

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

September 28, 2016

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	(PO)
Mr. Mark Hodges	(SH)	Mr. Michael Johnson	(SH)
Mr. David Arnold	(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. Randy Martin (FR), Mr. Mark Popovich (IW), 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 (FR), the Pledge of Allegiance, and Roll Call. A quorum was present.

1. INFORMAL ITEMS: DISCUSSION ONLY

A. MONTHLY REPORT ON WTE OPERATIONS

Mr. Rob Johnson began the report on the operational stats for Wheelabrator Portsmouth for the month of August. The total waste received by SPSA was 37,791 tons and 61,888 tons of waste was delivered to the RDF facility. The total tons processed for the month was 61,900 and 16,360 tons of ash was sent to the regional landfill. The total electricity sold to the grid was 24,249 megawatts and 25,623 K-pounds of steam was sold to the Navy. The overall boiler availability was 90% and overall generator availability was 98%. There were no environmental incidents during the month of August, but we did have an OSHA recordable; bringing the total to six this year. We continue to work with our behavior training and engagement with our team. The Boiler one scheduled

superheater replacement outage was started in July instead of August due to tube failure. In addition to the replacement of the primary and secondary superheater, major work included grate cleaning, baghouse inspection, weld buildup of feed screws and overlay of the rear water well. Outages were extended by 52 hours due to additional work in the roof of the boiler.

B. EXECUTIVE DIRECTOR UPDATES

Mr. Taylor began his monthly reports. In regards to the landfill no odor complaints were received during the past monthly period. The hydro-seeding has been accomplished on newly prepared areas along Cell VI. Operations at the transfer stations and transportation continue to run smoothly. Tunnel painting was completed at the Norfolk transfer station.

SPSA received comments from the City on the proposed Conditional Use Permit (CUP) application for Cell VII on August 26th. HDR and SPSA staff are in the process of reviewing and responding. These responses are scheduled to be presented to the City on or before Friday of this week. If these responses are accepted by the City, then we will remain on schedule. Currently the Planning Commission is looking at a November time frame for the public hearings.

The Commercial/Private Hauler Waste Committee met on September 19th, and this item will be further discussed and presented to you in closed session this morning.

A report from RePower South is provided in your agenda packet for your review. RePower South continues to move toward accomplishing the timeline which is provided with the report.

C. CHAIRMAN'S COMMENTS

Chairman Woodall (CH) welcomed County Administrator Mr. Randy Keaton the new Ex-Officio for Isle of Wight.

2. ACTION AGENDA

A. MINUTES OF BOARD MEETING

Chairman Woodall (CH) moved to the action agenda. The minutes of the August 24, 2016 Board Meeting have been distributed and changed to reflect that Mr. Keifer (NO) was present at our Board meeting.

Mr. Keifer (NO) moved, seconded by Mr. Broad (NO), that the August 24, 2016 Board minutes of the SPSA Board of Director's meeting be approved as amended. The vote of the motion was unanimous.

B. FINANCIAL MATTERS

(1) Financial Reports

Ms. DeVary began by stating that for the month ending August 31, 2016, total revenues exceeded total expenses by approximately \$1.5 million as compared to \$1.1 million in the previous fiscal year. Tipping fees reflect a 19.5% increase or approximately \$1.3 million as compared to last year. This increase is due to the end of the Ash & Residue Agreement with Virginia Beach and the Beach's corresponding rebate in tip fees. Municipal tonnages are down 2.6% or 1,875 tons as compared to last year. For the month ending August 31st municipal waste tonnages were 70,203 as compared to 72,078 a year ago. Total expenses as of August 31st were approximately \$6.87 million as compared to \$6.4 million in the prior fiscal year. Cash balances are \$23.4 million representing \$4.3 million in the operating fund, \$3.1 million in the tip fee stabilization fund, \$6 million for landfill closure and \$10 million in the operating reserve.

Mr. Keifer (NO) moved, seconded by Mr. Taylor Williams (FR) that the SPSA financial report subject to audit be approved as presented. The vote of the motion was unanimous.

- (2) Contracts
 - A. Tipping Floor Roll-up Door-NTS

Ms. DeVary stated there was one contract for consideration. A bid was issued to replace the tipping floor roll-up doors at the Norfolk transfer station. This was a budgeted item and it was budgeted at \$40,000. We received three bids in and we are recommending that it be awarded to the low bidder; Door Engineering Corporation in the amount of \$31,441.

Mr. Arnold (SU) commented that I would like the minutes to reflect I intend to abstain from any forthcoming vote.

Mr. Broad (NO) moved, seconded by Mr. Keifer that the tipping floor roll-up door replacement at the Norfolk transfer station be awarded to Door Engineering Corporation as presented. All were in favor with the exception of Mr. Arnold (SU) who abstained from the vote.

3. CLOSED SESSION

Chairman Woodall (CH) stated that concludes are open session items and read the closed session request as follows:

I move that a closed session be held for discussions regarding (1) SPSA's upcoming procurement process with respect to certain non-municipal waste hauling and disposal services, and (2) the contemplated terms, including pricing, of potential new contract arrangements under which SPSA may provide certain waste-disposal services to non-municipal/third-party customers, in each case in accordance with (a) Virginia Code Section 2.2 3711(A)(29) for the purpose of considering modifications to the terms of existing contracts and/or 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/or (b)

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. Mike Johnson (SH) to approve the 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 Chairman Woodall (CH).

The Board of Directors 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. Keifer (NO) moved, seconded by Mr. Everett Williams (FR) to approve the certification as read. The vote of the motion was unanimous.

5. OLD/NEW BUSINESS

Ms. DeVary began her presentation by stating that there are some proposed changes to the tip fee schedule. Staff is proposing that the rate be dropped from \$125 per ton to \$120 per ton. The contract municipal rate which is at \$125 then would also go to \$120 per ton. It is proposed that a new category of waste called: "Other SPSA acceptable waste under contract with SPSA" be added to the fee schedule. There are a couple of stipulations which will be associated with this item. One, a single contract must be greater than 2,000 tons in any given fiscal year. Two, cumulative tons amongst all contracts in this category cannot exceed 60,000 tons per fiscal year. The \$24 per ton rate established is if it is delivered directly to SPSA's tipping floor at the RDF plant. If it is delivered to a SPSA transfer station, the fee would be \$50 per ton. We also are recommending a change to the construction and demolition fee. The current rate is \$45 and we recommend increasing it to \$47. In the last couple of years the tons keep increasing because the economy is getting better but we don't necessarily want to fill our landfill with this type of waste especially since other landfills in the area can provide the same service. We checked with their rates and ours would be in the middle.

Based on the fiscal year 2017 budget, a reduction of \$5 per ton for municipal waste will generate savings to the communities approximately as follows: Chesapeake \$312,000, Franklin \$8,400, Isle of Wight \$55,000, Norfolk \$210,000, Portsmouth \$95,000, Southampton \$27,000, and Virginia Beach \$436,000. This results in a total of \$1.14 million which would be effective November 1st. These numbers are based on a 7 month fiscal year beginning on November 1st and continuing through June 30th. The tip fee stabilization fund will be used to balance the budget.

In order to accomplish this, a public hearing on these changes is needed. Staff recommends that the Board adopt the resolution provided to set the public hearing date. We will advertise on September 29th and October 10th for this public hearing. The public hearing then will be at our next Board meeting on October 26th at which time the Board would adopt the fee schedule, and the new rates will become effective November 1st. Staff recommendation is to adopt the preliminary revised schedule of fees and charges for solid waste management as presented and set a public hearing on October 26th at 9:30 a.m. The 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 reads as follows:

WHEREAS, the Board of the Southeastern Public Service Authority of Virginia (sometimes referred to herein as “SPSA”) desires to (i) change certain rates, fees or charges previously fixed by SPSA for the services available through its refuse collection and disposal system, primarily consisting of reductions to the rate payable for disposal of municipal solid waste, and (ii) fix rates for certain new services to be furnished by SPSA through its refuse collection and disposal system; 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 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 November 1, 2016, as set forth on the attached page; and

FURTHER RESOLVED, that the Board of the Southeastern Public Service Authority of Virginia hereby (i) establishes October 26, 2016 at 9:30 a.m. as the date and time for the public hearing on the Preliminary Revised Schedule of Fees and Charges 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 28th day of September, 2016.



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

Effective November 1, 2016

WASTE DISPOSAL - ALL LOCATIONS

Waste Delivered to All Disposal Points:	Rate
Municipal Solid Waste (delivered by any SPSA Member Jurisdiction)	\$125 per ton \$120 per ton
Contract Municipal Solid Waste (delivered on behalf of a SPSA Member Jurisdiction)	\$125 per ton \$120 per ton
U.S. Navy Waste under contract with SPSA	Per Contract
Other SPSA Acceptable Waste under contract with SPSA (see footnote below)	Rate
Delivered directly to SPSA Tipping Floor at RDF Plant	\$24 per ton
Delivered directly to SPSA Transfer Station	\$50 per ton
Residential Solid Waste Delivered in private automobile or low-side pick-up truck	No Charge
Weighing Charge Per Vehicle, Per Incident	\$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
Non-Processible Solid Waste (non-contract)	\$67.53 per ton
Industrial Process Waste (acceptable only with prior approval)	\$67.53 per ton
Dead Animals Bagged or Unbagged (household pets only, i.e. dogs and cats)	\$20.00 each
Water Treatment Plant Sludge from any Member Community Transported by SPSA	\$46.00 per ton
Construction and Demolition Waste	\$45.00 per ton \$47.00 per ton
Campers/trailers (minimum fee \$200 each)	\$0.10 per lb
Boats (minimum fee \$80 each) (All liquids must be removed prior to delivery and disposal)	\$0.04 per lb
Special Handling Waste (accepted only with prior approval)	Handling Cost plus 25%

TIRES

Whole Tires Accepted at Landfill Only:	Rate
Automobile and Light Truck	\$82.50 per ton
Truck and Light Industrial (up to 24.5" rim diameter)	\$145 per ton
Heavy Equipment and Off-the-Road	\$160 each
Tires with Rims	Add \$3.00 per tire

HOUSEHOLD HAZARDOUS WASTE

User Fees:	Rate
Rate Per Resident Visit Charged to Customer's Local Government	\$35 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
Member Communities or Residents (Billed to Customer's Local Government)	\$12 Each
Businesses	\$12 Each
White Goods Containers (includes rental rate plus cost to haul)	\$75 - \$125 per pull

GRAY SOILS FOR USE AS ALTERNATIVE DAILY COVER

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 facility superintendent or his/her designee. All soils entering the Regional Landfill are required to submit at a minimum specified analytical results prior to disposal. 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 ADC 25 rate.

- ADC10 (\$10 rate) applies to material of screen quality
- ADC 15 (\$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', High moisture content

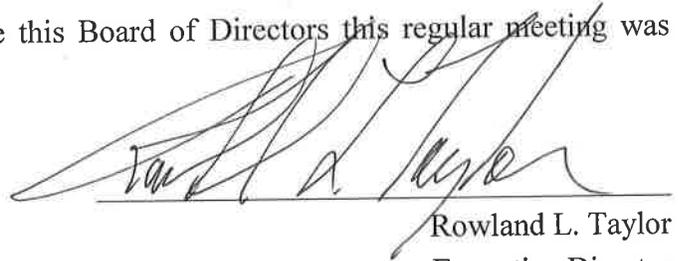
For any category of Waste Disposal which is based on weight, the Minimum Fee is \$20.00.

Footnote: SPSA Acceptable Waste under Contract with SPSA: (1) A single contract must be greater than 2,000 tons in any given fiscal year, and (2) Cumulative tons amongst all contracts in this category cannot exceed 60,000 tons per fiscal year.

Mr. Everett Williams (FR) moved, seconded by Mr. McCoy (PO) that the Resolution to adopt the preliminary revised schedule of fees and charges for solid waste management as presented and set a public hearing on October 26th, 2016 at 9:30 a.m. The vote of the motion was unanimous.

6. ADJOURN MEETING

There being no other business to come before this Board of Directors this regular meeting was adjourned at 10:52 a.m.



Rowland L. Taylor
Executive Director

Submitted by: Blanche Christian
Secretary, SPSA Board of Directors