

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

**May 22, 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 ( <i>absent</i> )	(CH)
Ms. Sheryl Raulston	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Solomon Ashby ( <i>absent</i> )	(PO)
Mr. Mark Hodges	(SH)	Ms. Lynette Lowe	(SH)
Mr. David Arnold ( <i>absent</i> )	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(VB)	Mr. John Barnes ( <i>absent</i> )	(VB)

\* Indicates Late Arrival

\*\* Indicates Early Departure

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included the Alternate Ex-Officio Members, Ms. Erin Trimyer (PO), 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 April 2019 for Wheelabrator Portsmouth.:

**Wheelabrator Portsmouth April 2019**

**Operational Data**



48,293 Tons	57,394 Tons	50,643 Tons	14,103 Tons	17,654 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold

48,052 K-LBS	86%	98%	0	0
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) asked how much excess steam is provided to the grid.

Mr. Stratton responded typically 30 to 35 megawatts are provided to the grid, in-house is 8 to 9.5 megawatts depending on how many process lines are running.

Mr. McCoy (PO) asked about the drop in megawatts for sale.

Mr. Stratton responded if it's on megawatts, we bid on the day ahead market. Every hour we see what we're producing. If we have a boiler problem, you can go down an hour and then you try to make it up the next hour. If we bid 35 megawatts for the grid and we have an unforeseen condition then we run 34 hours, the next hour you try to make up the megawatts so you hit your overall daily target. For the year, we're on track within a 600-megawatt shortfall to the grid for the year, and 330 megawatts of that was the March Norfolk Naval Shipyard outage.

## B. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary commented SPSA staff continue to keep the operations running smoothly. However, the wait times at the RDF facility have been extended due to breakdowns in the sorting lines. It's been a rough month in regards to that.

Each locality should have received a notice from Green Ridge Recycling and Disposal Facility. They are located around Cumberland. They are required under the solid waste regulations, to send this notice out to a locality to see if they would like to have any airspace reserved for their use. We do not feel like it is in the best interest of our eight SPSA members to do this. We would recommend that you either sign the denial or don't respond to it. There are landfills that are closer in distance than this one and we're planning on expanding our landfill.

A stakeholder meeting was held last week regarding the flyover access at the landfill. The stakeholders are representatives from the City of Chesapeake, City of Suffolk, Hampton Roads TPO VDOT, and Dennis and me. The VDOT engineer is Michael Baker, and they have come up with a scope of work that we reviewed. They hope to meet again in July or August with some preferred alternatives with some rough estimated costs. The goal is to have a joint meeting with the SPSA board and HRPDC in January so that we can decide on an alternative. The next step would be to submit an application to SMART SCALE in April for funding.

The Executive Committee is having a special meeting immediately following this meeting to review the permitting process for Cells VIII and IX. Jeff Murray with HDR is going to be there to present some information.

Ms. DeVary asked Mr. Bagley to provide the operations report.

Mr. Bagley stated 31,731 tons of material was placed in the landfill during the reporting period. The landfill saw an increase of 7,208 total tons as compared to the previous month. Wheelabrator delivered 14,103 tons of residue to the landfill of which 13,755 tons or 98% was reclassified as nonqualifying ADC, so we had to bring in additional material to use as cover material. As of yesterday, we received 34 loads of ash of which 32 were clean loads, and that was a result of the screening that Wheelabrator

is now doing. The ash that came to the landfill yesterday and part of Saturday is of real good quality that we can use as cover. We're pleased where we are with that process. I think Wheelabrator is still working through some operational issues to try to continue to produce good ash at that rate. Once the changes are in place, I think we're going to see the number of reclassified loads go down.

The total leachate hauled for the reporting period was 1.2 million gallons. The total leachate pumped to the HRSD force main was 381,765 gallons. Midmonth last reporting period, HRSD notified us they had some issues with the SWIFT plant and they had to shut us down. We just got notification yesterday that we could start pumping to them again. The total leachate sent to HRSD was 1.6 million gallons, and that was an increase of 15,000 from last month. The numbers for leachate being pumped is higher than what we're bringing in because we're trying to get the levels down so we can clean those ponds after July 1. We had no odor complaints for the reporting period.

Part of our capital plan was to replace the two scales at Landstown and one in Norfolk, and I'm happy to report that both of those are up and running. This was a tough effort because the scales are the lifeblood of SPSA. The scales are probably the most important part of our whole entire process in terms of making revenues and shutting one of those down is a problem not only for us, but it's a problem for the communities. Virginia Beach and Norfolk worked well with us through this process, and we had virtually no problems. It was a project that I was dreading to get started, but it's a project that went as well as any project I've ever worked. I attribute a lot of that to Angie Hutchins, who managed the project for us, and the two station managers, Charles Sweitzer and Robbie Robinson. Previously when someone came to the Norfolk Transfer Station, they had to get out of their vehicle, walk across a vehicle passageway to get to the scale attendant to make a transaction. It was dangerous and not convenient for anyone. The scales were moved closer to the scale house so that the person can roll down the window and do the transaction without ever getting out of the vehicle. We are also working with Norfolk Public Works to change some traffic patterns. I think it's really going to improve traffic flow there and allow us to get in and out of the station quicker. At Landstown we did the inbound and outbound scale. One of the problems with the scales we had was that they were underground and it is difficult to clean because the trash gets under it. At the Landstown outbound scales there's a post just before you reach the scale house. That post has an RFID reader that is in the testing phase. Theoretically at night when the truck passes that post, it picks up the tractor trailer number. Once that is fully operational, we won't have to man that transfer station scale house at night. When they come up on to the scale they would get a green light and all of the data, the truck number and the tonnage is reported back.

#### C. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) commented as mentioned last month, annually we elect officers of the organization, and we appoint a nominating committee for that process. I've asked John Maxwell to Chair the nominating committee along with Patrick Roberts and Dale Baugh. They will bring back a slate of recommended officers at the June meeting and it's voted on and the officers go into effect in July as part of the annual meeting.

## 2. ACTION AGENDA

### A. MINUTES OF BOARD MEETING

Chairman Keifer (NO) moved to the action agenda. The minutes of the April 24, 2019 Board meeting have been distributed. He asked if there were any additions or changes.

**Mr. Sorrentino (VB) moved, seconded by Ms. Raulston (FR) to approve the April 24, 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 that the wrong narrative piece is in your agenda packet. A corrected version is at your place and the agenda online will be corrected to reflect that. For the month ending April 30, 2019 total revenues exceeded expenses by approximately \$5.9 million as compared to \$2.7 million in the previous fiscal year. Tipping fees fiscal year to date reflect an increase of about 1.7%, or approximately \$601,000, as compared to the prior year. Municipal waste streams are up 14%, or 44,200 due to bulk waste deliveries, weight of residential waste and an increase in most of the community's municipal solid waste collections. At the end of April 30, 2019, the total municipal tonnages were 365,639 as compared to 321,439 a year ago. The total expenses as of April 30, 2019 were approximately \$33.9 million as compared to \$34.3 in the prior year. Cash balances are \$30.4 million, and they're designated with \$7.6 million in the operating fund; approximately \$300,000 remaining for rolled purchase orders; \$3.3 million in the undesignated fund balance, \$2.4 million for the capital budget for HRSD; and \$16.9 million for landfill closure. As I mentioned last month, historically I've been updating the undesignated fund and the landfill closure balances once a year. Starting in July I'll update them each month to show how you are putting money.

In your agenda is a budget transfer report. They are listed by department. We will be including this every month so you can see money that is moved within the same department but in different line items. If you have any questions, please feel free to let me know, and we will be including this every month going forward.

In addition, last month, you adopted the new financial policies. The Fund Balance policy stated we would maintain two months operating expenses, but as somebody pointed out, we adopted the policies last month, but we didn't have two months in there. The Fund Balance policy was revised to say "effective July 1, 2019".

**Mr. Broad (NO) moved, seconded by Mr. Roberts (SU) to approve the SPSA financial report subject to audit as presented. The vote of the motion was unanimous.**

2. Contracts  
A. Contract Awards  
1. Replacement of Roof at Chesapeake Transfer Station

Ms. DeVary continued we have two contracts for your consideration this morning. The first one is for roof replacement and repair at the Chesapeake Transfer Station. An Invitation for Bid was issued and we received four bids. Duck's Roofing in the amount of \$69,713; National Roofing, \$118,660;

Tecta America East \$176,500; and Roof Systems of Virginia, \$211,700. Our recommendation is to award the contract to Duck's Roofing.

Mr. Bagley commented that because of the disparity in the pricing, we took considerable time to review all of the bids and spoke to the contractors to make sure that the specifications were clear and that the vendor was going to be able to do the work. My original estimate was around \$70,000. I did contact somebody from Roof Systems and they indicated that they had too much work and to not use their bid as a gauge. Typically my experience has been in the roofing industry that this time of year you're going to pay an arm and leg because they have plenty of work. I called the three references for Duck Roofing and all references were excellent.

**Mr. Broad (NO) moved, seconded by Ms. Raulston to award the contract for the replacement of the roof at the Chesapeake Transfer Station with Ducks Roofing as presented. The vote of the motion was unanimous.**

- B. Contract Renewal
  - 1. Grounds Maintenance

Ms. DeVary continued the next contract is a renewal for grounds maintenance. This would be renewing the contract with Coastal Lawn Service by exercising option year 3 of 4. This provides grounds maintenance at Chesapeake, Landstown Norfolk, and Oceana transfer stations, as well as the operations facility in Portsmouth. Staff at the landfill handle the Suffolk Transfer Station. The costs are based on usage, and the rates have not changed since the beginning of the contract. The estimated annual cost is \$82,690, but we have been below that in pass years Our recommendation is to renew the contract for grounds maintenance with Coastal Lawn as presented.

**Mr. Maxwell (CH) moved, seconded by Mr. Broad (NO) to renew the contract for grounds maintenance with Coastal Lawn as presented. The vote of the motion was unanimous.**

### **3. OLD/NEW BUSINESS**

Mr. Wheeler thanked Ms. DeVary on the presentation made at city council. It was very informative and well received. We are very appreciative, thank you.

Chairman Keifer (NO) commented that Liesl is doing a wonderful job. We've gone to every city except for Suffolk, which is scheduled in a couple weeks. It is done very well and we appreciate the hospitality we've been shown.

### **4. ADJOURN MEETING**

There being no further business to come before the Board of Directors the regular meeting was adjourned at 10:00 a.m.



Liesl R. DeVary  
Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors