

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

**May 24, 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**1:00	(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	(SH)	Mr. Michael Johnson	(SH)
Mr. David Arnold**12:27	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino absent	(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. Randy Martin (FR), Mr. Harvey Howard (NO)\*\*12:45, Ms. Erin Trimyer (PO), Ms. Lynette Lowe (SH), 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.

**PUBLIC COMMENT PERIOD**

Mr. Geduldig-Yatrofsky from portsmouthcitywatch.org made the following comments "Good morning, Mr. Chair. Honorable Commissioners and other interested parties. I debated whether to sign up under the public hearing or under the general comments, so that I can be germane in my commentary, I decided to speak as in the regular public comment session. I will touch on the public hearing item; but I want to say as somebody who has observed the workings of this Board for a little over a year, I am very impressed with the seriousness of purpose, the diligence, and the professionalism with which you have conducted your business. I have not agreed with every decision you have made, but the process by which you made your decisions has shown integrity and you have wrestled with some really difficult issues, the leachate issue that has come to the fore recently being probably the most difficult. You have done it with grace, you have been mindful of

the public purse, and I believe that we owe you a debt of gratitude for the work that you have done. You are all here as volunteers, essentially volunteers, some of you have been volun-told, but this is not an enumerated position for the Commissioners and so you have put your own time and energy into doing the public's work and I thank you for that. With regard to the tipping fee schedule that is the subject of the public hearing, I think given all the considerations that you have had to juggle inputting that together, I think it is as good as it can be. It appears fiscally responsible in light of the exigencies of the current moment and I hope the dewatering process will proceed a pace that won't be any other land mines buried at the bottom of those landfill cells and that we can get back on track for the next contract period. So thank you very much.”

## **1. PUBLIC HEARING FOR FEES & CHARGES SCHEDULE**

Chairman Woodall (CH) opened the public hearing relating to the preliminary Schedule of Fees and Charges as adopted at the April 26, 2017 Board meeting.

To open the public hearing following statement was read for the record by Chairman Woodall (CH).

**“This public hearing is being held in accordance with Section 15.2-5136 of the Virginia Water and Waste Authorities Act. Its purpose is to take public comment on the proposed schedule of fees and charges adopted in preliminary form by the Board of Directors of the Southeastern Public Service Authority of Virginia on April 26, 2017.**

**The notice of public hearing was published in the Virginian-Pilot on May 1<sup>st</sup> and May 9<sup>th</sup> as required by law. After conclusion of the public hearing, the Board of Directors will consider comments offered here today and will proceed to adopt a final schedule to be effective July 1, 2017 through January 24, 2018, and to continue in effect until such time as modified by the Board of Directors in accordance with the procedures set forth in the Virginia Water and Waste Authorities Act.**

**If you wish to submit a written statement, please provide a copy to Blanche Christian. I would also appreciate your registering your attendance at this public hearing with Blanche Christian, if you have not already done so.”**

Chairman Woodall (CH) asked if there were any speakers. There being no individuals who wished to speak during the public hearing on the preliminary tipping fee schedule it was then closed.

**Mr. Everett Williams (FR) moved, seconded by Mr. McCoy (PO) that the SPSA Schedule of Fees and Charges as advertised be adopted with an effective date of July 1, 2017 thru January 24th, 2018. The vote of the motion was unanimous.**

## **2. INFORMAL ITEMS: DISCUSSION ONLY**

### **A. MONTHLY REPORT ON WTE OPERATIONS**

Mr. Rob Johnson began his monthly report on the operational stats for Wheelabrator Portsmouth for

the month of April. The total waste received by SPSA was 37,749 tons and 58,804 tons of waste was delivered to the RDF facility. The total tons processed were 56,602 and 14,766 tons of ash were sent to the regional landfill. The total electricity sold to the grid was 21,637 megawatts and 38,881 K-pounds of steam were sold to the Navy. The overall boiler availability was 93% and overall generator availability was 98%. There were no environmental incidents or accidents during the month of April. Boiler 4 had a scheduled outage. Major work included boiler tune inspection, grate cleaning, baghouse inspection, 5kv bus inspection, repairs and additional time inspecting and overlaying worn roof tubes in boiler.

The RDF facility did receive the HRSD Gold Award for perfect compliance in 2015.

We are showing improvement on wait times for both day and night shifts in the month of April compared to March.

## B. EXECUTIVE DIRECTOR UPDATES

Mr. Taylor began his monthly report. Jeff Murray will have a full report on the leachate project later in the agenda.

The Isle of Wight transfer station new fuel system has been completed.

SPSA has received a draft of the Consent Order from DEQ. A conference call was held with DEQ on Thursday, May 18<sup>th</sup>. It is anticipated that the final terms of the Consent Order will be established prior to the next Board meeting. Once SPSA receives the final Consent Order, a copy will be provided to the Board and to the City of Suffolk. This will be discussed further in closed session.

Mr. Taylor commented that we do have a special presentation this morning. Nora Pierce from VML is here to present an award to two people from our Safety department who are responsible for it; Jim Penny and John Spivey. Jim is our Safety Administrator and John works with Worker's Compensation issues.

Nora Pierce from VML stated that is my honor to be able to present the Margaret A. Nichols Risk Management Leadership Award. This award is presented each year to recognize and encourage innovation by members of the area. The award was renamed in 2002 in honor of Maggie Nichols, long-time administrator of VML insurance programs who passed away earlier that year. Margie made a substantial contribution and we are pleased to contribute to present this award in her honor. This award is designated for entities that demonstrate strong support from top management, employee involvement, innovative solutions to safety challenges, injury and illness rates lower than average for comparable entities, comprehensive training programs, evidence that prevention of incidents in this cornerstone of the safety process, communication about the value of safety and ways to substantiate the benefits of the safety process. We are pleased to announce this year's recipient of Southeast Public Service Authority. The Authority is a very active member risk management and they have a loss ratio of 26% and they report their claims online through our online system and through our N. T. 24 phone line system. They have 100% score on risk management guidelines assessment and actively and utilize VML grant funds to further their risk

management program. John Spivey was a conversation coordinator and actively engaged with the workers' compensation claims and he ensures light duty is offered and VML workers' compensation claims staff have the information and photographs necessary to make the best decisions. They participate in various VML training events and safety classes and have been an active participant in where the rubber meets the road training program since it was first opened for our members. They were also one of the first members to sign up for our site hawk safety data sheet management program once the site hawk and VML partnership was announced. Their risk management program has the support of the authority's general manager which we know is crucial towards building and sustaining a successful risk management program. The award was presented to Safety Administrator Jim Penny and Workers' Compensation Coordinator John Spivey.

Mr. Taylor continued his report in regards to the employee information from 2008 to 2017 that was requested at the last meeting. In 2008 we had 486 employees throughout the complete organization. That number varied from 486 to a high of 494 and then began to reduce with the economic downturn in late 2008 and the sale of the RDF and Power Plant to Wheelabrator took place in 2010. After the sale of Waste-to-Energy facilities to Wheelabrator, the number of employees reduced from 168.5 in 2011 to a projected 139.75 in 2018. Over the years some new positions were added back and some others have been eliminated or restructured based on workload and waste volume. Back in 2009, and onward, reductions in staff during the staff reorganization and reductions in operating budgets were required in order for SPSA to continue to be a viable organization. SPSA was in debt approximately \$280 million and tipping fees increased to \$170 before reducing to \$145 and then to \$125 per ton. Debt will be completely paid off in November of this year. Until the future method of how SPSA will dispose of waste in the post-2018 era is fully known changes to the employment contingent will remain difficult to predict.

Over these years SPSA's leadership staff has constantly reviewed positions and needs of our various departments and we feel strongly that the number of employees as currently assigned is a significant and sufficient number to provide the services to the region. Being able to have a full contingent hired and on the job is our primary focus at this time. We do have a couple of vacancies comprised of a Buyer position in Purchasing, 2 HEOs at the landfill, 1 HEO at the Norfolk transfer station and one full time TVO and one part-time TVO. A review of certain position classifications is constantly being done to determine if changes in these classifications might be warranted in order to attract and retain employees in certain skill-specific positions. This is an ongoing process. Where vacant positions do exist it is important to first fill those positions before a determination can be made as to whether additional positions should be added. This effort continues to be a major focus for human resources and our department managers. There are several things that may occur over the next few months that will provide much needed answers on the direction that SPSA will take with disposal of waste. This direction needs to be solidified before any current personnel changes should be made. Until those answers are forthcoming, we have a few recommendations.

- 1) SPSA staffing contingent has sufficient number of positions to properly provide the services for which SPSA is required. No additional positions are recommended at this particular time.
- 2) Once the employee contingent is full and unknowns relating to the manner of waste disposed of after January 24, 2018 become clear, the employee contingent should be reviewed and updated, if required, at that time.
- 3) This will provide the new Executive Director the opportunity to analyze the organization and

working with staff and Board, make a determination if additional staff is truly necessary and provide those recommendations to the Board at the appropriate point in time.

4) Advertising and hiring of new Director of Environmental and Landfill Management should be placed on hold until the new Executive Director is hired and has had an opportunity to further evaluate staffing.

**Mr. McCoy (PO) made the motion that we accept the Executive Director's recommendations as presented. It was seconded by Mr. Arnold (SU). All were in favor with the motion with the exception of Mr. Keifer (NO).**

### C. CHAIRMAN'S COMMENTS

Chairman Woodall (CH) commented that my term expires at the end of the year. For the Nominating Committee I will ask Everett Williams and Taylor Williams to come up with suggestions and present that at the next meeting. Nominations can still be made from the floor.

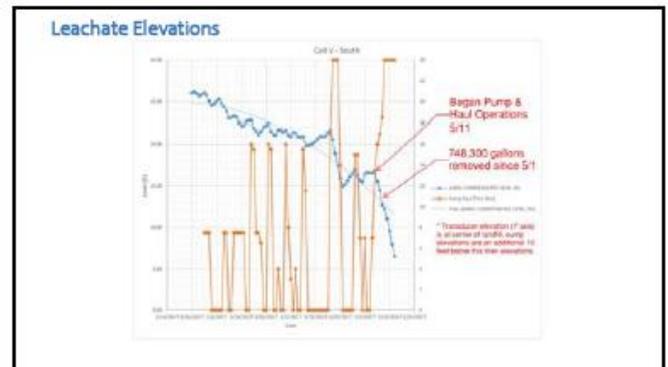
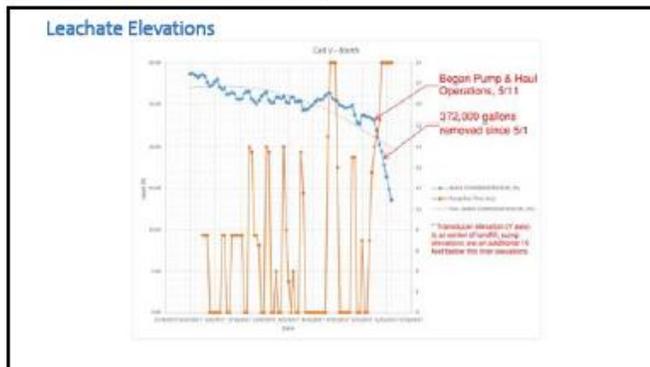
### D. PRESENTATION: LANDFILL LEACHATE PROJECT

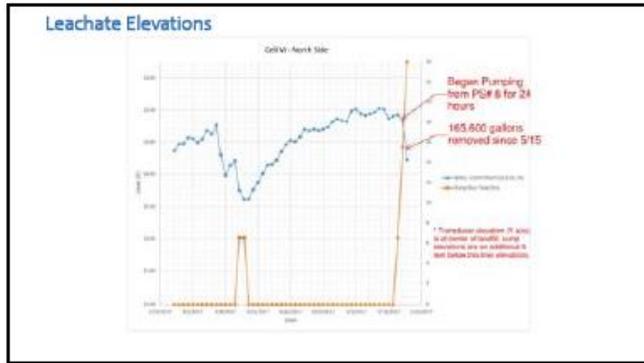
Mr. Jeff Murray, Senior Project Manager from HDR Engineering began his presentation with an update on the current status of the leachate project.



#### Leachate Elevations

- Pump & Haul commenced 5/11
  - 100,000 gpd initial, 150,000 gpd this week
  - Total of 1.21 M gallons removed by Atlantic through 5/22
  - Continue to discharge about 50,000 gpd to Nansemond
    - 3.07 M gallons 5/1 to 5/22
- Cell V leachate elevations reduced 15 to 20 feet as of 5/17
  - Elevation 13.3 on North, 6.3 on South above liner
  - PS 1 and 3 are controlled by transducers
- Pumping from Cell VI commenced 5/15
  - Reduced 2.5 feet with initial 48 hrs of pumping
  - Elevation is 20 feet above liner, 20 feet below anchor trench
- Manage PS Operations to Match Leachate Generation Rates
  - Initial volumes removed are < 1% of total volume (waste + leachate)
  - Pump and Recovery Sequence





### Leachate Volumes

Estimated Total Volume <sup>1</sup>	30,000,000 gal
Generation Rate <sup>2</sup>	
Cell V	20,000 gpd
Cell VI	35,000 gpd
Generated Since 3/1 (83 days)	4,525,000 gal
Total To Be Removed	34,525,000 gal
Removed to Date <sup>3</sup>	
Cell V North	800,000 (2.1/100,000 gal)
Cell V South	1,620,000 (2.0/100,000 gal)
Cell VI	2,500,000 gal
Remaining	31,245,000 gal
Removal Rate (250,000 – 55,000 gpd)	145,000 gpd
Estimated Compliance <sup>4</sup>	215 days

1. Estimate based on 12% of total saturated volume (leachate and leachate) could be released.  
2. Generation Rate based on elevation increase when pumps were off and equivalent volume of leachate to be removed for same elevation change.  
3. The corresponding instantaneous elevation change per 100,000 gallons removed reflects a 1% of saturated volume. Assumed that waste will release more volume with time as it percolates through waste. We believe we are reaching below than it can get to us.  
4. Compliance could require less than 110 days total available leachate at a 12% of saturated volume. However, the removal rate may have to be reduced from 250,000 gpd to reach leachate when generation rate will still impact the compliance duration. We are tracking the pumping response closely and will adjust pump station operations as necessary to maximize removal efficiency.

- ### DEQ Coordination
- Draft Consent Order Received from DEQ 5/11 and Updated 5/22
  - Minor Permit Modification Approved for Pump & Haul and Carbon Pilot
  - Met on 4/26/17 to Review Compliance and Corrective Actions
  - Technical Review Comments from DEQ Received 5/15
    - Requested Corrective Action Plan by 7/13
      - Compliance Schedule
      - Leachate Management Plan
      - Operational Changes
  - Bi-weekly status updates continue

- ### HRSD Coordination
- HRSD Continues to Assess COD loading and SWIFT Criteria
  - Raised Concerns with 2 Discharge Locations
    - Freeman Drive (Hampton) available but for 60 days
    - Rodman (Portsmouth) not available
  - Coordinated for 2 new locations
    - Patrick Henry PS – Newport News
    - Hampton Blvd – Norfolk (backup to Freeman)
    - Not in original contract, additional costs to be incurred
  - Modified Discharge Permit for Pump & Haul Operations
    - Will need to be revised for Hampton Location

- ### Ongoing Work
- Carbon Adsorption Full Scale Pilot RFP
    - RFP Issued 5/17 for 6 month Pilot
    - Pre-Proposal Conference 6/1
    - Proposals Due 6/15
    - Goals
      - Understand Carbon Performance on COD and Other Parameters
      - Provide Additional Flow to Nansemond WWTP
      - Flexibility for Accelerating Dewatering or Back-up to Pump & Haul
    - NTP Could Wait Until HRSD COD Update is Received

- ### Ongoing Work
- SCADA System Design for IFB 100%
    - Reviewing with SPSA Staff this week
    - Anticipate Issue for Bid by 6/9
    - Estimate based on Final Design \$1.3 M
  - Loadout Design and Pump Station Modification
    - Schematic Design Complete this Week
    - Permitting Submittals - Late June
    - Bidding - July
    - \$400,000 estimate

- ### Ongoing Work
- Treatment Assessment
    - Technologies
      - Membrane separation (including membrane bioreactor)
      - Reverse osmosis
      - Advanced oxidation (standalone or with other process)
      - Evaporation
    - Receiving and Reviewing Vendor Proposals
    - Select 3 Technologies for Full Cost Evaluation
    - Feasibility of Individual Discharge Permit
    - June 30<sup>th</sup> - Final Report and Recommendation
    - Implementation Schedule Based HRSD Permit Requirements

We are seeing that the response to the elevated pumping rates from the cells had a dramatic impact in initial reduction elevations from the landfill leachate. We are pumping faster than the waste is allowing the leachate to percolate down. At some point in near future we will need to manage our pumping operations to try and match what the landfill is able to produce, which is good news. We are trending quickly down to reducing levels. That will probably tail off as we get closer to the

bottom as leachate rate increases. I believe we may get in compliance with respect to regulations for head on liner (less than 12 inches leachate on the liner system). In the next several weeks we will get where all pumps are running under transducer control, which means they are pumping the liquid out as fast as it can drain to the sump. It will all be related to how quickly that saturated waste and the leachate can percolate down through the waste haul to the leachate collections. I don't believe we will be at point here in the next month or two where 50,000 gallons is enough to maintain compliance. We will coordinate with Atlantic and adjust the collection system to maintain compliance; but I believe the pump rate will be well above the 50,000 thousand to maintain the leachate removal rates.

Ms. DeVary commented that the contract with Atlantic is for 5 months, 150 days. It is based on quantity and volumes removed per gallon, but we have the ability to cancel it with 60 days' notice.

Mr. Murray continued that a number of assumptions were made with respect to the beginning volume: what has been generated over the time that we have been doing the pumping and hauling; and what the forecast may be if we were able to maintain 250,000 gallons per day. Assuming 30 million gallons which that assumes that there is a 10% volume within that saturated waste that can be removed. What we are seeing now in initial pumping and hauling is less than 1% of that volume is the leachate that is actually being removed which leads us to believe there's more moisture there and it needs time to get to the leachate collection system. Since the start of the identification of the issue with elevated leachate looking at potential generation rates from Cell V and VI of 20,000 gallons per day and 35,000 gallons per day based on precipitation and infiltration through the systems. So assuming 50,000-55,000 gallons a day, again normal precipitation infiltration that would have added another 4.5 million gallons since start of process in early March requiring 34.5 million gallons removed. Since we started the 50,000 gallons a day focused effort on Cell V, we moved about 2.4 million gallons from Cell V and just started on Cell VI for total of 2.6 million gallons with a balance remaining to be removed. If we were pumping and removing 250,000 gallons and still have to make up the 55,000 from natural infiltration giving us effective removal of 195,000 gallons. If we were able to maintain that 250,000 going out without slowing down, it will take 160 days effectively to remove that final leachate. We don't know what the response time is and how long it takes that saturated waste to relieve the leachate.

In regards to the pilot study we will receive proposals and review those with staff, but we may hold off on notice to proceed moving forward with a full scale pilot until we better understand the C.O.D. concentrations. If we are able to reduce or increase our flow under the current leachate quality then it may not make sense to fully proceed with the carbon pilot. So we'll wait to make a decision on proceeding with that after the proposals are received and we get some additional feedback from HRSD.

Mr. Keifer (NO) asked if there was an estimate on enhancing the cover on Cell V to reduce the amount of water that's getting in there.

Mr. Murray responded that there is a task order prepared. That will be part of developing a fill sequence plan as well as looking at cost benefit of cover on Cell V.

### **3. ACTION AGENDA**

A. MINUTES OF THE “SPECIAL” BOARD MEETING

Chairman Woodall (CH) moved to the action agenda. The minutes of the April 12, 2017 “Special” Board of Directors meeting have been distributed. A change to correct the Cell number was noted.

**Mr. Keifer (NO) moved, seconded by Mr. Everett Williams (FR) that the April 12, 2017 minutes of SPSA “Special” Board meeting be approved with change noted as presented. The vote of the motion was unanimous.**

B. MINUTES OF THE BOARD MEETING

Chairman Woodall (CH) moved to the minutes of the April 26, 2017 SPSA Board of Directors meeting. He asked if there were any additions or changes.

**Mr. Keifer (NO) moved, seconded by Mr. McCoy (PO) that the April 26, 2017 minutes of SPSA Board meeting be approved as presented. The vote of the motion was unanimous.**

C. FINANCIAL MATTERS

(1) Financial Reports

Ms. DeVary began by stating that for the month ending April 30, 2017 total revenues exceeded total expenses by approximately \$2.4 million as compared to shortfall in the previous year of little over \$800,000. Tipping fees reflect a 9.3% increase or approximately \$3.2 million as compared to prior year. Municipal waste tonnages are down 1.3% or 4,235 tons as compared to last year. At the end of April municipal waste tonnages FYTD were 326,360 compared to 330,599 and it is in the City of Chesapeake. Total expenses, as of April 30<sup>th</sup> were \$39.4 as compared to \$37.1 million in prior fiscal year. Cash balances are \$22.7 million and designated with \$4.4 million in the operating fund, \$600,000 in the undesignated fund balance, \$6.3 million in landfill closure, \$1.4 million reserved for accrued leave and \$10 million in the operating reserve.

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

D. BUDGET ADOPTION

Ms. DeVary began her overview presentation of the budget.

## Southeastern Public Service Authority

### PROPOSED OPERATING & CAPITAL BUDGETS FY 2018

May 24, 2017

### FY 2018 Proposed Budget

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- This budget has been prepared based on many assumptions unlike previous budgets. Many of these assumptions will be resolved over the next several months as more information becomes available for decisions to be made.
- The three major areas that must be resolved are:
  1. Leachate system improvements and the long term solution for the treatment of leachate.
  2. Evaluation of municipal waste disposal options to be implemented beginning January 25, 2018.
  3. A potential third party contract for the hauling and disposal of commercial waste and any corresponding private hauler agreements to use SP5A Transfer Stations.
- Until these items are finalized, no "final" tipping fee can be established for the period beginning January 25, 2018.

### FY 2018 Proposed Budget

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- Revenues = Expenses for a Total of \$43,281,078
- Represents a 6.6% decrease from FY 2017 or \$3.05 million
- Maintains the municipal tipping fee at \$125 per ton through January 24, 2018 with a projected (not final) reduction to \$85 per ton effective January 25, 2018;
- Municipal tonnages are projected at 384,700 representing a 0.7% decrease from the FY 2017 budget

### Tip Fee Schedule – Recommended Changes

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Waste Type	Current Rate	Proposed Rate
<u>Waste accepted at landfill:</u>		
Non-processible Waste	\$67.53 / ton	\$69.56 / ton
Industrial Waste	\$67.53 / ton	\$69.56 / ton
Automobile & Light Truck Tires "DIRTY LOAD"	N/A	\$150.00 / ton

### FY 2018 Expenses ~ Summary of Changes

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- Total Expenses reflect a net decrease of 6.6% or \$3.05 million and is reflected in the following areas:
  - ✓ Debt Service decreases \$8.14 million
  - ✓ Wheelabrator decreases \$7.41
  - ✓ Operating Expenses increase \$3 million
  - ✓ Capital increases \$9.5 million

### Summary of Leachate Costs

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Description	Amount
<u>Remediation &amp; Maintenance Costs:</u>	
Costs to date (incl. pump & haul)	\$2,402,136
Leachate & Site Maintenance	\$152,431
Two Additional 150 days of 3 <sup>rd</sup> Party Hauling of Leachate	\$4,500,000
Projected Future Remediation Costs	<u>\$310,500</u>
Total Remediation Costs:	\$7,374,067
<u>Permanent Solutions (Leachate System Improvements) such as:</u>	
New SCADA System	
Carbon Treatment Pilot Program	
Permanent Improvements for Pump & Haul	
DEQ Notice of Violation/Consent Order (to date)	<u>\$190,435</u>
Total Leachate Costs	\$11,339,502
FY 2017 Budget	\$3,339,502
FY 2018 Budget	\$8,000,000

Potential Additional Leachate Costs

7

- **If Carbon Treatment Project is successful:**
  - On going annual maintenance costs of approximately \$420,000 - \$720,000
- **Other treatment systems if needed \$5,000,000 +**

Revised Budget Will Include:

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- ✓ Solution for the long term treatment of leachate
- ✓ Municipal waste disposal options to be implemented beginning January 25, 2018, pending RePower South's start date
- ✓ A potential third party contract for the hauling and disposal of commercial waste and any corresponding private hauler agreements to use SPSA Transfer Stations
- ✓ Organization Changes
- ✓ Revised Strategic Operating Plan
- ✓ A Host Fee – how many tons?
- ✓ Continuation of Navy Contract ?
- ✓ Revised Tip Fee Schedule
- ✓ Five Year Municipal Tip Fee Projection

Included in the summary of leachate costs are two additional rounds of 150 days of this third-party hauling figured in because when the budget was put together we thought we had more gallons to remediate than we do, so after the good news that Jeff gave us today, hopefully that \$4.5 million will not be necessary at all; or if anything we might just need a very small amount of it depending on if we have to extend 150 days.

If the revised budget does not include a reduction to \$65 automatically I will be giving you options to get it there or lower. If these costs for leachate do not reduce as we hope they do then we will look at borrowing money from the operating reserve and then pay it back over time.

**Mr. Everett Williams (FR) moved, seconded by Mr. Johnson (SH) that the SPSA Operating and Capital budget for fiscal year 2017-2018 be adopted as presented. All were in favor with the exception of Mr. Barnes (VB).**

#### **4. EXECUTIVE DIRECTOR RECRUITING**

Mr. Taylor stated that at the last meeting the Board asked us to try and look at different ways of providing you with proposals for the selection of the new Executive Director. We did the research and found 3 groups under \$30,000 which don't require a RFP; the Mercer Group, Waters Consulting Group and Accounting Principles, which is division of Adecco. They have been included in your agenda packet. The base price for the proposal without additional expenses for the Mercer Group is \$18,000; Waters is \$19,500 and Accounting Principles is and based on 30% of the Executive Director's salary.

Mr. Roberts (SU) commented that the Mercer Group is a local firm with a lot of experience in recruitment selection and recruitment and selection of public administrators. I think we will get a lot of value using an objective third party and I think they will also provide us value in that they will move the process along in an orderly but also very timely fashion.

Mr. Johnson (SH) commented that the Mercer Group has experience with SPSA; they managed the last two Executive Directors searches.

**Mr. Roberts (SU) moved, seconded by Mr. McCoy (PO) of the selection of The Mercer Group for the Executive Director recruiting as presented. The vote of the motion was unanimous.**

**5. CLOSED SESSION**

Mr. Huelsberg, General Counsel read the closed session request as follows:

*I move that a closed session be held for discussions regarding (a) SPSA's available legal rights and remedies in light of the status of certain "pre-commencement" contractual obligations under the Waste Supply and Services Agreement between SPSA and RePower South, in accordance with Virginia Code Section 2.2 3711(A)(7) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel; (b) proposals received in response to the RFP issued by SPSA for Solid Waste Hauling and Disposal Services for Non-Municipal Waste, including the status of negotiations on the associated Waste Hauling and Disposal Services Agreement and related documents, in accordance with Virginia Code Section 2.2 3711(A)(29) for the purpose of considering negotiation and award of new contracts where competition and bargaining are involved and where discussion in open session would adversely affect the bargaining position or negotiating strategy of the public body; and (c) the consent order proposed by the Virginia Department of Environmental Quality, based on the Notice of Violation issued by the DEQ on March 21, 2017 relating to the leachate condition at the Landfill, in accordance with Virginia Code Section 2.2 3711(A)(7) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.*

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

**6. ACTIONS ARISING FROM CLOSED SESSION**

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

*The Board of the Southeastern Public Service Authority of Virginia 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. Eric Martin (CH) moved, seconded by Mr. Taylor Williams (FR) to approve the certification as read. The vote of the motion was unanimous.**

Mr. Roberts (SU) commented that relative to item number two listed under closed session RFP for Solid Waste Hauling and Disposal, there is a resolution before the Board this afternoon titled, Authorizing the Award of Agreement for Contract Waste Services in Response to an Existing RFP.

The Resolution was read as follows:

**AUTHORIZING THE AWARD OF AN AGREEMENT FOR CONTRACT WASTE SERVICES IN RESPONSE TO AN EXISTING RFP**

**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;

**WHEREAS**, on September 29, 2016, SPSA issued a Request for Proposal for Solid Waste Hauling and Disposal Contract Waste Services for Non-Municipal Waste Received at SPSA Transfer Stations (RFP 03-17), as subsequently amended (the “RFP”), for the purpose of seeking proposals for the hauling and disposal of certain solid waste (“Contract Waste Services”);

**WHEREAS**, in response to the RFP, in November 2016 the following three offerors submitted proposals describing, among other things, their respective experience and interest in being selected to perform the Contract Waste Services, and their initial proposed financial terms: (1) Bay Disposal (“Bay”), (2) Republic Services (“Republic”) and (3) Wheelabrator Technologies (“Wheelabrator”);

**WHEREAS**, at a Board Meeting held on December 14, 2016, the Board considered each offeror and the terms and conditions of their respective proposals regarding the Contract Waste Services, and (1) determined that Bay and Wheelabrator (the “Selected Offerors”) were fully qualified and best suited among those submitting proposals, based on evaluation criteria included in the RFP, and (2) invited the Selected Offerors to participate in further negotiations;

**WHEREAS**, with the assistance and advice of legal counsel, a specially-designated Board Committee and SPSA’s Executive Staff conducted extensive competitive negotiations with each Selected Offeror, including multiple in-person meetings, regarding the RFP, the Selected Offerors’ respective proposals and the financial and other terms and conditions pursuant to which the Selected Offerors would provide Contract Waste Services;

**WHEREAS**, SPSA’s Executive Staff and legal counsel have throughout the RFP process updated SPSA’s Board of Directors regarding the status of the negotiations with the Selected Offerors;

**WHEREAS**, based on negotiations with SPSA conducted through such date, on May 22, 2017, SPSA received from Wheelabrator the final terms for its provision of Contract Waste Services in response to the RFP (the “Wheelabrator Proposal”), which is comprised of a Waste Hauling and Disposal Services Agreement in the form attached hereto as Exhibit A, including the applicable schedules and attachments thereto (the “Contract Waste Service Agreement”); and

**WHEREAS**, following due consideration of the Wheelabrator Proposal, including consideration of analysis and presentations prepared and delivered by SPSA’s Executive Staff

and its advisors and the terms and conditions of the Contract Waste Service Agreement, the Board has determined that it is in the best interests of SPSA and its Member Communities to approve and publicly announce an award to Wheelabrator with respect to the Contract Waste Services based on the Wheelabrator Proposal and associated Contract Waste Service Agreement;

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

1. Based upon SPSA's review, evaluation and consideration of all proposals received in response to the RFP and information, advice and recommendations provided by SPSA's Executive Staff, special Board Committee and legal counsel, including application of SPSA's evaluation criteria included in the RFP with respect to the Contract Waste Services, the Board hereby determines that, based on the Wheelabrator Proposal (inclusive of the Contract Waste Service Agreement), Wheelabrator has made the best proposal and provides the best value.

2. The Board hereby approves, adopts and accepts the Wheelabrator Proposal, inclusive of the Contract Waste Service Agreement, and contemporaneously herewith awards the contract for Contract Waste Services to Wheelabrator.

3. The Board hereby authorizes and directs (a) the Executive Director of SPSA, in the name of and on behalf of SPSA, to execute the Contract Waste Service Agreement with Wheelabrator, and to deliver the same to Wheelabrator, such execution and delivery to conclusively evidence the due authorization and approval thereof by SPSA, and (b) SPSA to perform its obligations as set forth in the Contract Waste Service Agreement.

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 actions and to do all things that he may deem necessary or advisable in order to effect the purposes of each and all of the foregoing resolutions.

5. The Board hereby directs SPSA's staff to make the Wheelabrator Proposal available to the public in accordance with all applicable law.

Adopted this 24<sup>th</sup> day of May, 2017

**Mr. Roberts (SU) moved, seconded by Mr. McCoy (PO) to adopt the resolution authorizing the award of an agreement for contract waste services in response to an existing RFP as read. The vote of the motion was unanimous.**

Chairman Woodall (CH) commented as to the issue of the Matrix item. Let me ask you a question before you do the presentation. You heard the presentation by Jeff Murray and you heard when he did it talk about the landfill and Bucky talk about the landfill and I will be honest and I looked at what you were going to do. Is there anything there that hasn't been covered?

Mr. Broad (NO) stated no, sir. A lot of us are familiar with using the dashboard quick look, red

light, green light, yellow light view as a very quick summary.

Chairman Woodall (CH) asked Mr. Taylor to send copies to everybody. I see no reason to sit here again and listen to everything.

Mr. Broad (NO) agreed. Bucky and his staff participated in the discussions.

Chairman Woodall (CH) stated another thing I will say that committee you guys weren't on that, but that committee is dissolved, suspended. We will go ahead and consider it done then.

**9. ADJOURN MEETING**

There being no other business to come before this Board of Directors this regular meeting was adjourned at 2:00 p.m.



Rowland L. Taylor  
Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors