

# SPSA

BOARD OF DIRECTORS

REGULAR MEETING AGENDA

**April 24, 2019**

**Start Time: 9:30 a.m.**

Location:

Regional Board Room  
SPSA/Regional Building  
723 Woodlake Drive  
Chesapeake, VA 23320

1. **PUBLIC HEARING FOR FEES & CHARGES SCHEDULE** (pg. 1-4). . . . Chairman Keifer
2. **INFORMAL ITEMS: DISCUSSION ONLY**
  - A. MONTHLY REPORT ON WTE OPERATIONS . . . . . Clint Stratton  
- March 2019 (pg. 6-9)
  - B. EXECUTIVE DIRECTOR UPDATES . . . . . Liesl DeVary
    1. Landfill Operational Summary (pg. 11-12)
    2. Construction Status Report (pg. 13)
    3. Executive Committee Minutes – 2/21/19 (pg. 14-15)
  - C. CHAIRMAN’S COMMENTS. . . . . Chairman Keifer
3. **ACTION AGENDA**
  - A. MINUTES OF BOARD MEETING . . . . . Chairman Keifer  
- March 27, 2019 (pg. 17-35)
  - B. FINANCIAL MATTERS . . . . . Liesl DeVary
    1. Financial Reports (pg. 36-44)
    2. Contracts
      - A. Contract Awards
        1. GPS Compaction/Grade Control (pg. 45)
        2. Uniform Rental (pg. 46)
      - B. Contract Renewals
        1. Annual Independent Audit Services (pg. 47)
        2. FY 2020 Property, Liability & Worker’s Compensation Insurance (pg. 48)
        3. Regional Landfill Security Services (pg. 49)
        4. Household Hazardous Waste Disposal Services (pg. 50)
        5. Service & OEM Caterpillar Replacement Parts (pg. 51)
        6. Truck Tire Management Program (pg. 52)
        7. Loader Tire Services (pg. 53)
  - C. BUDGET ADOPTION (pg. 54). . . . . Chairman Keifer
  - D. ADOPTION OF FEES AND CHARGES SCHEDULE (pg. 54) . . . . Chairman Keifer
  - E. RESOLUTION FOR AMENDMENT TO SOP (pg. 54-55) . . . . Chairman Keifer
  - F. FINANCIAL AND PERSONNEL POLICIES (pg. 56) . . . . Chairman Keifer
4. **CLOSED SESSION**  
[Closed Session per Virginia Code Section 2.2-3711 (A)(8)]
  1. Wheelabrator Waste & Disposal Services Agreement (pg. 56)
5. **ACTIONS ARISING FROM CLOSED SESSION**
6. **OLD/NEW BUSINESS**
7. **ADJOURN MEETING**

# Agenda

## SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA BOARD OF DIRECTORS Regular Meeting

WEDNESDAY, APRIL 24, 2019

REGIONAL BOARD ROOM, SPSA REGIONAL BUILDING  
723 WOODLAKE DRIVE, CHESAPEAKE, VIRGINIA  
9:30 A.M.

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CALL MEETING TO ORDER . . . . . CHAIRMAN KEIFER  
PLEDGE OF ALLEGIANCE  
ROLL CALL

### PUBLIC COMMENT PERIOD

(ALL SPEAKERS MUST REGISTER PRIOR TO CALL TO ORDER – 5-minute maximum per speaker unless advised by Chairman differently; 30-minute total maximum time.)

1. **PUBLIC HEARING FOR FEES & CHARGES SCHEDULE** . . . . . Chairman Keifer

The subject of this public hearing is the preliminary Schedule of Fees and Charges as adopted at your March 27, 2019 Board Meeting and attached for your consideration. The desire is to change certain fees previously fixed by SPSA for the services available through its refuse collection and disposal system, primarily by reductions to the rate for disposal of municipal solid waste with such changes to be effective July 1, 2019. Also attached is a copy of the newspaper ad showing the required advertisement of the public hearing. Following the close of the public hearing, the Board may take such action on the preliminary tipping fee schedule and any amendments thereto which it deems appropriate.

To open the public hearing, I wish to read the following statement for the record:

**“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 March 27, 2019.**

**The notice of public hearing was published in The Virginian Pilot on April 2<sup>nd</sup> and April 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 become effective July 1, 2019, 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.”**

(Close public hearing.)

## **PUBLIC HEARING NOTICE**

The Board of Directors of the Southeastern Public Service Authority of Virginia (SPSA), at its March 27, 2019 meeting voted to consider a modification of its existing Schedule establishing fees and charges for the receipt and disposal of solid waste at SPSA's various disposal locations and adopted a preliminary schedule. The Board of Directors will conduct a Public Hearing on the proposed Schedule on April 24, 2019 at 9:30 a.m. in the Regional Board Room of the Southeastern Public Service Authority offices (in the Regional Building) at 723 Woodlake Drive, Chesapeake, Virginia. After the completion of the Public Hearing, the Board of Directors will vote on the adoption of a revised Schedule. The preliminary schedule of recommended fees and charges are as follows:

*(Please see attached Proposed Fees and Charges pages)*

**Please run ad on the following dates:**

**April 2, 2019**

**April 9, 2019**



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

Proposed Effective July 1, 2019

<b>WASTE DISPOSAL - TRANSFER STATIONS</b>	
<b>Waste Delivered to All Disposal Points:</b>	<b>Rate</b>
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>\$62 per ton</del> \$57 per ton
Contract Non-Municipal Customers (minimum 50,000 tpy)	<del>\$49 per ton</del> \$51 per ton
Non-Contract Non-Municipal Customers	<del>\$75 per ton</del> \$76 per ton
U.S. Navy Waste under contract with SPSA	Per Contract
Residential Solid Waste Delivered in accordance with Residential Guidelines (Billed to SPSA Member Community) (Minimum fee does not apply)	<del>\$62 per ton</del> \$57 per ton
Certified Weight	\$20
**Regulated Medical Waste is Prohibited at all SPSA Facilities. A Penalty will be charged Per Occurrence of \$250, Plus any Costs Incurred/Revenues Lost**	

<b>WASTE DISPOSAL - LANDFILL ONLY</b>	
<b>Waste Delivered to SPSA's Regional Landfill:</b>	<b>Rate</b>
Municipal Solid Waste Unacceptable at Transfer Stations (delivered by or on behalf of any SPSA Member Community)	<del>\$62 per ton</del> \$57 per ton
Industrial Process Waste (accepted only with prior approval)	<del>\$75 per ton</del> \$76 per ton
Solid Waste Unacceptable at Transfer Station (non-municipal customer)	<del>\$75 per ton</del> \$76 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	\$50 per ton
Construction and Demolition Waste	\$51 per ton
Campers/trailers (minimum fee \$204 each)	\$204 per ton
Boats (minimum fee \$84 each) (All liquids must be removed prior to delivery and disposal)	\$84 per ton
Special Handling Waste (accepted only with prior approval)	Handling Cost plus 25%

<b>TIRES - LANDFILL ONLY</b>	
<b>Whole Tires Accepted at SPSA's Regional Landfill Only:</b>	<b>Rate</b>
Automobile and Light Truck	\$82.50 per ton
Automobile and Light Truck DIRTY LOAD	\$150 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

<b>HOUSEHOLD HAZARDOUS WASTE</b>	
<b>User Fees:</b>	<b>Rate</b>
Rate Per Resident Visit (Billed to SPSA Member Community)	\$36 per visit
<b>Waste Accepted at SPSA's Regional Landfill (from Businesses)</b>	
	<b>Rate</b>
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.	

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

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

<b>Material Type</b>	<b>Disposal Rate</b>
	<b>Per Ton</b>
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, unless otherwise noted above.**

2. **INFORMAL ITEMS: DISCUSSION ONLY**

A. MONTHLY REPORT ON WTE OPERATIONS . . . . . Clint Stratton

Mr. Clint Stratton will present the monthly Wheelabrator Reports for March 2019.

**WHEELABRATOR PORTSMOUTH INC  
 TONNAGES REPORT  
 CALENDAR YEAR 2019**

MONTH	SPSA ACCEPTABLE WASTE (TONS)	THIRD PARTY ACCEPTABLE WASTE (TONS)	OUT-OF-STATE WASTE (TONS) *	OUTSIDE-AREA WASTE (TONS)	TOTAL TONNAGE	NAVY STEAM DELIVERED (K- LBS)	ALL WASTE ACCEPTED AT RDF (TONS)	NP REMOVED FROM RDF (TONS)	PROHIBITED WASTE	RDF WASTE DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	ASH DELIVERED TO LANDFILL (TONS)	MW SOLD TO THE GRID (MWhr)
JAN	43,639.86	8,796.40	671.02	-	53,107.28	83,072	53,107.28	4,342.25	-	-	48,765.03	50,095.33	14,823.46	15,841
FEB	35,824.65	9,937.79	825.26		46,587.70	69,621	46,587.70	4,075.29			42,512.41	39,891.88	9,649.18	12,567
MAR	41,971.42	6,163.44	909.63		49,044.49	74,327	49,044.49	4,067.70			44,976.79	47,129.38	11,545.49	15,084
APR														
MAY														
JUN														
JUL														
AUG														
SEP														
OCT														
NOV														
DEC														
YTD TOTAL														
12 MO														

\* NOTE: This is material brought in from the nearby counties in NC provided for under the Service Agreement.



**WHEELABRATOR PORTSMOUTH INC  
 AVAILABILITY  
 CALENDAR YEAR 2019**

<b>MONTH</b>	<b>BOILER AVAILABILITY (%)</b>	<b>BOILER PLANNED OUTAGES (HRS)</b>	<b>BOILER UNPLANNED OUTAGES (HRS)</b>	<b>TURBINE AVAILABILITY</b>	<b>TURBINE PLANNED OUTAGES (HRS)</b>	<b>TURBINE UNPLANNED OUTAGES (HRS)</b>
JAN	92%	166.90	67.40	90%	81.00	241.40
FEB	94%	149.00	10.00	93%	148.00	1.00
MAR	92%	192.00	42.00	96%	71.00	10.00
APR						
MAY						
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
<b>YTD TOTAL</b>	<b>93%</b>	<b>507.90</b>	<b>119.40</b>	<b>93%</b>	<b>300.00</b>	<b>252.40</b>

**Wheelabrator Portsmouth Inc.**

**Monthly Report for the Month of March 2019**

This report is submitted as required by schedule 15 of the Service Agreement for the period indicated above. Paragraphs below are keyed to the items of Section 1.2 contained therein.

**Environmental Issues:**

**Tests Completed:**

Monthly Industrial Discharge Samples  
Fuel Oil Sample  
Storm water Sample(s)  
Quarterly GHG Test

**Tests Planned:**

Monthly Industrial Discharge Samples  
Fuel Oil Sample(s)  
Storm Water Sample  
Quarterly GHG Test

**Inspections:**

None

**Air Quality Violations:**

None

**Safety Issues:**

OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	0
Lost Time Accidents this period:	0
Lost Time Accidents YTD:	0

**Op Stats: see attached spreadsheet**

**Upcoming Planned Outages:**

2019 Outages

Jan 20-25	Boiler 2
Feb 17-24	Boiler 3
March 17-24	Boiler 4
April 14-21	Boiler 1
May	No outage
June 9-14	Boiler 2
July 14-19	Boiler 3
August 11-16	Boiler 4
September 15-20	Boiler 1
October	No outage
November 10-16	Boiler 2
December 15-20	Boiler 3

**WHEELABRATOR PORTSMOUTH INC**

**SUPPLEMENTAL INFORMATION**

**March 2019**

Total Waste received by SPSA:	41,971 tons
Waste delivered to RDF:	49,044 tons
Total RDF processed:	47,129 tons
Ash sent to landfill:	11,545 tons*
Electric power sold:	15,084 MW
Steam sold to Navy:	74,327 K-LBS
Overall Boiler availability:	92%
Overall Generator availability:	96%
Environmental Incidents	0

OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	0

**General Notes:**

\* This total includes 8,873.80 tons of non-qualifying residue delivered to the landfill this period.

Outage completed #4 boiler to include Superheater replacement, bottom ash rebuilds, apron and RDF inspections, RDF feed screw and furnace overlay.

- B. EXECUTIVE DIRECTOR UPDATES . . . . . Liesl DeVary
1. Landfill Operational Summary
  2. Construction Status Report
  3. Executive Committee Minutes – 2/21/19

**SPSA Regional Landfill Operational Summary**

Period March 1, 2019 to March 31, 2019

**KEY:**

Change Since Last Report

All Is Well

Working On

Noted Issue



Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
<b>1</b>	<b>Regulatory Compliance</b>				
1.1	Notice of Violations	None	In Compliance		
1.2	Environmental compliance and reporting	Compliance	All submissions made.		
1.2.1	Solid waste operations	Compliance	In Compliance		No issues during the reporting period.
1.2.2	Title V	Compliance	In Compliance		Annual Emissions Report and Title V Reporting submitted to VDEQ for re-issuance of Title V Permit on 05/16/2017. Spoke with DEQ on 9/12/18 and was advised that they still have not performed the technical review or administrative review. They are short handed and we should not expect feedback for another six months to one year.
1.2.3	VPDES	Compliance	In Compliance		1st Quarter sampling for outfall 903 completed, laboratory results are in compliance. 1st Quarter eDMR for 903 due April 10th, 2019. First half sampling due by June 31st. Permit renewal application due July 31st, 2019.
1.2.4	Financial Assurance	Compliance	In compliance		
1.2.5	Wetlands	Compliance	In Compliance		
1.2.6	Groundwater	Compliance	In Compliance		1st Quarter groundwater event completed. 2nd Quarter event to start in April
1.2.7	Storm water system operating and in compliance with VPDES permit	Systems operational and in good order	In Compliance		In compliance.
<b>2</b>	<b>Landfilling Operations</b>				
2.1	Tonnage Landfilled	Actual Tons	24,523		
2.2	No. staff	16.5	13.5		3 - Vacancies (HEOs)
2.2	Equipment Utilization	Key equipment fully operational and deployed	All equipment operating and deployed with appropriate spares		Several pieces are down for routine maintenance and repair but appropriate spares are operating.
<b>3</b>	<b>Cover Operations</b>				
3.1	Total Cover Material Received	Actual Tons	5,720		
3.2	Date of last aerial survey	12/17/2018			
3.3	December 2018 Operational In-Place Density (lbs./cy)	1,600-1,800lbs/cy	1,788 lbs./cy or AUF =0.894		AUF within range of expected operational airspace consumption. Changing waste stream with MSW from western communities will impact Operational AUF. Need to continue to monitor to ensure we stay within range to maintain life expectancy of Cell VI
3.4	December 2018 Effective In-Place Density (lbs./cy)	1,600 lbs./cy	2005 lbs./cy or AUF = 1.00		Still well above targeted long term airspace utilization.
<b>4</b>	<b>Leachate Management</b>				

Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
4.1	Pump stations operational during period	100 % Operational	All pump stations are operational, pump performance is being monitored, and repairs/replacements made as necessary.		Scada system is operational on all vaults and is tracking leachate volumes.
4.2	SCADA system operational during period	100 % Operational	Fully operational		SCADA is fully operational, a few punch list items remain to be completed.
4.3	Flow meter system functional during period	100 % Operational	All 8 Cell V/VI Pump Stations are now operational		Flow Meters can now be logged to history in Scada system and reviewed as needed.
4.4	Leachate Levels	In compliance	In compliance.		1. In compliance at all 8 pump station locations. 2. Flow generation remain < 40,000 GPD typically.
4.5	Leachate Disposal	In compliance			Reserve capacity of leachate lagoons are measured and recorded each day. Calculations are performed daily on the volume hauled, volume produced and storage capacity to determine the quantity of leachate that needs to be hauled each day. During the month of March, SPSA utilized pump and haul operations for leachate disposal. SPSA will be allowed to start testing low flow pumping via force main April 15th . SPSA will continue to utilize pump and haul operations during this time.
4.5.1	Quantity of leachate pumped to HRSD during period	x gallons	788,056		From 3/1 to 3/31
4.5.1.1	Cell V, Sumps 1-4	x gallons	574,077		From 3/1 to 3/31
4.5.1.2	Cell VI, Sumps 5-8	x gallons	529,225		From 3/1 to 3/31
4.5.2	Quantity of leachate hauled for disposal during period	x gallons	800,574		From 3/1 to 3/31
4.5.3	Disposal costs in period: \$		\$ 22,131		From 3/1 to 3/31
4.5.4	Any issues relative to leachate quality and acceptance at WWTPs?	No constraints	No constraints		
5	<b>Landfill Gas Management</b>	Compliance	In compliance		1st Quarter Gas Monitoring and Surface Emissions sampling are complete, no issues to report. 2nd Quarter sampling to start in May.
6	<b>Odor Complaints</b>	No complaints	No complaints		From 3/1 to 3/31
7	<b>HRSD Force Main</b>	Contract Schedule	None provided to date.		Still only have (unofficial) tentative date of completion to be in 2022

### Acronym Definitions

**ACOE**- Army Core Of Engineers **AUF**- Airspace Utilization Factor **BOD**- Biological Oxygen Demand **CAP**- Corrective Action Plan **COD**- Chemical Oxygen Demand **CSCE**- Comprehensive Site Compliance Evaluation **DMR**- Discharge Monitoring Report **GPS**- Groundwater Protection Standards **LCL**- Lower Confidence Limit **NOV**- Notice Of Violation **SCADA**- Supervisory Control And Data Acquisition **SWIFT**- Sustainable Water Initiative For Tomorrow **SWPPP**- Storm Water Pollution Prevention Plan **VPDES**- Va. Pollution Discharge Elimination System **WWTP**- Waste Water Treatment Plant **PLC**- Programmable Logic Controller **GPM**- Gallons Per Minute **GPD**- Gallons Per Day

## Construction Project Update For March 1, 2019 through March 31, 2019

	Original Contract	Cumulative Change Orders	Change Orders This Month	Total Contract Value	% of Original Contract in CO's	Scheduled Completion Date	Current Completion Date	Percent Complete
<b>SCADA Upgrade</b>	\$1,473,470	\$56,312	\$0	\$1,529,782	3.80%	8/30/2018	12/11/2018	100%
<b>Leachate Loadout Project</b>	\$1,276,600	\$178,174	\$88,771	\$1,454,765	14% *	8/30/2018	5/25/2019	99%

### Individual Change Orders for SCADA Project

Description	Amount
CO-1 Switch from black iron to stainless steel discharge piping to eliminate corrosion from leachate.	\$12,850
CO-2 Replace corroded 480 volt underground feeder cables feeding vaults 2 and 3	\$19,646
CO-3 Remote Access which allows staff 24 hour access to SCADA from anywhere using handheld device	\$18,696
CO-4 Install power monitors to provide SCADA with electrical data from pumps and other devices to be trended	\$5,120

### Individual Change Orders for Leachate Loadout Project

Description	Amount
CO-1 Correct drainage elevation and install Drop Inlet and Pipe	\$12,849
CO -2 Additional Time Request Granted Due to weather, permit delays and material availability	\$0
CO-3 Switch to Low Flow Pumps to allow pumping to HRSD SWIFT Plant (funded by HRSD)	\$76,554
CO-4 Replace Underground Feeder Cables to vaults 5,6,7 and 8 in Cells V and VI	\$88,771

\* \$76,554 will be reimbursed from HRSD for low flow pumps

## Engineering Task Orders

	Engineering Firm	Value	Invoiced To Date	Balance
<b>SCADA Design and Construction Management</b>	HDR	\$175,000	\$157,979.86	\$17,020.14
<b>Leachate Loadout Design and Construction Management</b>	HDR	\$253,164	\$234,577.67	\$18,586.33

**MINUTES OF THE  
EXECUTIVE COMMITTEE  
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA  
February 21, 2019**

A meeting of the Executive Committee was held at 9:00 a.m. in the second floor conference room of the SPSA Regional Building in Chesapeake, Virginia, and was called to order by Chairman John Keifer. The other Committee Members present at this meeting were Mr. Luke McCoy, Mr. Randy Keaton and Mr. Bill Sorrentino. Also in attendance were Executive Director, Liesl R. DeVary, Deputy Executive Director, Dennis Bagley, Blanche Christian and General Counsel Warren Tisdale  
\*Mr. Sorrentino arrived at 9:20 a.m., Mr. Randy Keaton left at 9:25 a.m.

Items for Discussion:

1. Review and approve Executive Committee Minutes

Mr. Sorrentino (VB) moved, seconded by Mr. McCoy (PO) to approve the Executive Committee minutes of the January 17, 2019 meeting. All were in favor.

2. Executive Director Reports / February Board Meeting Agenda

Wheelabrator Technologies sale to Macquarie Infrastructure Partners is complete.

Waste Industries have merged with GFL Environmental in Canada.

Met with Suffolk Energy Partners regarding landfill gas. They are working on trying to use more gas. The gas production is down and the flare is off. They are controlling the temperature through the vacuum of the vaults.

The HRPDC has been coordinating meetings between SPSA, the City of Chesapeake, City of Suffolk, and VDOT and we had a meeting earlier this month. VDOT's engineer, Michael Baker International, is preparing a scope of work to do a study on where might be the best placement for one or two flyovers.

A presentation of the Annual Airspace Report will be made at the Board meeting.

The fiscal year 2020 budget will be presented at the March board meeting. Municipal and commercial waste tonnages are up. The health insurance renewal is down 2% from last year. The recommendation will be a \$57 municipal tip fee.

House Bill 2391, which proposed a \$4 per ton waste disposal fee for the Greenhouse Gas Fund, failed.

The Cells 8 and 9 permitting process will take a lot of effort and will require a well-designed plan moving forward that addresses many of the issues that the Corps is going to have. It affects 129 acres of wetlands. A detrimental piece of this project is to have a detailed statement so we can minimize the amount of other work that will be needed. There are many steps needed in this process and we will need HDR to outline each step so that there are no delays in the approval process.



A task order with HDR will be presented at the board meeting. This task order is for the wetlands delineation and Environmental Impact Statement (EIS) which is needed in the permitting process. The intent would be for HDR to handle the whole permitting process as it will be a multi-year process.

The SPSA overview presentation has been scheduled for Isle of Wight County on March 7<sup>th</sup>, City of Franklin on March 11<sup>th</sup>, the City of Chesapeake on March 12<sup>th</sup>, and Southampton County on April 22<sup>nd</sup>.

3. Closed Session:

Mr. Warren Tisdale read the following closed session motion:

Motion to Approve Request for Closed Meeting.

*I move that a closed session be held for discussion regarding (i) a proposed temporary access agreement between Atlantic Coast Pipeline, LLC and SPSA that would provide road access to ACP across SPSA's property for purposes of installing a gas pipeline on adjacent property not owned by SPSA, in accordance with Virginia Code Section 2.2-3711(A)(3) relating to the disposition of publicly held real property, and 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, (ii) the delivery of ash by Wheelabrator Portsmouth, Inc. to SPSA under the current Services Agreement between Wheelabrator and SPSA, and under the Waste Disposal and Services Agreement between Wheelabrator and SPSA with commencement date February 1, 2019, 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 (iii) the annual performance review of the Executive Director, in accordance with Virginia Code Section 2.2-3711(A)(1) relating to the performance of a specific public officer.*

Mr. Sorrentino (VB) moved, seconded by Mr. McCoy (PO) to approve the certification as read. All were in favor.

Motion to Approve Certification after Closed Meeting.

*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. McCoy (PO) moved, seconded by Mr. Sorrentino (VB) to approve the certification as read. All were in favor.

4. Adjournment

There being no further business to come before the Executive Committee, the meeting was adjourned at 12:20 p.m.

C. CHAIRMAN’S COMMENTS. . . . . Chairman Keifer

**3. ACTION AGENDA**

A. MINUTES OF BOARD MEETING . . . . . Chairman Keifer

The minutes of the March 27, 2019 Board meeting are attached for your review and approval.

**RECOMMENDED ACTION:** Approve the minutes as presented.

**MOTION:** Do I hear a motion that the March 27, 2019 minutes of the SPSA Board of Directors meeting be approved as presented.

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

**March 27, 2019**

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. John Maxwell	(CH)	Mr. Steven Jenkins	(CH)
Ms. Sheryl Raulston	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Dale Baugh absent ( <i>absent</i> )	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Solomon Ashby	(PO)
Mr. Mark Hodges ( <i>absent</i> )	(SH)	Ms. Lynette Lowe	(SH)
Mr. David Arnold ** (10:55)	(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. Eric Martin (CH), Mr. Harvey Howard (NO), Ms. Erin Trimyer (PO), Mr. Hart Council (SH), Mr. Scott Mills (SU), Mr. Bobby Wheeler (VB) and the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Blanche Christian, Administrative Coordinator and Secretary, and Warren Tisdale, General Counsel.

**1. INFORMAL ITEMS: DISCUSSION ONLY**

**A. MONTHLY REPORT ON WTE OPERATIONS**

Mr. Stratton began the operational report for the month of February 2019 for Wheelabrator Portsmouth. The last OSHA recordable incident was August 31. The electrical outage to support the Norfolk Naval Shipyard underground cabling was completed on March 3. We are looking forward to getting past that to where we will not have any more failures due to electrical outing. On April 22 a screen for the ash will be delivered for a two-month trial. The screen size can be adjusted during that trial period to see which size will work the best so ash going to the landfill can be used as ADC.

We hoped that the C line motor and rotor, would be back on the first week of April. There's a cooler issue with the motor we're working on, but it looks like it will be the second week in April. Finally, we're trying to internalize nine contract laborers so we have more flexibility to process the increased volumes. We had to make a change so we could process two lines more throughout the week.

## Wheelabrator Portsmouth February 2019

### Operational Data



<b>35,825 Tons</b>	<b>46,588 Tons</b>	<b>39,892 Tons</b>	<b>9,649 Tons</b>	<b>12,567 MW</b>
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
<b>69,621 K-LBS</b>	<b>94%</b>	<b>93%</b>	<b>0</b>	<b>0</b>
Steam sold to U.S. Navy	Overall boiler availability	Overall generator availability	Environmental incidents and OSHA recordable accidents	OSHA recordable accidents YTD

Chairman Keifer (NO) complimented Wheelabrator on the OSHA record, to operate for so long without incidents is very noteworthy.

#### B. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary commented SPSA staff continues to keep the operations running smoothly. We have a new alternate board member that's been appointed for Virginia Beach. She welcomed Bobby Wheeler; the Operations Support Administrator at the Public Works director's office.

Suffolk Fire Inspector Lindbland inspected all the buildings and grounds at the Regional Landfill on March 1, there were no recorded discrepancies. A few items were discussed such as, the need to test emergency lighting but overall it was a good inspection.

As Wheelabrator reported, the week of April 22 they are planning on testing a screener for about 60 days. We hope that will correct the issues that we're having.

In your board agenda, we used to have productivity charts that Toney Saunders put together. With his retirement we have to find somebody else to work on them but we're also looking at making them more user friendly and informative.

We purchased new household hazardous waste trailers last year, and they have recently been wrapped. Staff did an excellent job with picking out the graphics. I think they look really great, and they make a really good statement when we're out at HHW events.

Presentations with Portsmouth, Isle of Wight, Franklin and Chesapeake have been completed. A presentation to Southampton is scheduled in April and Virginia Beach in May.

Ms. DeVary asked Mr. Bagley to provide the operations report followed by a presentation on the SCADA system.

Mr. Bagley commented that during the reporting period 23,578 tons of material was placed in the landfill, which was about 5,771 total tons less than the previous month. Wheelabrator delivered 9,649 tons of material to the landfill of which 4,943 tons was reclassified from ADC to non-qualifying ash. The total leachate hauled this month was 82,792 gallons. If you recall, HRSD allowed us to pump to the Nansemond plant for some time so our haul amount was much lower but we pumped 1,123,112 million gallons to HRSD. We had no odor complaints for the reporting period.

Mr. Bagley commented we want to be good environmental stewards, to have control over our environmental impacts, and we want to do it in a professional manner. We put together a team to begin to look at what we really needed in order to do that, and one of the items we needed was the ability to load out leachate when we couldn't pump. We're really proud of the Supervisory Control and Data Acquisition system (SCADA). Since we've been working on this project, I cannot tell you how many people have complimented SPSA's landfill as being state of the art. A successful project is dictated by the team you put together and we are pleased with the team. They worked very hard for almost 18 months to make this a successful project. The engineering firm that was selected was HDR Engineering and Jeff Murray was the Senior Project Manager. Jeff put together the specifications and when it went out for bid, we had two contractors bid on the contract, and the low bidder was REW Corporation. REW has done a great job with us on this project. We made a lot of improvements as we've gone through the project. Ken Donahue is a Project Manager for REW and he has 32 years' experience with this type of work. His experience has proved immeasurable throughout this project because we found how we could improve items without increasing the cost of the project. The other key element of the project was the controls contractor Bob Sobczak, which is through CEC Corporation. He is a programmer and an expert on SCADA systems. He does these systems all over the country. SPSA's project manager was Henry Strickland. Henry has been passionately involved in this from the very beginning. This was a \$1.5 million project, our change orders totaled 3% of the total cost of the project, and that 3% reflects the addition of the cabling that went bad that was not part of the original project that controlled each one of the vaults.

Mr. Strickland began the "live" presentation of the SCADA system. A Google image of Cells I through IV, V and VI, and what will be Cell VII. Each individual vault is represented by a gray circle which gives the operator a quick overview of the system. A red dot, on the top right-hand corner will blink when in an alarm status.

The way a vault is constructed, it goes down into a sump. That sump is 36 inches lower than the base of the landfill. Throughout this entire process, we've talked a lot about 12 inches of head on the liner. If you can envision having a handkerchief on your table and you just pick the center of it up, you get four corners, and that's going to be the four individual sections of the landfill, and in those four individual sections, you'll have a lower section, which is your sump. That gathers all the leachate there, and it's 36 inches lower than the rest of the landfill. Twelve inches of head on liner is 12 inches above that. Our high-level alarm is set at 42 inches. So that's 6 inches of head on liner. We get an acknowledgment, an alarm, when we have six inches of head on the liner, we get another high alarm if we reach that 12 inches. Your pump is set to come on at 36 inches and pump down to 12 inches. We do have a low, low alarm. The pump is roughly six inches in diameter in the casing, and then we find that pumping it lower than 6 inches, you'll have capitation and premature pump failure. The screen can tell your current run time how long the pump has been run, how long it ran last time, how long it's been off and how long it was off the time before that. The importance of that is that tells you how long it's taking your sump to recharge or to fill back up with water, which is important because, the way those sumps are constructed is there's a fabric over top of that sump, there's rock over top of it, sand over top of it, more fabric and those can become clogged, and if that's the case, then we need to go in and jet out those cleanout installed so you can jet the system out and open the pores back up and allow the leachate to get back in there.

You can drill down and get a more detailed look into your system. Not only with your numerical values at a glance you can still assess the general wellness, you can see your levels and your water, your leachate and your lift station and what pumps are running back at the lagoon. You can make adjustments to your lift station if you wanted to pump out this vault so we could do maintenance in it, you can change your settings and force the pump to pump it all the way down to the lowest level where you can then back it out and get in is do your maintenance or whatever you need to do. You can look at the amp draw and the kilowatt usage for every pump that we have, which is important so that we can be proactive rather than reactive once we gather enough data. We can tell when your pumps are going to burn up, you can look at your amps, see that you're drawing more amp, go in and look at the trend and see and start predicting when your pumps are going bad so we can replace them before it's an emergency status and hopefully be able to rebuild the pump before a catastrophic failure. If you had more than one vault running at a time, this will cumulatively show your flow coming from Cell V and Cell VI. Everything from Cell V and Cell VI goes to this lift station and will subsequently be pumped all the way back to your aeration pond for retreatment.

Mr. McCoy (PO) asked about the discrepancy of the amps in the vaults.

Mr. Strickland responded it's producing more leachate in that section so it is going to run more and draw more power. In your Cell V, Cell VI lift station you have two pumps. They alternate so that you can exercise the pumps. Currently they are set to a 30-day cycle, but you can alternate that at any given time. At any given time if the lead pump becomes overwhelmed, the lag pump will kick in

at its set point and start to lower your levels, and it will cut off when it reaches the start point for the first pump. Your attention should be drawn to your colors, green, red or a yellow if you have a communication failure.

If liquid is moving through the flow meter, it's going to gather that data. When those valves are closing and the pump is off, there is still liquid going through there. We have a weight requirement that we have to meet with each individual tanker that is set at 4,560. When this truck reaches 4,560 the shutdown sequence will begin and when it's finished, it's going to land on 4,600 gallons give or take one or two gallons, and that will ensure that we will have no overweight trucks, no overfilled trucks, and therefore we'll remain environmentally safe.

Leachate coming from Cells V and VI through the lift station goes directly into the inflow box, gravity drains into the aeration lagoon for aeration, gravity drains to your effluent box and into your clarifying lagoon for settling to be prepared to pump out to HRSD or haul to HRSD via our trucks. Cells I through IV does not have any vaults or sumps. It's all a gravity drained system. It flows into your influent wet well, and then from there will be pumped into your aeration lagoon and following the same process as what comes from Cells V and VI. If we have a truck hauling leachate from one of your transfer stations, it goes to the same loadout pad that it would be pumping and hauling from. It discharges, goes into the influent wet well. We're gathering that flow coming from I through IV and from your transfer stations. Previous to this system we didn't know what cells I through IV were providing, and we're gathering that data so that we can separate the trucks from I through IV and be able to really understand what Cells I through IV are providing to your leachate count.

Chairman Keifer (NO) asked who is monitoring all of this during the day and then after hours?

Mr. Strickland commented that part of the project included a remote log-in. I've got an iPad that stays with me all the time. If I get a text or e-mail alarm or a call from a security officer because he sees a blinking light, I can log into the system remotely and access that.

Mr. Strickland commented that part of the security officers rounds are to observe any alarm status. Red lights are on each vault. Hopefully we don't have any alarms, but if an alarm goes off they'll notify us immediately no matter what time.

Chairman Keifer (NO) stated when we had the leachate problems pumps were breaking down. Do we have spare pumps or a contingency plan?

Mr. Strickland responded we have several different pumps. For your vaults, we have two of each of those in stock, including the power cables and transducers, which are what gives you your readings for levels. The larger pumps that we have in the back; pumps one through four, those are redundant systems so if one goes down we send it out for repairs and you operate on the other one. If for some

weird reason both of them go down, there are flanges and valves that will enable us to be able to operate off a diesel pump.

Mr. Maxwell (CH) asked for an explanation on the preventative maintenance program.

Mr. Strickland replied we're gathering all the data now. Previous to this system, we didn't have any good data other than institutional knowledge. The pumps were burning up frequently because they weren't being operated the way they were supposed to. A sump pump has a flow switch on it the pump will come on when the flow switch tells it to shut off when it pumps the water out. Previous to us finding these issues and installing this system, nothing was running automatically. We had an employee that turned pumps on in the morning and those pumps would continue to run for a few hours. We didn't have any flow meters that were working properly so we weren't even sure if the pumps were running or not. We were burning pumps premature because they were running when there was no leachate. It takes about 40 minutes to evacuate all of the leachate in a sump, it doesn't help the pumps if you have them running an additional hour and 20 minutes with no water. To answer your question, our preventive maintenance now is not to run the pump if there's no water in there, but we're gathering that data to see how long the pump will last. We've been pretty fortunate, and those pumps are lasting a lot longer than what they ever have. I've got to have some fail before I can tell you how long it's going to take one to fail and from that we'll be able to gather that data. There's a screen in my office that's on 24-7, to watch the kilowatt usage. Monthly we report our flows to HRSD and we look at how everything is trending each morning. You can look at your pump, how long they run, how long they're not running, and how many amps you're drawing.

Mr. Bagley commented there's a 60-inch screen in the landfill office that you cannot miss. This screen is up all the time, and we have smaller screens in other areas of the landfill so there is always the mindset of the employees to see what is going on at any particular moment. We've got to have a collective effort from everybody to do that. This has been up and running for two months now. Every pump has a standard manufacturer's life on that pump, but we added amp readings on all our motors and we trend that so we can actually watch that and rather than being reactive and fixing something when it breaks we want this to be more of a proactive approach. We watch these numbers and look at the trends and keep critical elements in stock.

Ms. DeVary commented that part of the system is there are various alarms or alerts set up to flag a possible issue.

Mr. Strickland commented there are a lot of different alarms but typically you would see a high level alarm, communication failure or a power failure. If any small thing goes wrong, the system will alert you. We monitor the temperature inside of the panel. It has a fan and a filter to make sure that cool air stays in there. If that reaches the temperature where it can start being harmful to your components, you'll get an alarm. Types of alarms are endless, but the alarm is telling you something, something is



happening and we go and figure out why there's an alarm. It's not necessarily a bad thing. It's just telling you something happened in your system and the system operated and reacted to it exactly like it should. This system is very secure. A small handful have access, including myself, Dennis and two people on my staff in the office. CEC also have access to be able to get in and correct any issues we have. This system is completely separate from SPSA's network. It's a cellular system for security reasons, and it's a two-stop process to be able to get into the system. When an alarm goes off it is a trickle-down method. I get the first notification and if I don't respond or answer it, someone else will get it and so on. The operators that have access can respond to alarms, cut pumps on, cut pumps off, but they cannot change any set points. That's on an engineer level and only myself and CEC have the permissions to change any set points on pumps.

Mr. Barnes (VB) commented you mentioned reports and trending and it's only been in there two months so far. I would imagine you have plans for monitoring and reports over time. From a maintenance standpoint, there's some good opportunities there. I would imagine you will be looking at leachate control, where is your leachate coming from and what can you do on the work face to minimize leachate.

Mr. Strickland responded absolutely. We can look at these pumps and see how long they're running, and look at your daily flows. We recognized that Vault IV was running a lot longer than the rest of the vaults, and we found we needed to change the set point slightly. Since Vault II and Vault IV are on the same force main Vault II couldn't turn on with IV running. Vault IV would continue to run for hours to pump all the way down and by raising that level a bit we are able lower the amount of time your pump is continuously running, building up heat, and it was subsequently forcing Vault II into an alarm. Through monitoring the system and monitoring the alarms, you change your set points.

Chairman Keifer (NO) commented this is really impressive. Those of us that were here a couple years ago when we had the leachate problems, we didn't know basic things like even which pumps were running or how long, and so the depth and the knowledge and professionalism of you all is very impressive.

### C. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) commented that we've made presentations to a number of communities, and I want to thank the Board members in those communities for their hospitality. I was able to go to the Franklin, Chesapeake and Portsmouth sessions and they were received very well. Liesl did a wonderful job and was able to answer a lot of detailed questions. I want to say that I'm impressed with the thoroughness, professionalism and depth of knowledge that we see in the staff of Dennis, Henry and Liesl. At the Executive Committee meetings we get into some more detail on some of these things and they have a very impressive amount of knowledge and curiosity to find out the things that we're interested in.

**2. ACTION AGENDA**

**A. MINUTES OF BOARD MEETING**

Chairman Keifer (NO) moved to the action agenda. The minutes of the February 27, 2019 Board meeting have been distributed. He asked if there were any additions or changes.

**Mr. Broad (NO) moved, seconded by Mr. Jenkins (CH) to approve the February 27, 2019 minutes of the SPSA board as presented. The vote of the motion was unanimous.**

**B. FINANCIAL MATTERS**

**1. Financial Reports**

Ms. DeVary began by stating for the month ending February 28, 2019 total revenues exceeded total expenses by approximately \$5.3 million as compared to \$2.7 million in the previous year. Tipping fees fiscal year-to-date reflect a decrease of 2.2% or approximately \$627,000 as compared to the prior fiscal year, and that's largely driven by the reduction in the tip fee. Municipal waste tons are up approximately 14% or 34,615 tons due to bulk waste deliveries, weight of residential waste and an increase in MSW. Municipal waste tonnage were 290,085 tons as compared to 255,470 tons a year ago. Total expenses as of February 28, 2019 were approximately \$26.3 million as compared to \$27.7 million in the prior fiscal year. Cash balances are at \$30.6 million, and they are designated with \$7.6 million in the operating fund, \$300,000 for fiscal year 2018 rolled purchase orders, \$3.3 million in undesignated fund balance, \$2.5 million for the capital HRSD force main and \$16.9 million in the landfill closure fund.

**Mr. Ashby (PO) moved, seconded by Mr. Maxwell (CH) to approve the SPSA financial report subject audit be approved as presented. The vote of the motion was unanimous.**

**2. Contacts**

**A. Contract Awards**

**1. Data & Telecommunications Provider**

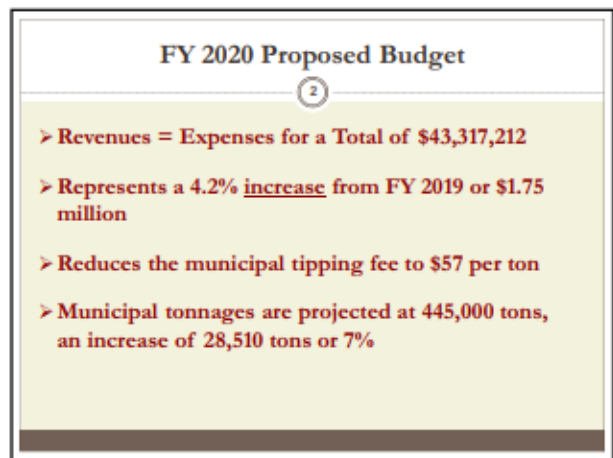
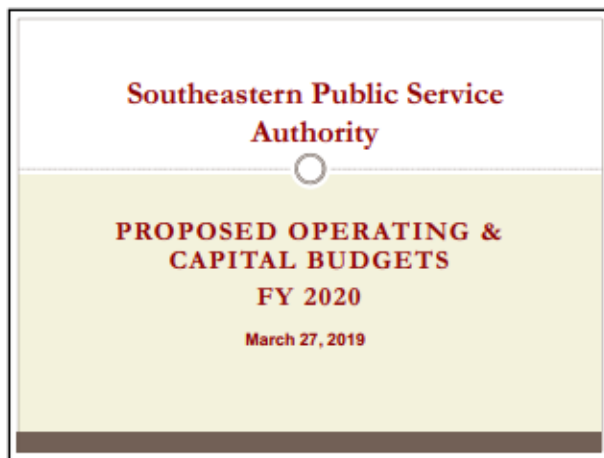
Ms. DeVary commented that there is one contract for your consideration. It's our data and telecommunications provider. Our current provider is Windstream Communications, which we bid out a few years ago. The original contract was 3 years with two option years, and we are in the first option year. A couple months ago, we experienced an extreme outage. Our regional office building was out for five days, which was completely unacceptable to me. Additionally, they have recently claimed bankruptcy. We do have one option year remaining, but we don't intend to renew. We reached out to Cox Communications, and they have proposed a one-year contract. They were able to use cooperative procurement contracts from Fairfax County public schools and Chesapeake city schools. This will give us time to issue another bid. The biggest change is that we will be increasing

our bandwidth, which increases the speed of our various software applications as well as the internet. Our main office currently has ten megabytes and it will increase to one hundred megabytes. Each of our transfer stations have 1.5 megabytes and those will increase to ten megabytes. With this increase there is an increased cost, approximately \$16,000 more per year. This would not be effective until July 1, 2019. They need 90 to 120 days to establish contracts for the Franklin, Isle of Wight, and Suffolk transfer stations, and the landfill. Those areas do not have Cox Cable. Our recommendation is to award the contract to Cox with an effective date of July 1, 2019. We will issue a RFP for a longer-term contract.

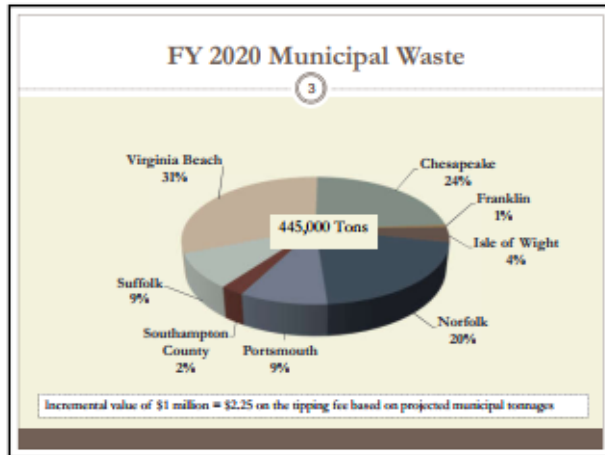
**Ms. Raulston (FR) moved, seconded by Mr. Arnold (SU) to award the contract to Cox Communications as presented. The vote of the motion was unanimous.**

**3. PRESENTATION OF THE JULY 1, 2019 – JUNE 30, 2020 BUDGET**

Ms. DeVary began her presentation on the proposed 2020 operating and capital budgets.



The revenues equal expenses for a total of \$43,317,212, which represents a 4.2% increase from FY2019 or \$1.75 million. It reduces the municipal tipping fee to \$57 per ton. The municipal tonnages are projected at 445,000 tons an increase of 28,510 tons or 7%.



### FY 2020 Revenues

4

- > Total Tipping Fees are projected at \$41.6 million an increase of \$3.9 million or 10% and consist of:
  - ✓ Municipal Tip Fees ~
    - ✓ \$25.4 million, a decrease of 2% or approximately -\$457,000
    - ✓ 445,000 tons, increase of 28,451 tons or 7%
  - ✓ Navy Waste ~
    - ✓ \$1.28 million an increase of \$1.1 million due to new contract effective 9/1/19
    - ✓ 25,500 tons, increase of 21,000 tons (FY19 Budget only estimated partial year.)

If you want your budget to increase or decrease a million dollars, the effect on the tipping fee with 445,000 tons is \$2.25. If you recall this time last year, we did not have a new contract with the Navy, it wasn't signed until later in the year. We assumed it would not renew, but it did. That is why it's showing such an increase. This year I'm budgeting 25,500 tons, I only budgeted 4,000 tons for the partial year last year.

### FY 2020 Revenues

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- ✓ Contract Waste (at transfer stations)
  - ✓ \$7 million an increase of \$2 million or 39%
  - ✓ 138,500 tons, increase of 34,500 tons or 33%
- ✓ Non-Contract Waste
  - ✓ \$2.4 million, increase of \$182,000 or 8%
  - ✓ 32,000 tons, increase of 2,000 tons or 7%
- ✓ Other Waste
  - ✓ \$5.5 million, increase of \$1.1 million or 26%
  - ✓ Includes CDD, Norfolk Sludge, ash disposal and other waste disposed at the landfill

### FY 2020 Revenues Continued

6

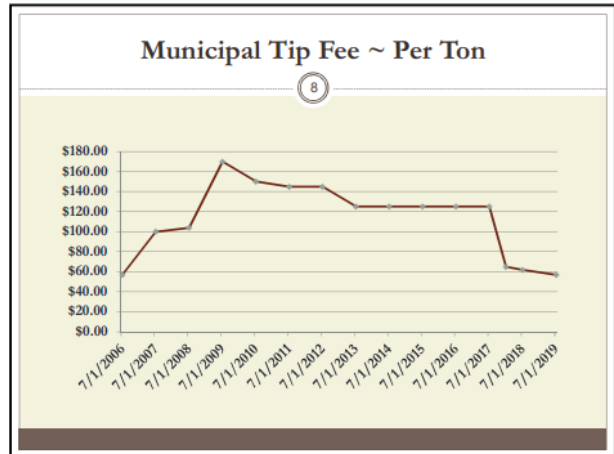
- > Charges for Environmental Services are \$825,000
  - ✓ Tire disposal ~ \$515,000, an increase of \$183,200 due to increase in tire disposal
  - ✓ Household hazardous waste ~ \$275,000
  - ✓ White goods ~ \$35,000
- > Landfill Gas Royalties are \$312,000 reflect a slight decrease due to reduction in methane gas
- > Miscellaneous Income/Interest Earnings are projected at \$548,775

When the fiscal year '19 budget was done, we had just started those new contracts for contract waste. Originally Waste Industries only had to bring 50,000 tons but they ended up bringing approximately 90,000 tons. That's why there is such an increase with the contract waste that is delivered to the transfer stations, but I did confirm with them that as far as they know, nothing should change. The landfill gas royalties should increase in a couple of years. Since we have started putting municipal waste into the landfill, that is more likely to decompose which will create methane gas.

### Revenue Summary

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REVENUES	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget	Budget to Budget	
				\$ Change	% Change
<b>Tipping Fees:</b>					
Municipal	\$ 25,822,380	\$ 27,311,000	\$ 25,365,000	\$ (457,380)	-2%
Navy	182,198	1,273,550	1,280,737	1,098,539	603%
Contract Waste	5,096,000	6,615,000	7,063,500	1,967,500	39%
Non-Contract Waste	2,250,000	2,400,000	2,432,000	182,000	8%
Other Waste	4,369,661	4,836,718	5,490,000	1,120,339	26%
<b>Total Tipping Fees</b>	<b>\$ 37,720,239</b>	<b>\$ 42,438,268</b>	<b>\$ 41,631,237</b>	<b>\$ 3,910,998</b>	<b>10%</b>
Tire Program	332,000	543,200	515,200	183,200	55%
Household Hazardous Waste	250,000	275,000	275,000	25,000	10%
White Goods	40,000	35,000	35,000	(5,000)	-13%
Landfill Gas Royalties	335,000	312,000	312,000	(23,000)	-7%
Miscellaneous Income	214,950	268,521	198,775	(16,175)	-8%
Interest Earnings	180,000	313,000	350,000	170,000	94%
Fund Balance	2,500,000	2,739,424	-	(2,500,000)	-100%
<b>TOTAL REVENUES</b>	<b>\$ 41,872,189</b>	<b>\$ 46,924,413</b>	<b>\$ 43,317,212</b>	<b>\$ 1,745,023</b>	<b>4.2%</b>



### Tip Fee Schedule – Recommended Changes

9

Waste Type	Current Rate	Proposed Rate
Municipal Solid Waste	\$62.00 / ton	\$57.00 / ton
Contract Non-Municipal Waste	\$49.00 / ton	\$51.00 / ton
Non Contract Non-Municipal Waste	\$75.00 / ton	\$76.00 / Ton

### Difference in Rates

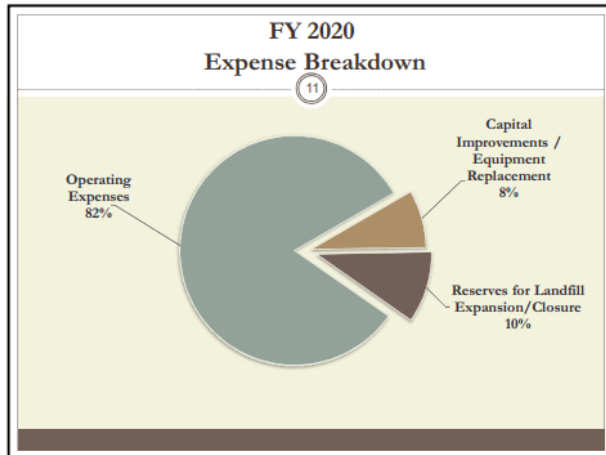
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➤ **Why is the tip fee for Contract Non-Municipal Waste (CSW) less than the tip fee for Municipal Solid Waste (MSW)?**

- ✓ The MSW rate includes the operation of 9 transfer stations, a transportation network and maintaining and expanding the Regional Landfill for use by the Member Communities. Expanding the landfill is for MSW not CSW.
- ✓ Contract and Non-Contract waste is hauled and disposed at a non-SPSA facility by a third party. The cost to SPSA is approximately \$43 per ton. With a tip fee of \$51 per ton, \$8 per ton is used to offset the MSW tip fee.

Our current municipal solid waste rate is \$62 and we're proposing a decrease to \$57 per ton. The contract non-municipal waste rate is currently at \$49, and I am proposing an increase to \$51. The contract non-municipal waste is hauled and disposed by a contract that we have through Wheelabrator. Those contracted rates automatically increase 3% per year. Non-contract non-municipal waste is \$75 and I am recommending an increase of a dollar to \$76.

The commercial waste coming into the transfer stations impacts us minimally because you already have waste there, we're going to continue to look at making some changes, but overall, this helps you with your tipping fee. Additionally, that \$51 tip fee will be subject to an annual 3% increase so it will be close to the \$57 rate in about four years.



- ### FY 2020 Expenses ~ Summary of Changes
- 12
- Total Expenses reflect a net increase of 4.2% or \$1.75 million and is reflected in the following areas:
    - ✓ Operating Expenses increase ~ \$3 million to \$35.5 million
    - ✓ Capital decreases \$2.2 million to \$3.5 million
    - ✓ Reserves for Landfill Expansion increase ~ \$928,000 to \$4.3 million

- ### FY 2020 Operating Expenses
- 13
- Increase in Operating Expenses include the following:
    - Total personnel costs increase \$400,000 and include:
      - ✓ A pay plan adjustment OR A 2.5% COLA
      - ✓ A 2% decrease in health insurance
      - ✓ A net increase of 2.25 FTE positions:
        - +2.0 transfer vehicle operators
        - +.25 scale attendants

- ### Changes to Pay Plan
- 14
- SPSA's Pay Plan was last updated January 1, 2014
  - Many employees have reached the maximum pay point for their grade.
  - 79 of 139 positions are Heavy Equipment Operators, Transfer Vehicle Operators and Equipment Mechanics
  - Current vacancies:
    - Heavy Equipment Operators ~ 3
    - Transfer Vehicle Operators ~ 4 plus 3 retiring and need to add 2 more drivers due to increase in waste stream
    - Equipment Mechanics ~ 1 plus 1 retiring

Our last pay plan was updated January 1, 2014, which means it is 2013 dollars. All of our other localities will adjust their pay plans annually for a COLA. We haven't done that here, but that's something I will be recommending going forward. Heavy equipment operators, transfer vehicle operators, and equipment mechanics are positions that are crucial to our operations. We wouldn't be moving trash if we didn't have those folks and we are experiencing difficulty hiring these positions. I'm recommending that we make changes to the starting pay for these three positions. Human Resources did a survey to find out what others are making, and we discovered we were way behind.

- ### Changes to Pay Plan
- 15
- Changes to Minimum Pay:
 

• Heavy Equipment Operators	\$14.50 to \$17.00
• Transfer Vehicle Operator	\$15.95 to \$19.00
• Equipment Mechanic	\$17.54 to \$24.00
  - Due to the change in minimum pay above, employees in these positions would receive a pay plan adjustment up to a maximum of \$5,000.
  - The higher pay scales (exempt employees) would receive the benefit of not maxing out of their pay range.
  - The proposed pay plan is on page 117 in budget document.
  - Employees would receive a pay plan adjustment OR a 2.5% COLA – but not both.

- ### FY 2020 Operating Expenses Continued
- 16
- Professional/contracted services reflect a net increase of \$120,000 for employee uniforms and building and site maintenance.
  - Other Operating Expenses increase \$228,000 for increased cost of leachate treatment, employee training and road tolls.
  - Materials & Supplies increase \$95,000 primarily for fuel and other operating supplies.
  - Contracted Waste Disposal Services increase \$2.2 million due to increase in tons and a 3% contractual increase for the WHDA.

The employees that currently are in those positions would receive a pay plan adjustment but only up to a maximum of \$5,000. We can't have someone starting at a higher rate than someone currently employed. Of the 139 employees 79 are going to receive a pay plan adjustment and the other 59, not counting myself, would receive a 2.5% cost of living adjustment (COLA).

Professional and contracted services reflect an increase of about \$120,000, and that's primarily for employee uniforms, equipment maintenance and building/site maintenance. The uniform contract is coming to an end, so staff has worked on putting together a new contract to improve our employee uniforms to something more comfortable to wear. The reason for the increase in the equipment maintenance is because when we bought new equipment last year, we did not include the preventive maintenance plans because we knew we had staff in house to perform them. We didn't have that outlay of cash initially, but now we need to increase it for the different items that you need. Operating expenses increased \$228,000, and this is primarily for the increased cost of leachate treatment. HRSD raised their rates July 1, 2018 by nearly 7% and we haven't yet received their new rates. I'm assuming a similar increase will happen this July. We've also increased the leachate because we're anticipating pumping through the force main again and with that we also pay fees to the City of Suffolk. Over the last eight or nine years, SPSA was trying to minimize expenses as much as we could. The one thing that we neglected to do was to reinvest money into our own staffing and train them. For instance, our equipment mechanics are behind on knowing how to fix all of these new tractors that we've received, especially now that they're so computerized. Road tolls also have increased because we're hauling more waste and project increased tons. When we did the fiscal year 19 budget, the Use and Support Agreements had just gone into effect. We had a month or two to try to estimate how the changes would impact our system. The Waste Hauling and Disposal Agreement (WHDA), is the contract where Wheelabrator is hauling the contract waste to the RDF through MBI as a subcontractor. There is an automatic 3% contractual increase. The Waste Disposal and Services Agreement (WDSA) with Wheelabrator increased due to an increased tons.

**Capital Improvements/Equipment Replacement**

17

- > **Capital Improvements /Equipment Replacement decreased by \$2.2 million to \$3.5 million**
- > The goal is to maintain a level budget of \$3.5 million for capital improvements and equipment replacement. Funds not used in one fiscal year will revert to a Capital Budget Reserve to be used in future years to offset any increase in projected expenses.
- > Landfill ~ \$1.6 million for cleaning the leachate pond, asphalt the parking lot and tire shredder areas, a dump truck replacement and the purchase of a hydro seeder.
- > Equipment Replacement at transfer stations~ \$300,000
- > Transportation ~ \$1.03 million for 8 new tractors and a SUV replacement
- > Fleet Maintenance ~ \$160,000 to replace a field service truck
- > Regional Office Building ~ \$50,000 to sealcoat and repaint parking lot

**Expense Summary**

18

EXPENSES	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget	Budget to Budget	
				\$ Change	% Change
<b>Operating Expenses:</b>					
Personnel	\$ 8,955,444	\$ 8,382,197	\$ 9,355,376	\$ 399,932	4.5%
Professional/Contracted Services	3,486,752	3,493,322	3,606,685	119,933	3%
Other Operating Expenses	1,085,319	1,083,353	1,313,767	228,448	21%
Materials & Supplies	1,812,182	1,809,182	1,907,437	95,255	5%
Contracted Waste Disposal	17,106,830	19,908,409	19,295,197	2,188,367	13%
<b>Total Operating Expenses</b>	<b>32,446,527</b>	<b>34,676,463</b>	<b>35,478,462</b>	<b>3,031,935</b>	<b>9%</b>
Capital Expenses	5,714,723	5,888,104	3,500,000	(2,214,723)	-39%
Landfill Closure/Expansion	3,410,939	3,410,939	4,338,750	927,811	27%
<b>Total Expenses</b>	<b>\$ 41,572,189</b>	<b>\$ 43,975,506</b>	<b>\$ 43,317,212</b>	<b>\$ -1,745,023</b>	<b>4.2%</b>

Capital improvements and equipment replacement show a decrease of \$2.2 million to \$3.5 million. In fiscal year '19 we included \$2.5 million for HRSD to build us a new force main. I have not included



that in the budget since we know that's not anticipated for a few more years. Total expenses reflect a net increase of \$1.745 million.

**Changes to Strategic Operating Plan**  
19

- The section on the Regional Landfill ~ Planning Horizon~ was updated to reflect the most recent Airspace Report and an updated Conceptual Plan for the landfill was added.
- The section pertaining to the Annual Budget was updated to coincide with the changes to the Financial Policies.
- SPSA's Role in a Storm Event was updated to reflect that VDEM serves as the point of contact.

**Changes to Financial Policies**  
20

- References to bond resolutions have been removed
- Amended to reflect Executive Director's authority:
  - ✓ Make budget transfers within cost centers (departments), however Budget transfers between cost centers are limited to \$50,000 without Board approval.
  - ✓ May make position adjustments throughout budget year but cannot exceed the budgeted FTEs or budget amounts.
  - ✓ Make changes to the Employee Policy Manual without Board approval except for sections pertaining to compensation and benefits.

The Strategic Operating Plan is also part of your budget document. This was last updated in January of 2018, and it needed some minor updates.

Chairman Keifer (NO) commented the next section talks about the Financial Policies, and one of the things that we discussed in the Executive Committee is that it wasn't clear on what authority the Executive Director has to move money around within the budget, change positions and so forth. The items that Liesl is presenting are the recommendations of the Executive Committee.

Ms. DeVary commented that the term "cost centers" is what the cities refer to as "departments". We have added a section that SPSA will maintain an employee policy manual and the Executive Director can make changes to this without board approval except for any sections that are pertaining to compensation and benefits. That needs to be brought to the board and approved prior to any changes.

**Changes to Financial Policies**  
21

- **Fund Balance Policy**
  - ✓ SPSA intends to maintain an undesignated fund balance equivalent to 2 months operating expenses
- **Debt Policy**
  - ✓ SPSA does not intend to issue any debt
- **Sale of Surplus Equipment section removed**
- **Credit and Collection Policy**
  - ✓ Updated to reflect identical terminology in SOP

**Reserves**  
22

Type of Fund	Balance as of 6/30/2018	FY 2019 Contributions / (Withdrawals)	FY 2020 Contributions / (Withdrawals)	Projected Balance June 30, 2020
Undesignated Fund Balance	\$3,294,353	\$2,934,986	\$ -	\$6,229,340
Reserve for HRSD Force Main	2,500,000			2,500,000
Landfill Expansion / Closure Fund	16,852,408	3,405,939	4,338,750	24,597,097
HDR Expenses		(566,380)		(566,380)
<b>Total Landfill Expansion/Closure</b>	<b>16,852,408</b>	<b>2,839,559</b>	<b>4,338,750</b>	<b>24,030,717</b>
<b>Grand Total</b>	<b>\$22,646,761</b>	<b>\$5,774,545</b>	<b>\$4,338,750</b>	<b>\$32,760,057</b>

Previously, our bond resolutions required us to maintain a three-month operating fund balance. Since we are an enterprise fund, the GFOA recommends an undesignated fund balance equivalent to two months operating expenses. If something happened, and we would have to raise the tipping fee, it's



going to take us 60 days because we have to have a public hearing to advertise it and the board has to approve it. SPSA does not intend to issue any debt. However, if we would go down that path, the financial policies state clearly that we must follow applicable law, which is spelled out in House Bill 1872, the Cosgrove Bill.

I am projecting a surplus of nearly \$2.9 million in the current fiscal year, 98% percent of that is due to the increase in tons that we have received from municipal and commercial waste. I also want to note that two-month operating expenses on the new budget is around \$5.9 million. My recommendation is to take the \$2.9 from this year and transfer it to the undesignated fund balance, which would leave a balance of \$6.2 million. That is slightly over the requirement. We have \$16.8 million set aside for landfill closure and expansion. The net amount contributed in 2019 is \$28 million. In fiscal year '20 we have budgeted \$4.3 million and at the end of fiscal year '20, the projected balance is slightly over \$24 million. We've been working with HDR on a construction schedule with all of the detailed costs involved, estimating at what year we would expect to spend them and so forth. We plan on reviewing that with the Board in the next month or two. The other thing that I would plan is if next year we have a surplus then I'd recommend that to go into landfill closure. You want to have all the money put away as soon as possible for what we need.

**Five Year Projected Municipal Tip Fee**

23

- > Included in the budget document is a 5-year projected municipal tip fee.
- > The projection basically assumes a 1% annual increase in municipal tons and a 2% increase in most operating expenses. Contracts with Wheelabrator and the Navy are included.
- > This is a starting point to be monitored and updated regularly.

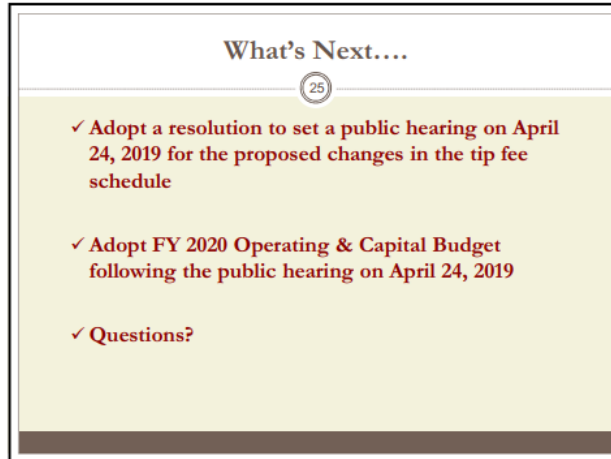
FY 2020 ~ \$57.00  
 FY 2021 ~ \$57.65  
 FY 2022 ~ \$58.30  
 FY 2023 ~ \$58.99  
 FY 2024 ~ \$59.64

**Budget Recap**

24

- > Total Budget = \$43,317,212
- > Municipal tonnages are projected at 445,000
- > Municipal tip fee decreases to \$57 per ton
- > Includes a pay plan adjustment OR a 2.5% COLA in employee wages

The five-year projected municipal tip fee assumes that municipal waste tonnages are going to increase 1% and a 2% increase in most operating expenses annually. This is a starting point, but it will be something that we'll monitor and update regularly. I'm not in favor of using cents in the tip fee so my goal is always to do what I can to keep it in round numbers. I think also if we can try to look at it from a two-year perspective, so we give you a tip fee that's pretty solid for more years. You are going to see a slight increase because the Wheelabrator contract increases, but we still have several things in operation that we want to look at to achieve more efficiency. As long as tonnages don't drop, these numbers are pretty good. To recap, the total budget is \$43,317,212. Municipal tonnages are projected at 445,000. The municipal tipping fee decreases to \$57 per ton. The budget includes a pay plan adjustment or a 2.5% COLA in employee wages.



We have a resolution that you would need to adopt today to set a public hearing on the changes in the tip fee schedule. We would have the public hearing at your next meeting and then once that is done, that would be your first opportunity to adopt the fiscal year '20 operating and capital budget following the hearing.

Mr. Maxwell (CH) asked for an explanation on why we want to reduce the reserve from 3 months to 2 months.

Ms. DeVary responded that is what is recommended by the GFOA. Up until January of 2018 we had a \$10 million reserve and that exceeded three-months operating expenses. The plan for several years up until 2018 was that when the new Use and Support Agreements became effective all the debt is paid off, then that ten million would transfer to the landfill expansion and closure fund, that's how it became \$16.8 million. Last fiscal year, we were able to establish an undesignated fund balance of \$3.3 million. The landfill closure fund is not in a separate bank account, it's not restricted in any way. It's designated and that's what we plan to use it for, but it's up to the board entirely if you want to use that towards something else. To have over six million for an undesignated fund balance keeps us very well situated and covered. If you want to move it up to three months we can certainly do that.

Mr. Keaton (IW) commented that cities and counties have varying policies on undesignated fund balance, probably 10-20% is a normal range. Three months of course would be 25%. That would be substantially higher than what a lot of cities and counties carry. SPSA has a steady cash flow every month where tipping fees come in so you're not subject to cash flow issues in between receiving your large chunk of taxes. I think the two months is adequate plus the fact that we have additional funds in landfill closure.

Mr. Maxwell (CH) commented thank you for your answers.

Chairman Keifer (NO) commented one of the questions that comes up is we have these fund balances why don't we cut the rates or give that money back to the community? Setting a target with the

undesignated fund balance is a new thing. Liesl has researched and set the two-month buffer for the undesignated fund balance. We know about the HRSD force main, and in a month or two we'll be getting a full discussion of the landfill expansion so we'll know where our target is there. I would say that if we didn't have all that money in the landfill expansion, then a 3 months undesignated fund balance would certainly make sense. Since we've got \$24 million, I think we are adequately covered.

Ms. DeVary commented the plan is to always have money in landfill expansion and closure because as you close one cell you need to have money set aside to move into another one. It should not be quite as high as these levels, because we're trying to accumulate this money over nine years. The money that we're working towards right now is just for Phase 1 of Cell VII you're going to need Phase 2 of Cell VII shortly thereafter. That's all part of our master plan, and it will be included in all the numbers that we've been working on.

Mr. Ashby (PO) asked when was the last year we didn't give a COLA in terms of salaries and for additional information in regards to the survey conducted.

Ms. DeVary responded 2011. We basically only looked at those three positions. We looked at the Roanoke Valley Regional Authority, VPSA, which is the authority over on the Peninsula, and got information from Norfolk, Chesapeake, and Newport News. Everybody was above our current rates. We also looked at a couple of construction companies, and their ranges went anywhere from \$18 to \$21 for a heavy equipment operator.

Mr. Barnes (VB) commented great job on the budget preparation and the coverage that you provided here. One of the things I was looking for that you mentioned that's coming up is the capital coverage on what those landfill items are, the schedule, the costs the money, that sort of thing. I'll be interested in seeing that all tied together. I think it would be helpful to cover how SPSA plans and projects those capital costs. That's certainly one of the things that we're going through on our budget is to make sure that we've got enough money but not too much money on capital replacement to make sure that we've got the reliability and resilience in the program. I think changing over to tippers and hauling will help with the vacancies you are having. We're having exactly the same issue. The projected tip fees is really helpful from a budgeting standpoint.

Ms. DeVary commented there is a five-year capital equipment and replacement schedule in the budget document. With changing out the type of trailers, the key thing right now is that our trailers are in great shape. We're not planning on replacing them until 2022, the numbers that you see in here are looking at replacing some of the walking floors with tipper trailers.

Mr. Martin (CH) asked what's the sensitivity of the budget to other capital projects being inserted? In Chesapeake we'd like to do some sort of cost-sharing project to move our transfer station. How much of an impact would that be on the budget to absorb another capital expense?

Ms. DeVary responded like with any budget, you need to plan for it. There is some flexibility in looking at what we have in for our five-year capital, whether or not things can be moved around. You have money set aside for expansion and closure, it is possible that the Board can decide to use some of it this year and then we'll work on replacing it next year.

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

Chairman Keifer (NO) commented whenever we're setting rates, we're required to have a public hearing with a couple weeks' notice. We need to have a resolution to set a public hearing. That will give the public opportunity to comment on those proposed rates so we would set the public hearing for next month's meeting and then at that point, we'll be able to adopt the budget.

Mr. Tisdale read the following resolution.

**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 with such changes to be effective July 1, 2019; 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 July 1, 2019, as set forth on the attached page; and

**FURTHER RESOLVED**, that the Board of the Southeastern Public Service Authority of Virginia hereby (i) establishes April 24, 2019 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 27<sup>th</sup> day of March, 2019.

**Mr. Roberts (SU) moved, seconded by Mr. McCoy (PO) to approve the resolution setting a public hearing for the schedule of fess and charged as read this 27<sup>th</sup> say of March 2019. The vote of the motion was unanimous.**

**5. OLD/NEW BUSINESS**

No new business was discussed.

**6. ADJOURN MEETING**

There being no further business to come before the Board of Directors the regular meeting was adjourned at 11:25 a.m.

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Liesl R. DeVary  
Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors

## 1. Financial Reports

**Statement of Revenue and Expenses – Budget to Actual Comparison**

For the month ending March 31, 2019, total revenues exceeded total expenses by approximately \$4.7 million as compared to \$2.5 million in the previous year.

Tipping fee revenue received FYTD reflects a decrease of 1% or approximately \$310,000 as compared to fiscal year 2018. Municipal waste tons are up approximately 13% or 35,940 tons as compared to fiscal year 2018. The increase in the municipal waste stream is due to an increase in the municipal waste stream and for receiving bulk waste.

For the month ending March 31, 2019, total expenses were approximately \$30.6 million as compared to \$31.2 million incurred in the previous fiscal year.

**Monthly Expense Line Items**

This report provides the actual expenses by month by the type of expense. The majority of the line items vary in amounts from month to month because they are either: (1) dependent on usage, or (2) timing of payment and/or check date. The salaries and benefit line items show a large increase from the prior month due to having 3 pay periods in the month of March.

**Monthly Comparison of Revenues and Expenses**

This report illustrates the monthly revenues and expenses. An explanation is included under each graph if there is a sizeable variance. The straight line in each graph represents the fiscal year 2019 budget on a straight-lined basis and the line graph represents the prior fiscal year for comparison.

**Waste Stream Report**

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. For the month ending March 31, 2019, municipal waste tonnages reflect an increase of 13% or approximately 35,940 tons as compared to March 2018.

**Treasurer's Report of Cash Balances**

This report captures the monthly activity in each of the depository accounts grouped as either unrestricted and designated funds or trust funds. As of March 31, 2019 operating cash balances were approximately \$29.7 million representing approximately \$6.8 million in the operating account, \$3.3 million in undesignated fund balance, \$329,232 for FY 2018 Rolled Purchase Orders, \$2.4 million reserved for FY 2019 capital projects and \$16.9 million designated for landfill expansion/closure.

**RECOMMENDED ACTION:** Approve the financial reports as presented.

**MOTION:** Do I hear a motion that the SPSA financial reports subject to audit be approved as presented.

**Southeastern Public Service Authority**  
**Statement of Revenue and Expenses - Budget to Actual Comparison**  
**For the Period Ending March 31, 2019**

	March 2019				March 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
<b>REVENUES</b>								
Tipping Fees	\$ 37,720,239	\$ 3,476,731	\$ 31,779,563	84.3%	\$ 42,407,666	\$ 3,159,690	\$ 32,089,606	75.7%
Tire program	332,000	42,693	431,453	130.0%	292,000	47,311	307,017	105.1%
Household Hazardous Waste Revenue	250,000	12,718	179,207	71.7%	225,000	25,302	186,267	82.8%
White Goods Program	40,000	16,339	29,730	74.3%	40,000	3,926	26,054	65.1%
Landfill Gas Recovery	335,000	10,803	222,265	66.3%	335,000	29,291	246,890	73.7%
Miscellaneous Income	214,950	10,730	461,773	214.8%	639,390	18,685	659,914	103.2%
Interest Earnings	180,000	86,187	315,680	175.4%	180,000	32,342	178,591	99.2%
<b>A</b> Fund Balance / Capital / Rolled PO's	2,173,044	35,748	1,843,811	84.8%	351,971	-	-	0.0%
Fund Balance / Contingency	2,500,000	78,334	90,537	3.6%	592,448	-	-	0.0%
Fund Balance / Tip Fee Stabilization Fund	-	-	-	N/A	-	-	-	N/A
<b>TOTAL REVENUES</b>	<b>\$ 43,745,233</b>	<b>\$ 3,770,283</b>	<b>\$ 35,354,019</b>	<b>80.8%</b>	<b>\$ 45,063,475</b>	<b>\$ 3,316,547</b>	<b>\$ 33,694,339</b>	<b>74.8%</b>
<b>OPERATING EXPENSES</b>								
Administration								
Salaries / Wages	\$ 882,617	\$ 91,270	\$ 515,542	58.4%	\$ 773,361	\$ 76,994	\$ 434,695	56.2%
Employee Benefits	227,468	19,637	127,573	56.1%	213,478	16,193	117,010	54.8%
<b>A</b> Professional / Contracted Services	645,915	20,360	416,578	64.5%	609,426	29,983	636,720	104.5%
Other Operating Expenses	208,900	19,097	136,515	65.3%	152,580	14,044	116,898	76.6%
Materials / Supplies	15,498	491	4,080	26.3%	16,515	1,749	14,372	87.0%
Total Administration	\$ 1,980,398	\$ 150,855	\$ 1,200,287	60.6%	\$ 1,765,360	\$ 138,962	\$ 1,319,695	74.8%
Environmental Management								
Salaries / Wages	\$ 284,161	\$ 32,599	\$ 206,791	72.8%	\$ 281,909	\$ 29,352	\$ 196,468	69.7%
Employee Benefits	96,980	9,219	75,003	77.3%	96,178	7,758	73,042	75.9%
Professional / Contracted Services	43,160	158	26,051	60.4%	43,100	4,322	17,896	41.5%
Other Operating Expenses	7,168	565	4,728	66.0%	6,915	365	3,407	49.3%
Materials / Supplies	20,620	2,362	15,010	72.8%	20,680	238	6,549	31.7%
Total Environmental Management	\$ 452,089	\$ 44,903	\$ 327,583	72.5%	\$ 448,782	\$ 42,035	\$ 297,362	66.3%
Operations								
Salaries / Wages	\$ 5,539,339	\$ 580,637	\$ 3,909,119	70.6%	\$ 5,788,014	\$ 593,150	\$ 4,075,937	70.4%
Employee Benefits	1,924,879	159,313	1,360,195	70.7%	2,043,058	168,318	1,533,771	75.1%
<b>A</b> Professional / Contracted Services	2,868,719	242,972	1,849,204	64.5%	2,975,818	222,547	2,019,100	67.9%
Other Operating Expenses	864,252	61,427	526,974	61.0%	1,049,253	61,672	610,279	58.2%
Materials / Supplies	1,776,064	115,847	1,090,746	61.4%	1,728,439	115,383	1,015,156	58.7%
Total Operations	\$ 12,973,253	\$ 1,160,196	\$ 8,736,238	67.3%	\$ 13,584,582	\$ 1,161,071	\$ 9,254,243	68.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 15,405,740</b>	<b>\$ 1,355,954</b>	<b>\$ 10,264,108</b>	<b>66.6%</b>	<b>\$ 15,798,724</b>	<b>\$ 1,342,069</b>	<b>\$ 10,871,300</b>	<b>68.8%</b>
<b>CAPITAL PROJECTS / EQUIPMENT REPLACEMENT</b>								
<b>A</b> RLF - Pump House Rebuild	\$ 26,854	\$ -	\$ 26,854	100.0%				
<b>A</b> RLF - SCADA System Leachate System	378,985	25,160	316,065	83.4%				
<b>A</b> Leachate System Improvements	19,622	-	1,873	9.5%				
<b>A</b> NTS - Tip Floor/Drain Repairs	304,240	-	304,240	100.0%				
<b>A</b> Permanent Pump/Haul Loadout	1,191,486	8,588	908,083	76.2%				
<b>A</b> RLF - Site Maintenance	11,000	2,000	4,250	38.6%				
<b>A</b> HHW Facility Improvements	212,212	-	212,212	100.0%				
<b>A</b> HHW Trailers	8,400	-	8,400	100.0%				
HHW Relocation	115,000	26,026	26,026	22.6%				
GPS Rover Grade/Compaction	150,000	-	-	0.0%				
HRSD Force Main	2,032,760	-	-	0.0%				
Four-Post Lift (RLF Shop)	26,729	-	26,729	100.0%				
Shop Doors (RLF Shop)	39,325	39,325	39,325	100.0%				
Electric Forklift (OPC Shop)	28,454	-	28,454	100.0%				
MSW Tractors	976,399	976,174	976,174	100.0%				
BKNS - Compactor & 2 Boxes	75,039	-	75,039	100.0%				
CTS - Interior Repairs	121,000	-	-	0.0%				
CTS - Wheeled Excavator	260,904	-	-	0.0%				
CTS - Tip Floor Repairs	39,000	-	-	0.0%				
CTS - Asphalt/Concrete Repairs	28,215	-	28,215	100.0%				
LTS - Replace A/C Units	53,875	-	-	0.0%				
LTS - Pressure Wash/Paint	29,440	-	-	0.0%				
NTS - Replace Scale In/Outbound	185,485	-	-	0.0%				
NTS - Inbound Scale	90,839	-	-	0.0%				
STS - Wheeled Excavator	260,904	-	-	0.0%				

	March 2019				March 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
<b>CAPITAL PROJECTS / EQUIPMENT REPLACEMENT ~ CONT'D</b>								
MUNIS Upgrade/Servers	15,999	-	15,999	100.0%				
Scalehouse Server	8,399	-	8,399	100.0%				
Computer Desktop Replacements	59,009	54,722	56,182	95.2%				
Scalehouse Software	158,360	-	47,008	29.7%				
TPF - Wheeled Loader	216,992	-	-	0.0%	-	-	-	
Cell 8/9 Permitting	467,240	78,334	90,537	19.4%				
FIS - Drainage Improvements	24,766	-	24,766	100.0%				
IT - Executime Software	56,963	-	-	0.0%				
RLF - Tractor	59,428	-	59,428	100.0%				
Access Control System	18,674	5,235	10,470	56.1%				
IOW - Concrete Landing Pads	30,000	7,950	7,950	26.5%				
System Domain Servers	16,600	-	-	0.0%				
MS Exchange Upgrade	15,650	-	-	0.0%				
Undesignated	7,477	-	-	0.0%				
<b>Total Capital/Equipment Replacement</b>	<b>\$ 7,821,724</b>	<b>\$ 1,223,514</b>	<b>\$ 3,302,678</b>	<b>42.2%</b>	<b>\$ 7,040,114</b>	<b>\$ 709,717</b>	<b>\$ 3,269,783</b>	<b>46.4%</b>
<b>DEBT SERVICE</b>								
Principal (transfers to trustee)	\$ -	\$ -	\$ -	N/A	\$ 2,473,750	\$ -	\$ 2,473,750	100.0%
Interest (transfers to trustee)	-	-	-	N/A	85,527	-	85,527	100.0%
Total Debt Service	\$ -	\$ -	\$ -	N/A	\$ 2,559,277	\$ -	\$ 2,559,277	100.0%
Service Fee to Wheelabrator								
Annual Fee Paid over 12 Months	\$ -	\$ -	\$ -	N/A	\$ 14,677,421	\$ -	\$ 14,677,419	100.0%
Less: Steam Energy Revenue	-	-	-	N/A	(592,360)	-	(540,177)	91.2%
Less: SPSA Hauling Fee	-	-	-	N/A	(1,694,381)	-	(1,695,361)	100.1%
Less: Loading Fee	-	-	-	N/A	(171,888)	-	(167,805)	97.6%
Less: Proprietary Waste Revenue	-	-	-	N/A	(55,983)	-	(71,206)	127.2%
Less: Fuel Surcharge	-	-	-	N/A	(55,611)	-	(85,549)	153.8%
Less: Overtime Per Addendum 4	-	-	-	N/A	(30,303)	-	(30,473)	100.6%
Less: Cost for Ash Disposal	-	-	-	N/A	(447,310)	-	(507,266)	113.4%
Less: Diverted Waste Disposed by SPSA	-	-	-	N/A	-	-	(10,736)	N/A
Net Fee to Wheelabrator	\$ -	\$ -	\$ -	N/A	\$ 11,629,585	\$ -	\$ 11,568,847	99.5%
Contracted Waste Disposal	\$ 17,106,830	\$ 1,252,892	\$ 14,524,301	84.9%	\$ 8,030,775	\$ 1,476,388	\$ 2,942,395	36.6%
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	-	0.0%
Reserves for Landfill Expansion/Closure	3,405,939	283,828	2,554,452	75.0%	-	-	-	N/A
Total Other Uses	\$ 20,517,769	\$ 1,745,743	\$ 17,078,753	83.2%	\$ 19,665,360	\$ 1,476,388	\$ 14,511,241	73.8%
<b>GRAND TOTAL EXPENSES</b>	<b>\$ 43,745,233</b>	<b>\$ 4,325,211</b>	<b>\$ 30,645,540</b>	<b>70.1%</b>	<b>\$ 45,063,475</b>	<b>\$ 3,528,174</b>	<b>\$ 31,211,602</b>	<b>69.3%</b>
<b>NET REVENUES / (EXPENSES)</b>	<b>\$ -</b>	<b>\$ (554,928)</b>	<b>\$ 4,708,479</b>		<b>\$ -</b>	<b>\$ (211,626)</b>	<b>\$ 2,482,737</b>	

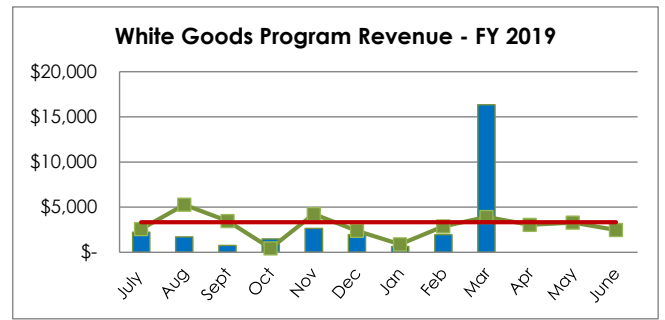
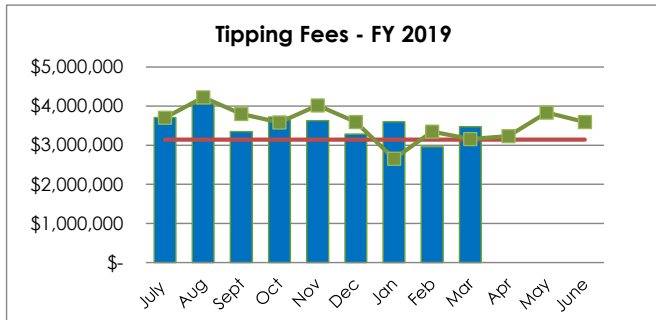
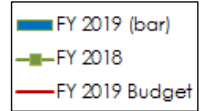
A Budget has been adjusted by \$2,173,044 for purchase orders rolled over from FY 2018.



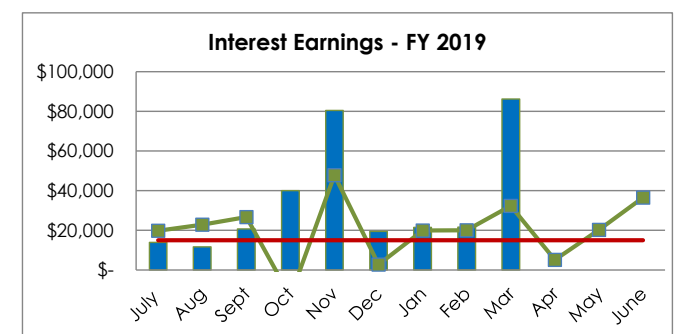
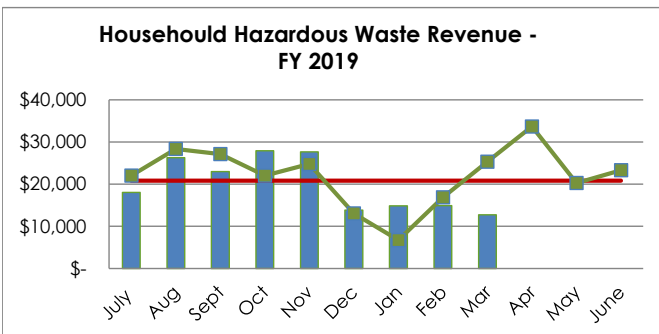
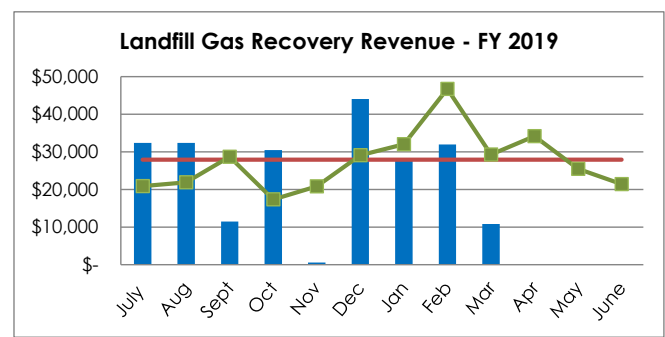
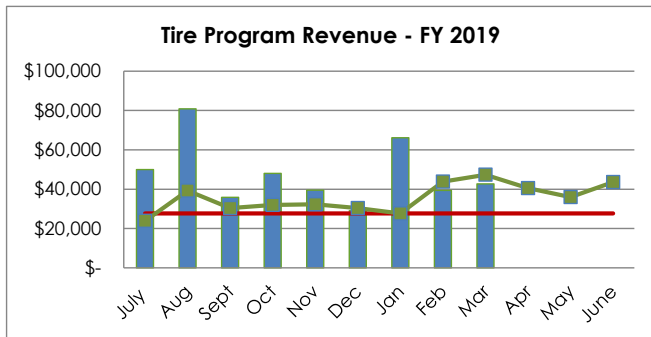
**Southeastern Public Service Authority**  
**Monthly Expense Line Items - Preliminary**

Description	FY 2019 Budget	Jan-19	Feb-19	Mar-19	FYTD	From Previous Month \$ Change	% Change
<b>Expenses</b>							
Salaries Exempt	\$ 1,971,248	\$ 129,114	\$ 134,873	\$ 209,981	\$ 1,314,536	\$ 75,108	55.7%
Salaries Non-Exempt	4,512,794	320,795	313,906	467,293	3,062,659	153,387	48.9%
Overtime	222,075	34,780	7,819	27,231	254,257	19,413	248.3%
Fica / Medicare Tax	513,017	35,445	33,294	52,254	336,357	18,961	56.9%
VRS Refirement	37,470	2,727	2,730	2,763	25,118	33	1.2%
Health Insurance	1,403,597	111,264	110,912	111,132	1,005,709	220	0.2%
Vrs Group Life Insurance	81,766	6,158	6,169	6,151	56,545	(19)	-0.3%
Unemployment Insurance	9,853	2,271	1,700	1,025	5,445	(675)	-39.7%
Workers Compensation	203,624	14,844	14,844	14,844	133,596	-	0.0%
Medical Fees	12,200	726	510	275	4,295	(235)	-46.1%
Security Service	81,504	6,559	9,883	6,405	55,625	(3,478)	-35.2%
Professional Services	173,944	893	285	608	70,065	323	113.5%
Engineering Services	300,000	17,333	-	60,441	145,399	60,441	N/A
Landfill Survey	15,000	-	-	-	1,500	-	N/A
Legal Fees	325,000	7,022	14,801	12,196	203,475	(2,604)	-17.6%
Environmental Testing	103,400	1,121	20,363	727	66,096	(19,636)	-96.4%
Fire Protection	7,000	473	153	305	3,611	152	99.5%
Uniform Rental	30,693	1,378	2,590	1,520	16,610	(1,070)	-41.3%
Maintenance Service Agreements	140,173	3,036	47,337	7,447	111,256	(39,890)	-84.3%
Grounds Maintenance	108,007	8,664	984	1,189	40,996	205	20.8%
Hazardous Waste Disp/Cleanup	27,000	19,950	-	-	20,553	-	N/A
Equipment Maintenance	973,823	130,630	38,605	54,336	641,107	15,731	40.7%
Building / Site Maintenance	536,589	45,047	37,864	38,408	378,485	544	1.4%
Leachate Pumping Station Maint	50,000	1,994	590	5,924	27,971	5,334	903.9%
Pump & Haul Leachate	4,999	-	-	-	4,899	-	N/A
Printing	300	-	-	-	-	-	N/A
Advertising	13,700	-	300	295	2,833	(5)	-1.7%
Permit Fees	74,462	-	9,912	-	66,877	(9,912)	-100.0%
Suffolk Host Fee	580,000	54,348	53,240	73,412	430,180	20,172	37.9%
Electricity	218,275	22,084	16,749	14,009	145,034	(2,740)	-16.4%
Heating/Gas/Propane	14,700	3,832	2,443	2,153	10,885	(290)	-11.9%
Water / Sewer	48,442	2,548	2,711	913	26,385	(1,798)	-66.3%
Leachate Treatment	255,001	9,078	16,951	19,520	85,850	2,569	15.2%
Telephone	108,000	7,941	1,975	13,199	64,874	11,224	568.4%
Postage	2,460	216	255	124	1,407	(131)	-51.5%
Radio Communication & Repair	11,200	50	2,160	32	6,198	(2,127)	-98.5%
Insurance & Bonding	185,364	15,447	15,447	15,447	139,523	-	0.0%
Equipment Rental	39,500	558	2,385	310	30,706	(2,076)	-87.0%
Land Lease Payment	3,500	292	292	292	2,625	-	0.0%
Tire De-Rimming Service	10,000	-	2,485	-	3,850	(2,485)	-100.0%
Travel And Training	13,270	903	2,806	1,105	9,567	(1,702)	-60.6%
Road Tolls	121,675	11,085	9,208	10,961	100,326	1,753	19.0%
Membership & Professional Dues	3,933	-	-	223	2,069	223	N/A
Bank Fees	35,000	2,819	3,151	2,759	29,623	(392)	-12.4%
Awards Programs	9,000	45	-	42	8,358	42	N/A
EMS Support Program	1,000	-	-	-	935	-	N/A
Office Supplies	13,680	1,026	791	731	8,379	(60)	-7.6%
Dues & Subscriptions	1,750	-	-	-	445	-	N/A
Other Operating Supplies	92,210	11,918	6,745	4,397	51,693	(2,348)	-34.8%
Vehicle / Equipment Fuel	871,024	51,391	41,842	52,601	515,948	10,759	25.7%
Vehicle / Equipment Tires	772,300	52,028	49,026	58,730	492,539	9,704	19.8%
Safety Apparel & Equipment	27,750	2,758	993	2,192	12,400	1,199	120.8%
Small Equipment	23,668	5,106	2,927	-	26,904	(2,927)	-100.0%
Computer Hardware	9,800	1,198	-	50	1,528	50	N/A
<b>Total Operating Expenses</b>	<b>\$ 15,405,740</b>	<b>\$ 1,158,894</b>	<b>\$ 1,045,003</b>	<b>\$ 1,355,954</b>	<b>\$ 10,264,108</b>	<b>\$ 310,951</b>	<b>29.8%</b>
Capital Projects/Equip Replacement	\$ 7,821,724	522,853	137,909	1,223,514	3,302,678	1,085,605	787.2%
Contracted Waste Disposal	17,106,830	1,644,771	1,252,892	1,461,915	14,524,301	209,022	16.7%
Suffolk Environmental Trust Fund	5,000	-	-	-	-	-	N/A
Reserves for Landfill Expansion/Closure	3,405,939	283,828	283,828	283,828	2,554,452	-	0.0%
<b>Total Expenses</b>	<b>\$ 43,745,233</b>	<b>\$ 3,610,346</b>	<b>\$ 2,719,632</b>	<b>\$ 4,325,211</b>	<b>\$ 30,645,540</b>	<b>\$ 1,605,578</b>	<b>59.0%</b>

**Southeastern Public Service Authority  
Monthly Comparison of Revenues and Expenses**

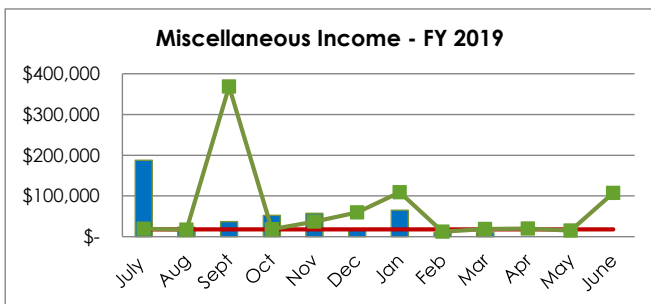


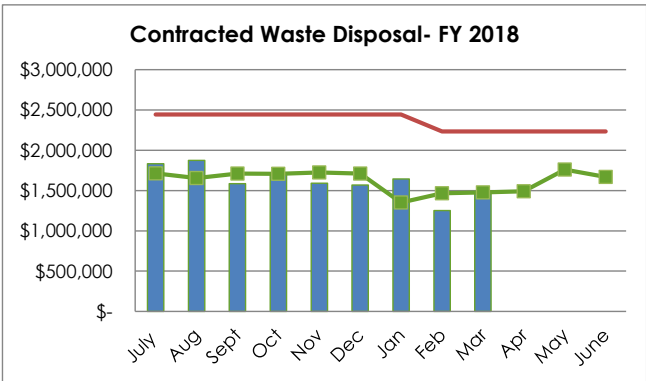
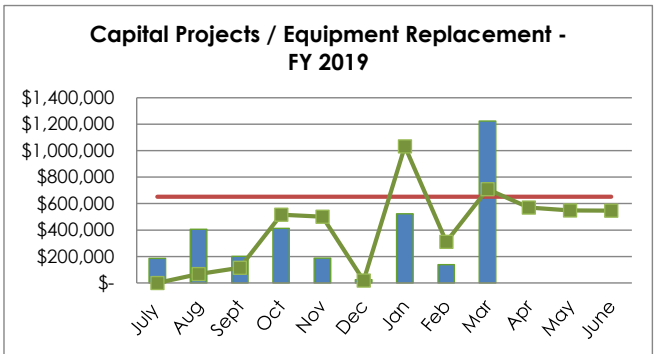
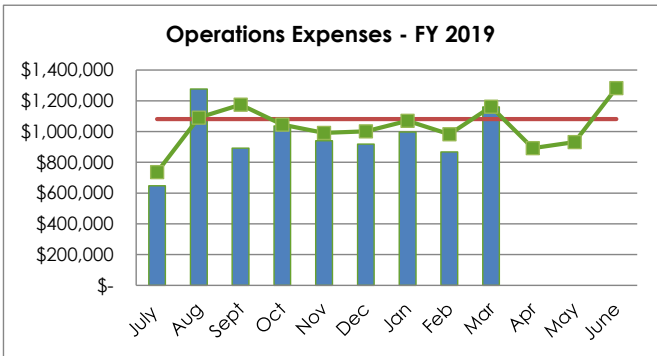
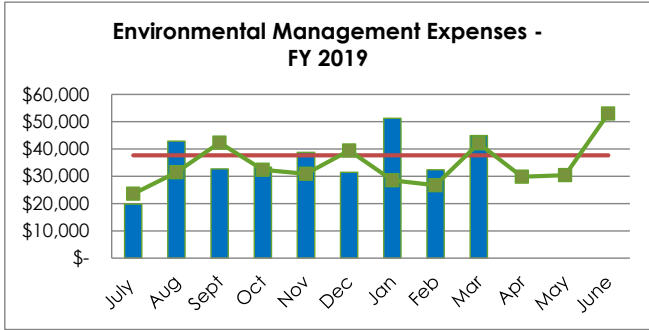
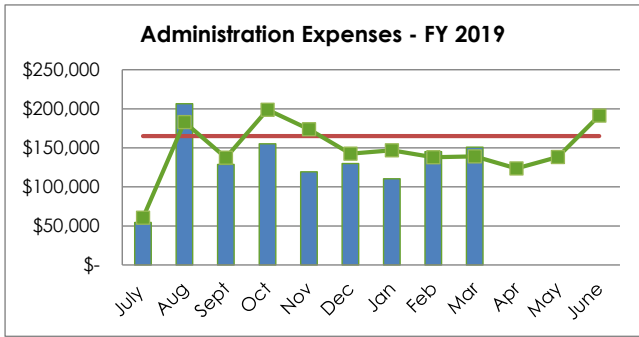
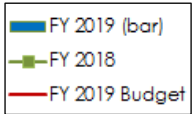
\* Monthly revenue is dependent on users.



\* Monthly revenue is dependent on users.

Interest payments vary based on investment date and maturity date.

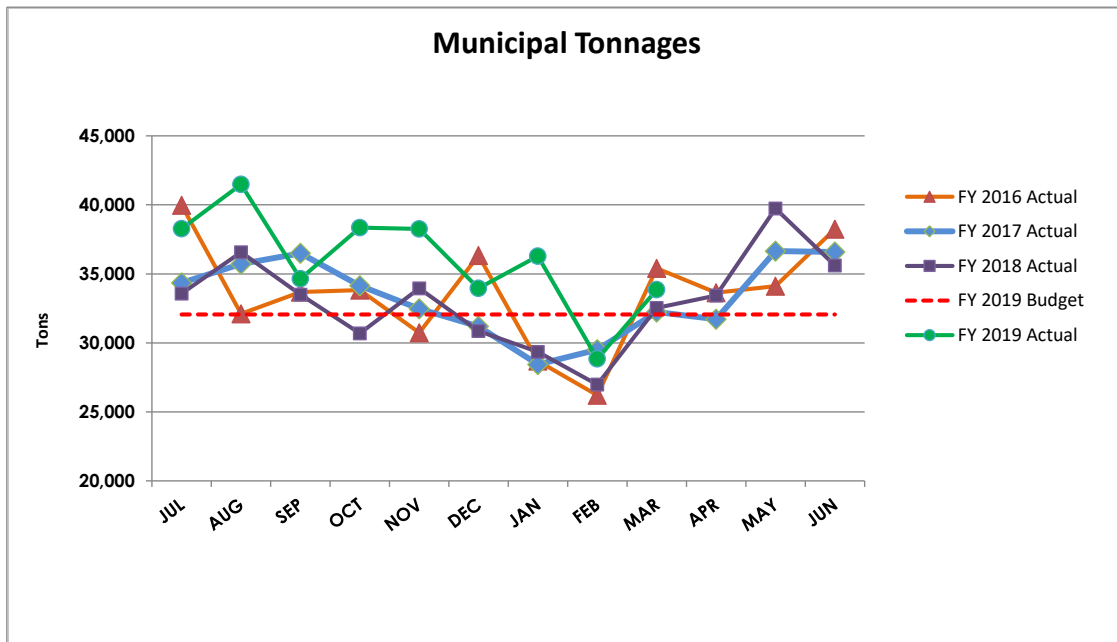




# Southeastern Public Service Authority (SPSA) Waste Stream

Waste Category	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	
	Actual (Tons)	Actual (Tons)	Actual (Tons)	Actual (Tons)	Budget	Actual (Tons) as of 3/31/2019	% of Budget
<b>Waste Stream Budgeted under Tipping Fees</b>							
Municipal Waste							
Chesapeake	92,072	94,981	90,926	90,896	92,987	75,968	81.7%
Franklin	2,524	2,592	2,690	2,698	2,915	2,167	74.3%
Isle of Wight	16,070	16,513	15,180	16,883	16,331	12,652	77.5%
Norfolk	62,296	66,240	64,575	62,587	80,746	65,211	80.8%
Portsmouth	28,439	29,089	30,023	32,769	35,231	29,218	82.9%
Southampton	8,107	8,385	8,593	8,910	8,726	7,760	88.9%
Suffolk	43,337	40,068	45,645	40,847	41,571	30,175	72.6%
Virginia Beach	133,304	134,285	130,645	127,483	137,983	100,794	73.0%
Residential (Free of Charge)	9,331	10,096	11,223	13,711	-	-	N/A
<b>Total Municipal Waste</b>	<b>395,480</b>	<b>402,249</b>	<b>399,500</b>	<b>396,784</b>	<b>416,490</b>	<b>323,945</b>	<b>77.8%</b>
Sludge - Norfolk	5,866	4,611	4,782	5,586	4,900	4,536	92.6%
Navy Waste	25,357	24,725	24,500	26,653	4,083	19,627	480.7%
SPSA Contracted Waste	-	-	26,437	65,936	104,000	106,287	102.2%
Construction & Demolition Debris	10,066	11,486	14,252	14,850	15,000	7,390	49.3%
Non-Contract Waste	-	-	-	15,469	30,000	26,832	89.4%
<b>Total Other Waste</b>	<b>41,289</b>	<b>40,822</b>	<b>69,971</b>	<b>128,494</b>	<b>157,983</b>	<b>164,672</b>	<b>104.2%</b>
<b>Total Waste Stream</b>	<b>436,769</b>	<b>443,071</b>	<b>469,471</b>	<b>525,278</b>	<b>574,473</b>	<b>488,617</b>	<b>85.1%</b>

Note: Effective July 1, 2018 residential waste tons is included with municipal waste tons.



**Southeastern Public Service Authority (SPSA)**  
**Regional Landfill Waste Stream**

					July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Types of Waste (tons)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019
Construction and Demolition Debris	10,066	11,485	14,252	14,850	906	1,353	863	839	531	683	822	664	729	7,390
Water Treatment Plant Sludge	7,198	5,314	4,927	5,717	649	636	391	511	613	461	493	417	364	4,535
Industrial Waste	1,552	874	846	379	60	23	19	25	28	14	7	9	15	200
Soils for Use as Alternate Daily Cover	34,168	66,380	18,935	9,990	670	725	716	990	774	809	1,158	499	531	6,872
Clean Fill	56,311	92,732	25,369	26,396	-	90	-	-	-	-	110	-	68	268
Peanut Residue/Hulls	2,894	3,202	5,650	9,366	223	234	194	357	350	293	358	300	383	2,692
Non-Processible Municipal Solid Waste <sup>1</sup>	6,189	1,788	5,765	3,791	61	62	59	60	85	62	73	51	63	576
Navy Waste <sup>2</sup>	36	88	150	154	19	10	6	60	71	1	20	29	25	241
Non-Processible Commercial Waste <sup>2</sup>	4,265	5,096	4,518	2,631	40	88	58	64	46	45	64	50	24	479
Fluff from BiMetals	5,708	-	-	-	-	-	-	-	-	-	-	-	-	-
Concrete/Asphalt	3,832	416	3	-	-	-	-	-	133	-	-	-	-	133
Shredded Tires	2,587	3,052	3,289	4,586	86	872	421	514	473	391	64	435	552	3,808
Ash	192,754	177,493	174,420	179,361	14,872	17,651	13,592	14,551	13,984	11,871	11,180	4,706	2,672	105,079
Non-Qualifying Ash	-	-	-	-	-	-	-	-	681	561	3,644	4,943	8,874	18,703
MSW from FTS, IWTS, STS	-	-	-	46,011	9,020	9,286	7,519	8,869	8,590	7,806	8,464	7,090	8,259	74,903
Clean Fill - Clearfield	33,899	32,400	28,226	14,496	3,345	4,328	5,802	6,180	-	11,718	2,892	4,328	1,966	40,559
Residual Waste - Clearfield	2,973	4,857	9,771	180	38	123	38	9	-	-	-	57	-	265
Diverted Processible Waste (fromTsf Stations)	22,402	1,780	11,337	201	-	-	-	-	-	120	-	-	-	120
<b>Total</b>	<b>386,833</b>	<b>406,957</b>	<b>307,458</b>	<b>318,109</b>	<b>29,989</b>	<b>35,481</b>	<b>29,678</b>	<b>33,029</b>	<b>26,359</b>	<b>34,835</b>	<b>29,349</b>	<b>23,578</b>	<b>24,525</b>	<b>266,823</b>

<sup>1</sup> Prior to January 25, 2018, Represents CDD from the City of Suffolk and City of Suffolk's Contractors

<sup>2</sup> Boats, Flour, Frozen Foods, Other items too large for Suffolk Transfer Station

**Southeastern Public Service Authority  
Treasurer's Report of Cash Balances  
For the Month Ending March 31, 2019**

<b>Fund Type</b>	<b>Beginning Balance</b>	<b>Deposits / Transfers In</b>	<b>Interest Earnings</b>	<b>Debt Service</b>	<b>Payables / Transfers Out</b>	<b>Payroll</b>	<b>Ending Balance</b>
<b>Unrestricted and Designated Funds (see footnote below):</b>							
Townebank Operating	\$ 4,516,828.29	\$ 2,947,498.45			\$ 4,529,392.73	\$ 862,410.06	\$ 2,072,523.95
Townebank Money Market	1,092,161.61		387.22		90,000.00		1,002,548.83
Townebank CD	6,000,000.00						6,000,000.00
Virginia Investment Pool (VIP)	9,119,564.34	1,547,000.00	22,965.21				10,689,529.55
Raymond James & Associates Investments	9,914,337.51		25,155.18		25,150.53		9,914,342.16
<b>Total Unrestricted and Designated Funds</b>	<b>\$ 30,642,891.75</b>	<b>\$ 4,494,498.45</b>	<b>\$ 48,507.61</b>	<b>\$ -</b>	<b>\$ 4,644,543.26</b>	<b>\$ 862,410.06</b>	<b>\$ 29,678,944.49</b>
<b>Trust Funds:</b>							
Environmental / Va. Beach Landfill	\$ 462,430.90		897.91				463,328.81
Environmental / Regional Landfill	447,039.30		868.01				447,907.31
<b>Total Trust Funds</b>	<b>\$ 909,470.20</b>	<b>\$ -</b>	<b>\$ 1,765.92</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 911,236.12</b>
<b>GRAND TOTAL</b>	<b>\$ 31,552,361.95</b>	<b>\$ 4,494,498.45</b>	<b>\$ 50,273.53</b>	<b>\$ -</b>	<b>\$ 4,644,543.26</b>	<b>\$ 862,410.06</b>	<b>\$ 30,590,180.61</b>

**Cash Balances Designated as follows:**

Operating Account	\$ 6,793,487.56
Undesignated (Fund Balance June 30, 2018)	3,294,353.25
Reserved for FY 2018 Rolled Purchase Orders	329,232.37
Reserved for FY 2019 Capital	\$2,409,463.31
Landfill Expansion / Closure (June 30, 2018)	<u>16,852,408.00</u>
Total Designated Funds	<u>\$ 29,678,944.49</u>

2. Contracts
  - A. Contract Awards
    1. GPS Compaction/Grade Control

<b>BID:</b>	Sourcewell 032515-CAT	<b>PROJECT:</b>	GPS Compaction/Grade Control
<b>ISSUED:</b>	N/A	<b>OPENED:</b>	
<b>Budget: \$150,000</b> <b>Total Price: \$160,419 (\$147,643 from Capital and \$12,776 from operating budget)</b>			
<b>STAFF RECOMMENDS AWARD TO:</b>		<b>Carter Machinery</b>	
<b>PROCEED WITH CONTRACT AWARD:</b>		<b>Signature _____ Date _____</b> <b>Chairman Board of Directors</b>	
<b>HOLD UNTIL FURTHER NOTICE:</b>		<b>Signature _____ Date _____</b> <b>Chairman Board of Directors</b>	

**COMMENTS:** This request is for the purchase of a GPS Compaction / Grade Control system to be utilized at the SPSA Regional Landfill. The system will equip two compactors and two bulldozers with GPS guided compaction and grade control, establish a site wide GPS base station and provide drone technology to allow for more frequent analyses of airspace utilization. This system will provide accurate real time grade and compaction data to the equipment operator to ensure the operator is not creating excessive lifts and that material is being properly compacted. Staff recommends awarding this contract to Carter Machinery in the amount of \$160,419. There is an ongoing annual licensing fee associated with this system in the amount of \$12,776 which will be covered by savings realized in the annual operating budget as a result of implementing the system.

**RECOMMENDED ACTION:** Award the contract to Carter Machinery in the amount of \$160,419.

**MOTION:** Do I hear a motion award the contract for GPS Compaction/Grade Control to Carter Machinery as presented.

2. Uniform Rental

<b>BID:</b>	Cooperative Contract	<b>PROJECT:</b>	Uniform Rental
<b>ISSUED:</b>	N/A	<b>OPENED:</b>	N/A
<p><b>Budgeted: \$50,394</b></p> <p><b>UniFirst Corp. - \$50,394</b></p> <p><b>Pricing provided by UniFirst Corp. and was based on Sourcewell Contract #662415-UFC</b></p>			
<b>STAFF RECOMMENDS AWARD TO:</b>		UniFirst Corp.	
<b>PROCEED WITH CONTRACT AWARD:</b>		<b>Signature</b> _____ <b>Date</b> _____ <b>Chairman Board of Directors</b>	
<b>HOLD UNTIL FURTHER NOTICE:</b>		<b>Signature</b> _____ <b>Date</b> _____ <b>Chairman Board of Directors</b>	

**COMMENTS:** This contract provides uniform services to SPSA employees who are entitled to receive weekly uniform services in accordance with section 4.9 of the SPSA Employee Policy Manual. Employees designated in the Policy Manual receive thirteen (13) pairs of pants, thirteen (13) shirts and two (2) jackets. The increase in the FY-20 budget is due in part to switching to high visibility uniforms in an effort to improve safety and minimize accidents, as well a switch to a better-quality uniform. Staff recommends awarding the employee uniform contract to UniFirst Corp. in the amount of \$50,394. This would be a five (5) year contract which would be in effect from July 1, 2019 through June 30, 2024.

**RECOMMENDED ACTION:** Award the contract to UniFirst Corp. at the estimated cost of \$50,394, effective July 1, 2019 through June 30, 2024.

**MOTION:** Do I hear a motion to award the contract to UniFirst Corp. as presented.



B. Contract Renewals  
 1. Annual Independent Audit Services

<b>BID:</b>	001-16	<b>PROJECT:</b>	Annual Independent Audit Services		
<b>INITIATED:</b>	L. DeVary	<b>PRE-BID CONFERENCE:</b>	N/A	<b>OPENED:</b>	3/18/2015
<b>Original Bid</b>	FY 2015 Base year with 4 Option years		<b>Option (s)</b>	#4 of 4	
<b>Budget:</b> \$53,220  <b>Projected Cost:</b> \$53,220 (Not to exceed)					
<b>STAFF RECOMMENDS AWARD TO:</b>			<b>Brown, Edwards &amp; Company L.L.P.</b>		
<b>PROCEED WITH CONTRACT AWARD</b>			Signature _____ Date _____ <b>Chairman Board of Directors</b>		
<b>HOLD UNTIL FURTHER NOTICE</b>			Signature _____ Date _____ <b>Chairman Board of Directors</b>		

**COMMENTS:** This renewal request is to exercise the fourth and final option year and reflects a 1.5% increase over the prior year cost of \$52,430.

**RECOMMENDED ACTION:** Renew the contract with Brown, Edwards & Company, L.L.P. at a cost not to exceed \$53,220.

**MOTION:** Do I hear a motion renew the contract with Brown. Edwards & Company for the annual independent audit services as presented.

2. FY 2020 Property, Liability & Worker’s Compensation Insurance

<b>PROJECT:</b>	FY 2020 Property, Liability and Workers Compensation Insurance
<b>BUDGET: \$370,378</b>	
<b>VMLIP RENEWAL: \$344,484</b>	
<b>STAFF RECOMMENDS AWARD TO:</b>	Virginia Municipal League Insurance Programs (VMLIP)
<b>PROCEED WITH CONTRACT AWARD</b>	<b>Signature _____ Date _____</b> <b>Chairman Board of Directors</b>
<b>HOLD UNTIL FURTHER NOTICE</b>	<b>Signature _____ Date _____</b> <b>Chairman Board of Directors</b>

**COMMENTS:** The FY 2020 insurance renewal with the Virginia Municipal League (VML) represents a 2% increase (overall) from the current fiscal year. The various property and general liability insurances increased approximately 3.4% primarily due to an increase in replacement cost values whereas the worker’s compensation insurance increased approximately 0.8% due to claims experience.

Staff continues to be pleased with the services offered and rendered by VML. This is SPSA’s 10th year with VML.

**RECOMMENDED ACTION:** Renew the contract with VMLIP in the amount of \$344,844.

**MOTION:** Do I hear a motion renew the contract with VMLIP for the FY 2020 Property, Liability and Workers Compensation Insurance as presented.

3. Regional Landfill Security Services

<b>BID:</b>	IFB 09-18	<b>PROJECT:</b>	Security Services at the Regional Landfill	
<b>ISSUED:</b>	10/2/2018	<b>OPENED:</b>	10/15/2018	
<b>ORIGINAL BID:</b>	<b>FY 2019</b>		<b>OPTIONS</b>	#1 of 4
<p><b>Estimated Annual Cost: \$81,728</b></p> <p><b>BIDDER: United American Security</b></p>				
<b>STAFF RECOMMENDS AWARD TO:</b>			United American Security	
<b>PROCEED WITH CONTRACT AWARD:</b>			<b>Signature</b> _____ <b>Date</b> _____ <b>Chairman Board of Directors</b>	
<b>HOLD UNTIL FURTHER NOTICE:</b>			<b>Signature</b> _____ <b>Date</b> _____ <b>Chairman Board of Directors</b>	

**COMMENTS:** This contract provides for a security officer at the Regional Landfill during hours in which the Regional Landfill is closed. SPSA is required by VDEQ under permit #417 to provide 24-hour surveillance of the Regional Landfill. Security Officers provide the required surveillance during the hours that the Landfill is closed. Security is required to make hourly rounds of the landfill property and report any unusual activities, trespassing, smoke, fire, alarms or any other incident they may deem of importance. It is estimated the required security coverage is 6,380 hours at \$12.81 per hour.

**RECOMMENDED ACTION:** Renew the contract with United American Security at an estimated annual cost of \$81,728.

**MOTION:** Do I hear a motion renew the contract with United American Security for security services at the Regional Landfill as presented.

4. Household Hazardous Waste Disposal Services

<b>BID:</b>	RFP 04-19	<b>PROJECT:</b>	Household Hazardous Waste (HHW) Disposal Services		
<b>ISSUED:</b>	10/26/2018	<b>OPENED:</b>	11/16/2018		
<b>ORIGINAL BID:</b>	FY 2019		<b>OPTIONS</b>	#1 of 4	
<p><b>Estimated Annual Cost: \$55,000</b></p> <p><b>BIDDER: MXI Environmental Services</b></p>					
<b>STAFF RECOMMENDS AWARD TO:</b>			MXI Environmental Services		
<b>PROCEED WITH CONTRACT AWARD:</b>			Signature _____ Date _____ Chairman Board of Directors		
<b>HOLD UNTIL FURTHER NOTICE:</b>			Signature _____ Date _____ Chairman Board of Directors		

**COMMENTS:** This contract provides for bulk pick-up and disposal of all HHW as well as annual HHW staff training. MXI regularly evaluates SPSA’s waste profiles to determine if opportunities exist through constantly changing regulations that would allow SPSA decreased costs by changing the way we bulk HHW materials. MXI Environmental Services displays a wealth of knowledge and a willingness to assist SPSA in developing the most efficient effective disposal plan for Household Hazardous Waste. Total cost is based on quantities and unit prices, which remain the same.

**RECOMMENDED ACTION:** Renew the contract with MXI Environmental Services at an estimated annual cost of \$55,000.

**MOTION:** Do I hear a motion to renew the contract with MXI Environmental Services for HHW disposal as presented.

5. Service & OEM Caterpillar Replacement Parts

<b>BID:</b>	IFB 16-17	<b>PROJECT:</b>	Service & OEM Caterpillar Replacement Parts				
<b>ISSUED:</b>	June 14, 2017		<b>OPENED:</b>	June 27, 2017			
<b>ORIGINAL BID:</b>	<b>FY 2018</b>	<b>OPTIONS:</b>	#2 of 4				
<p><b>Projected Cost:</b> \$275,000 - \$300,000 (Cumulative for FY 20)</p> <p><b>Bidders:</b> Carter Machinery</p>							
<b>STAFF RECOMMENDS AWARD TO:</b>			<b>Carter Machinery</b>				
<b>PROCEED WITH CONTRACT AWARD</b>			<b>Signature</b> _____ <b>Date</b> _____ Chairman Board of Directors				
<b>HOLD UNTIL FURTHER NOTICE</b>			<b>Signature</b> _____ <b>Date</b> _____ Chairman Board of Directors				

**COMMENTS:** This solicitation was established to follow the Virginia Public Procurement Act to prevent the continuous use of sole source justification forms for Caterpillar OEM replacement parts and services purchased frequently from the local Caterpillar dealer (Carter Machinery) daily. This renewal is exercising option year 2 or 4. There is no change in rates from FY 2019.

**\*Pricing Structure**

Company	Hourly Rate		Overtime Rate		% MSRP Discount	Travel Time Rate	Price Per Mile
	Field	Shop	Field	Shop	Field		
Carter Machinery	\$132	\$116	\$198	\$174	0	\$108	\$3.20

**RECOMMENDED ACTION:** Renew the contract with Carter Machinery by exercising option year 2 of 4.

**MOTION:** Do I hear a motion to renew the contract with Carter Machinery for Service & OEM Caterpillar Replacement Parts as presented.

6. Truck Tire Management Program

<b>BID:</b>	IFB 0017-16	<b>PROJECT:</b>	Truck Tire Management Program		
<b>INITIATED:</b>	P. Lee	<b>PRE-PROPOSAL CONFERENCE:</b>	5/19/16	<b>OPENED:</b>	6/2/16
<b>Original Bid</b>	FY 2017 Base year with 4 Option years		<b>Option (s)</b>	#3 of 4	
<b>Budget:</b> \$150,000					
<b>Projected Cost:</b> \$150,000					
<b>STAFF RECOMMENDS AWARD TO:</b>			Colony Tire		
<b>PROCEED WITH CONTRACT AWARD</b>			Signature _____ Date _____ Chairman Board of Directors		
<b>HOLD UNTIL FURTHER NOTICE</b>			Signature _____ Date _____ Chairman Board of Directors		

**COMMENTS:** This is an all-inclusive Truck Tire Management Program that includes the following Components:

1. New Tire Purchases - SPSA will issue approximately 200 new tires this fiscal year.
2. Retreading Service - SPSA will issue approximately 220 recapped tires this fiscal year.
3. Mounted Repair Service - Approximately 170 tire repairs this fiscal year.
4. Mobile Service Calls - Provide for tire replacements after hours and on weekends.
5. Service and Support – Provides for guaranteed turnaround times, specific invoicing requirements and regular history reports.
6. Warranty – Guaranteed Manufacturer’s and retread warranties.
7. Technical Service – Provides for fleet surveys with supporting documentation, failed tire analysis, usage and cost data.

This renewal is exercising option year 3 of 4. Contract unit prices are unchanged.

**RECOMMENDED ACTION:** Renew the contract with Colony Tire by exercising option year 3 of 4.

**MOTION:** Do I hear a motion to renew contract with Colony Tire for the truck tire management program as presented.

7. Loader Tire Services

<b>BID:</b>	IFB 12-17	<b>PROJECT:</b>	Loader Tire Service
<b>ISSUED:</b>	May 4, 2017	<b>OPENED:</b>	May 25, 2017
<b>ORIGINAL BID</b>	FY 2018	<b>OPTIONS</b>	#2 of 4
<b>Projected Annual Cost: \$512,582.20</b>			
<b><u>Bidder:</u></b> Colony Tire Corporation			
<b>STAFF RECOMMENDS AWARD TO:</b>		<b>Colony Tire Corporation</b>	
<b>PROCEED WITH CONTRACT AWARD:</b>		Signature _____ Date _____ Chairman Board of Directors	
<b>HOLD UNTIL FURTHER NOTICE:</b>		Signature _____ Date _____ Chairman Board of Directors	

**COMMENTS:** This renewal is to provide solid tires on wheeled loaders at the transfer stations. This is exercising option year 2 of 4. There is no increase from the prior fiscal year.

The contract is to provide solid tires for 7 loaders and guarantees the submitted pricing for the entire year. There are no restrictions as to the number of tires used. The liability of tire repairs and replacement costs is guaranteed by the vendor. The vendor is also required to perform tire wear monitoring, tire rotations and provide detailed reports to SPSA of all tires to include installed diameter, pulled diameter and hours.

**RECOMMENDED ACTION:** Renew the contract with Colony Tire by exercising option year 2 of 4.

**MOTION:** Do I hear a motion to renew the contract with Colony Tire for Loader Tire Services as presented.

C. BUDGET ADOPTION. Chairman Keifer

**RECOMMENDED ACTION:** Adopt the July 1, 2019 - June 30, 2020 Operating & Capital Budgets as presented.

**MOTION:** Do I hear a motion that the SPSA Operating and Capital Budgets for fiscal year 2019-2020 be adopted as presented.

D. ADOPTION OF FEES AND CHARGES SCHEDULE Chairman Keifer

**RECOMMENDED ACTION:** Adopt the Schedule of Fees and Charges.

**MOTION:** Do I hear a motion that the SPSA Schedule of Fees and Charges as advertised be adopted with an effective date of July 1, 2019.

E. RESOLUTION FOR AMENDMENT TO SOP Chairman Keifer  
As presented in the proposed budget

#### **RESOLUTION APPROVING REVISIONS TO THE STRATEGIC OPERATING PLAN**

**WHEREAS**, the Southeastern Public Service Authority of Virginia (“SPSA”) was created in 1976 by concurrent resolution of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton (the “SPSA Members”);

**WHEREAS**, between 1983 and 1984, the SPSA Members entered into individual Use and Support Agreements with SPSA (such agreements, as originally entered into and subsequently amended, are the “Legacy Use & Support Agreements”) which provided, among other things, that each SPSA Member would deliver to SPSA substantially all of the disposable solid waste generated or collected by or within or under the control of such member;

**WHEREAS**, all of the Legacy Use & Support Agreements will expire on January 24, 2018;

**WHEREAS**, in anticipation of the expiration of the Legacy Use & Support Agreements, a series of comprehensive studies were performed and discussions conducted in order to assess regional solid waste management planning and related issues;

**WHEREAS**, based on such studies, discussions and other factors, the SPSA Members generally determined that a cooperative approach to the continuation of a regional system of municipal solid waste management, effected through SPSA, is in the best interests of the SPSA Members individually and the region as a whole;

**WHEREAS**, in light of such determination, a Use & Support Committee of the Board of Directors of SPSA was established to develop, prepare and submit to the SPSA Members a form Use & Support Agreement that would be used to create identical new agreements between SPSA and each SPSA Member to replace their respective Legacy Use & Support Agreements, with effect as of January 25, 2018, to provide for the SPSA Members continuing delivery of municipal solid waste to SPSA and for SPSA’s continuing management and disposal of such waste;

**WHEREAS**, after many months of study and consideration by SPSA Executive Staff, legal counsel, the Use and Support Board Committee, the Board and the SPSA Members, the Cities of Chesapeake,



Franklin, Norfolk, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton each approved, executed and delivered to SPSA the Use & Support Agreement, including a Strategic Operating Plan to be attached thereto as Schedule I and incorporated therein by reference (the agreements, as executed and delivered by each of the foregoing SPSA Members in identical form, are collectively the “Post-2018 Use & Support Agreements”); and

**WHEREAS**, the Board on May 25, 2016, authorized the execution, delivery and performance of the Post-2018 Use & Support Agreements with each of the SPSA Members, further to the continuation of a regional system of municipal solid waste management to be effected through SPSA;

**WHEREAS**, pursuant to the Post-2018 Use & Support Agreements, the Strategic Operating Plan attached as Schedule I to the Post-2018 Use & Support Agreements, shall be reviewed by the Board on at least an annual basis in connection with the Board’s review and consideration of the annual operating budget of SPSA, and at such other times as the Board may deem necessary or appropriate;

**WHEREAS**, pursuant to the Post-2018 Use & Support Agreements, if deemed necessary or appropriate after review, the Strategic Operating Plan may be updated or modified by a resolution approved by at least seventy-five percent (75%) of the Board, and any such updated and/or modified Strategic Operating Plan shall be appended to the Post-2018 Use & Support Agreements as new Schedule I thereto, in replacement of all prior Strategic Operating Plans.

**WHEREAS**, SPSA Executive Staff with the assistance and advice of legal counsel has reviewed the Strategic Operating Plan, and has recommended to the Board that certain updates and modifications be made to the Strategic Operating Plan;

**WHEREAS**, the Board after review and consideration has deemed it necessary and appropriate to make the recommended changes to the Strategic Operating Plan.

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

1. The Strategic Operating Plan shall be updated and modified as shown on the Strategic Operating Plan attached to this resolution, the updated and modified Strategic Operating Plan shall replace the version of the Strategic Operating Plan approved by the Board on January 24, 2018, which was effective January 25, 2018, and the updated and modified Strategic Operating Plan be deemed to be appended as Schedule I to the Post-2018 Use & Support Agreements, and duly incorporated therein.
2. 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, each in the name of and on behalf of SPSA, that she may deem necessary or desirable to carry out the intent and purposes of the foregoing resolution.
3. 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 she may deem necessary or advisable in order to effect the purposes of each and all of the foregoing resolutions.

Adopted this 24<sup>th</sup> day of April, 2019

**RECOMMENDED ACTION**: Approve the revisions to the Strategic Operating Plan as presented in the proposed budget.

**MOTION**: Do I hear a motion approving the resolution for revisions to the Strategic Operating Plan as presented.

**RECOMMENDED ACTION:** Adopt the Financial and Personnel Policies.

**MOTION:** Do I hear a motion that the Financial and Personnel Policies be adopted as presented.

**4. CLOSED SESSION**

*I move that a closed session be held for discussion regarding the delivery of ash by Wheelabrator Portsmouth, Inc. to SPSA under the Waste Disposal and Services Agreement between Wheelabrator and SPSA with commencement date February 1, 2019, 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.*

**5. ACTIONS ARISING FROM CLOSED SESSION**

*The Board 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.*

**6. OLD/NEW BUSINESS**

**7. ADJOURN MEETING**

LUNCH **WILL NOT** BE SERVED WITH THIS MEETING