowable COD concentrations < 1,000 mg/L
  - Wet weather considerations
- Samples collected from Cell V and VI separately
  - Quality is similar, both exceed 1,000 mg/L COD
- Sampling, characterization and treatability plan in progress
  - Benchscale testing starting next week

### Actions Taken

- HDR recommended install new SCADA system for control and monitoring
  - Design and contractor coordination to follow
- C&C Electric Service on-site to provide maintenance on the existing pumps and controls
  - Pump station operation will be monitored to assess whether maintenance of the collection sumps (jetting and flushing) is required



### Considerations

- Additional pre-treatment is likely required in order to conform HRSDs COD:BOD ratio requirements of 6:1 or to reduce COD concentrations below 1,000 mg/L.
  - Aeration
  - Carbon absorption
  - Filtration
- Disposal alternative - hauling
  - Loadout station needed for safe delivery
  - Access improvements required
  - Identify disposal locations
    - Quantities Permissible

Everything in terms of the engineering design, the containment system, the groundwater monitoring network, all seems to be performing as you would expect. We've been working on some recommendations to SPSA for what's referred to as updated Supervisory Control and Data Acquisition (SCADA) system, which is simply as an integrated computer.

There are eight pump stations in the belly of the landfill. Cell V has four, Cell VI has four. There's a consolidated pump station where all of those eight pump to another pump station called the Cell V pump station. From there it pumps to the lagoon or pump station at the lagoons, and then there's pump station at the lagoons that transmits the leachate out to HRSD. So it's quite a bit of hardware here, and some of the issues that lead to those higher levels has been that the system communications are dated, and so we're working to provide feedback to SPSA and general contractors on how best to update that communication system to make the system work in a more automated way than it currently is functioning.

C&C Electric Service has been on site working on maintenance of existing pumps and controls. One of the other things that just happened this week is there were some water level data loggers installed in a couple of the pipes within the Cell V area that will provide real-time water level data so that we can monitor the change in water levels as we pump to HRSD and make sure that we understand the rate of change of the water levels over time. So those are automated systems that just came into functioning this morning. So with that, that's everything I had in the formal presentation. I'll be glad to try to answer any questions.

Mr. Roberts (SU) asked if we are making any progress pumping at the rate of 50,000 a day.

Mr. Readling responded that if we pump 50,000 gallons a day seven days a week, and we're consistent about that, that's about a 40- 43% increase in day-to-day pumping over what's happened in the past year or two. We don't know for sure the rate which we're gaining on because it's difficult to know how much water from rain percolates into Cell V and to Cell VI. That's part of why we had the data loggers put in this week is so that we can track long-term change of the water level. That's going to be our best indicator, and that's going to take a little bit of time before it will materially change, and we'll have a sense of if we're gaining on it and, if so, at what rate we're gaining on it.

Mr. Sorrentino (VB) asked if this limits our ability in any way to use the landfill?

Mr. Readling responded that this is not impacting the day-to-day operations.

Mr. Everett Williams (FR) asked if all 8 pumps are running today or do we have to go down 40 feet and replace pumps?

Mr. Henry Strickland responded that all eight pumps are running and we're steadily working on problems as they come up. The pumps are located in pipes underground in the cells.

Mr. Readling commented that we are doing a bench scale leachate treatment analysis using your leachate and HRSD's activated sludge to see how your leachate can be treated to bring it into compliance with HRSD's restrictions. That's ongoing and requires two weeks of study followed by a two weeks of analytical data analysis to understand sort of cause and effect on how you could

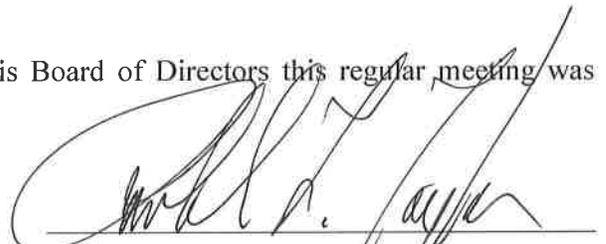
treat the leachate. SPSA and HDR have asked HRSD to give feedback about what their constraints would be to authorizing a higher pumping rate or daily flow. That is being assessed by HRSD internally right now, and we are trying to get an update on their internal assessment of whether they can authorize additional flow rates. Those are the two most pertinent things going on at this moment.

**4. OLD/NEW BUSINESS**

There was no old/new business to discuss.

**5. ADJOURN MEETING**

There being no other business to come before this Board of Directors this regular meeting was adjourned at 10:42 a.m.



Rowland L. Taylor  
Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors