

**MINUTES OF THE “SPECIAL” BOARD OF DIRECTORS OF THE
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

April 12, 2017

The Special 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 <i>absent</i>	(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 *10:25	(PO)	Ms. Cheran Cordell	(PO)
Mr. Mark Hodges	(SH)	Mr. Michael Johnson	(SH)
Mr. David Arnold <i>absent</i>	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(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. Harvey Howard (NO), Mr. Eric Nielsen (SU), 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.

PUBLIC COMMENT PERIOD

Mr. Geduldig-Yatrowsky from PortsmouthCityWatch.org, made the following comments: “A little saying I learned when I was finishing up my high school education in south Florida; when you are up to your butt in alligators it’s hard to remember your original objective was surveying the everglades. I want to call you back to something that may get lost in the present difficulties. With the RePower project running behind schedule and the present difficulties with the landfill consuming attention there needs to be a plan B and maybe a plan C. Hopefully what you are engaging in currently with remediating the leachate levels in the old and current cell will be taken care of expeditiously and inexpensively. If not there needs to be a way to deal with the waste stream going forward which may not be what you were expecting to be doing. As you deliberate please look toward the future and ensure that there are other avenues to pursue. One I might suggest and I say this as someone who has never received a dime from Wheelabrator; however I am favorably

disposed to them because they are a major corporate citizen in my City. They do pay us taxes they do buy our water so in to that extent I do have some stake in their success. Continue negotiating an extension of your existing contract with Wheelabrator as a safety valve. Thank you very much.”

1. CONSIDERATION FOR THE AWARD OF CONTRACTS

Ms. DeVary began her presentation by reviewing the budget prior to approving the award. This project is for the temporary leachate pump, haul and discharge services and associated costs. It’s for 150 days to haul 200,000 gpd to four different locations. That would be 50,000 gpd to four different HRSD discharge sites. The first 150 days will be covered by a surplus in the current budget year. We do have an option to renew the contract for an additional 150 days that would be handled in next year’s budget.

Temporary Leachate Pump, Haul and Discharge Services and Associated Costs

Pump & Haul (200,000 gpd for 150 days)	\$1,800,000
HRSD Treatment Fee	180,936
Engineering Services <i>(includes work since January)</i>	200,000
Haul Road Improvements	150,000
Legal Services	62,000
Pump Rental & Flow Meters	42,700
Temporary Containment	12,000
Light Tower Rentals	7,125
Diesel Fuel & Maintenance for Pumps	17,712
Staff Overtime	35,240
	\$2,507,713

**Projected Budget Surplus
= \$3.17 Million**

- **Excess Revenue over Budget: \$1,139,000**
 - Municipal Tip Fees: \$280,000
 - CDD Tip Fees: \$161,000
 - Other Tip Fees: \$74,000
 - SPSA Contracted Waste: \$624,000
- **Savings in Expenses: \$2,034,800**
 - Staff Vacancies: \$385,000
 - Equipment Fuel: \$375,000
 - Professional/Contracted Services: \$125,000
 - Capital Projects: \$458,000
 - Service Fee to WPI: \$691,800

Mr. Keifer (NO) asked if the staff vacancies were current or due to a hiring freeze. Ms. DeVary responded they are current vacancies.

Mr. Eric Martin (CH) asked if the savings in capital projects were from projected projects or deferrals. Ms. DeVary responded that they are from deferrals of a purchase of a hydro seeder and a slope mower both of which are being deferred to next year's capital. The other item we had budgeted was to refurbish trailers and we found they weren't in need of refurbishment this year.

Mr. Sorrentino asked if this \$3.17 million surplus could have reduced the tipping fee. Ms. DeVary responded yes but I would've recommended applying it to capital purchases because we do have a much larger capital projection due to the replacement of truck and trailers in 2018.

Mr. Roberts asked if the tip fee stabilization fund is now zero. Ms. DeVary responded yes.

Ms. Cordell asked what kind of a dent does this put to the leachate problem, 200,000 gpd over 150 days. Ms. DeVary responded it would be 30 million gallons.

Mr. Jeff Murray commented that the 30 million is on the low end on what we anticipate of the actual volume. With the last month and half we've seen some draw down. We can't put a finger on the exact quantity of the landfill waste is going to give up. Projections could be between 30-80 million gallons for removal, but the landfill is still generating leachate as we are going. This will certainly go beyond the 5 month period; it will take a year to put a sizeable dent in it. This would be phase 1 of the pump and haul and it also provides an opportunity to do some additional demonstration of some pretreatment processes including carbon filtration. If we are successful in a demonstration it will allow us to pump more to Nansmond in the short term and potentially revise how we are pumping and hauling and then have some additional cost savings associated with that.

Mr. Woodall (CH) commented that it seems this problem started around 2008 when HRSD knocked us down to 100,000 gallons and then they knocked us down again in 2010 to 50,000 gallons. We weren't discharging as much leachate as we needed to. If it would've been caught in 2008 then they would have done the same process as we are going through now. In 2008 SPSA was in debt, tipping fees were feared of going over \$300 a ton so I think it was not on their radar. Not catching it was a bad thing, but now we have good fiscal management to cover the expense without having to increase tipping fees.

Mr. Sorrentino (VB) commented that I think the management of the landfill was asleep at the switch so we didn't know we had a problem so we couldn't address the problem.

Mr. Keifer (NO) commented that the assumption is that the landfill is generating more than 50,000 gpd of leachate and for that to be true for the last five years since HRSD reduced their quantities the people who were managing the landfill and the DEQ inspectors did not notice this problem despite that the permit has very specific requirements on the level of leachate in the landfill. An alternate solution is that 50,000 gpd were adequate and it was being pumped down to a year or two ago. We

have had a lot of rain and equipment downtime it just got away from us in the last couple of years. The estimated quantities are just a calculation.

Mr. Jeff Murray commented that the next step is to enact the hauling with the anticipation of it starting by May 1st. We need to get the infrastructure improved at the site for the haul road which is the other contract. We have a minor permit modification through DEQ to facilitate the loadout operations. Next step is to get a permanent loadout facility, design complete including the SCADA system and pump station enclosure through the permitting process. That's a local permit through the City of Suffolk for site plan review. You will need a major permit modification to enact changes to the infrastructure to the site. The current permit only has direct discharge to Nansemond. We are proceeding with a full treatment system analysis for alternatives for a long term solution. We will be putting together an assessment with a recommendation for the long term treatment of leachate. We are proceeding with a full scale pilot carbon filtration program for the leachate. If the concentration levels are reduced than we can make application to HRSD to pump 100,000 gpd or more and reduce what's going off site. Our intent is to have the treatment analysis and feasibility study done within the fiscal year with recommendations.

Mr. Roberts (SU) commented that we haven't come close to hitting the 50,000 gpd, by HRSD's records in fiscal year 2015 we discharged less than 28,000 gpd on average and in fiscal year 2016 it was closer to 34,000. What are we doing right now to ensure that we are maximizing the availability to discharge 50,000 gpd.

Mr. Murray commented that currently we hit the 50,000 target 7 days a week through additional pumping from Cell V; 12-16 hours a day to get that volume of leachate to the lagoons.

Mr. Sorrentino (VB) asked what kind of financial impact to remediate this problem.

Mr. Murray responded that if carbon is the long term answer to meet the discharge criteria to Nansemond it would cost about a half a million to fully implement. If you have to go to other processes you're in the \$2-\$4 million range.

Mr. Keifer (NO) commented that Cell V has a temporary earth fill cover that is supposed to repel the water. Have we looked at the possibility of increasing the imperviousness over Cell V so you reduce the amount of infiltration there?

Mr. Murray responded that evaluation will be ongoing. As part of that assessment we are going to do a cost benefit analysis of doing a exposed geomembrane cover and look at the rate of return.

A. Haul Road Improvements at Regional Landfill IFB 11-17

Ms. DeVary commented that this project is to improve approximately 5,890 linear feet of the haul road to be used for the temporary pumping, hauling and discharge services. The project must be completed within 30 days of award and funds are available from unused capital projects. Our

recommendation is to award the contract to Conley Environmental in the amount of \$137,998.

Mr. Taylor Williams (FR) moved, seconded by Mr. Sorrentino (VB) to award the contract to Conley Environmental as presented. The vote of the motion was unanimous.

B. Temporary Leachate Pumping, Hauling and Discharge Services IFB 10-17

Ms. DeVary commented that we received several bids. The low bid is with Atlantic Heating & Cooling. Don't let the name fool you they are an extremely diversified company. I have spoken with the owner and we have a representative here. The bid was much lower because they have all the equipment in house, sixteen trucks total; eight of which will be dedicated to this project. They also have their own traffic control division in house. They did do a dry run of all four locations; one location was a bit tight so they will be using a smaller truck instead of a tanker at that location. Our recommendation is to award the contract to Atlantic Heating & Cooling at a rate of \$0.06 per gallon, which is based on the quantity that they haul. This is for 150 days and we have the option to renew for two additional 150 days, which if we decided to do that it would be brought to the Board first. The haul road should take about two weeks; the expectation is for Atlantic to start by May 1st.

Mr. Chesson (IW) asked how many truckloads a day this equates to. How long does it take the trucks to load up and make the rounds? Will there be any backups? Is this 24 hours a day?

Mr. Murray commented that the hours are from 4 a.m.-8 p.m. for hauling each day. The time after that would allow staff to recover and pump to Nansemond. There would be 28-30 trucks each day. The logistics are on Atlantic to coordinate but we are providing two loadout stations to avoid some of the que time. The tanker trucks are being fed from the lagoon so in the time that we are not hauling we will continue to pump from Cells V & VI.

Mr. Keifer (NO) commented I will vote for this because it may be necessary to get the leachate levels down. I think looking at a better cover of Cell V should be done urgently. Looking at the organization there needs to be another supervisor between the Landfill Supervisor and the Executive Director. We hire the Executive Director not because he knows how to run a landfill. We have the Landfill Supervisor may be the best but is fully consumed with running the Landfill on a daily basis. We need an Engineer or an Environmental Manager in-between that is overseeing this entire operation. We really need to create a position that will provide that the continuity and oversight of the landfill in the future.

Mr. Taylor Williams (FR) moved, seconded by Mr. Sorrentino (VB) to award the contract to Atlantic Heating & Cooling as presented. The vote of the motion was unanimous.

Mr. Sorrentino (VB) made a motion for a separate detailed staff study to review all the regulations of the landfill and transfer stations to make sure that we don't have this bad surprise in the future.

Mr. Everett William (FR) seconded.

Mr. Roberts (SU) made a substitute motion that a scope and proposed fee to be presented as part of the budget process for a staff study that would address the concerns discussed by the Board about limitations of regulatory and technical oversight of the regional landfill to insure compliance with applicable Federal and State laws, rules and regulations.

Mr. Sorrentino (VB) removed his motion from the floor. Mr. Taylor Williams (FR) seconded Mr. Roberts (SU) motion. The vote of the motion was unanimous.

7. ADJOURN MEETING

There being no other business to come before this Board of Directors this regular meeting was adjourned at 1:03 p.m.

A handwritten signature in black ink, appearing to read "Rowland L. Taylor", is written over a horizontal line.

Rowland L. Taylor
Executive Director

Submitted by: Blanche Christian
Secretary, SPSA Board of Directors