

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

**May 23, 2018**

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

\* Indicates Late Arrival

\*\* Indicates Early Departure

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

Others present at the meeting included the Alternate Ex-Officio Members, Mr. Eric Martin (CH), Mr. Mark Popovich (IW), Mr. Harvey Howard (NO), Ms. Erin Trimyer (PO), Mr. Hart Council (SH), Mr. Scott Mills (SU), and the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Ms. Blanche Christian, Administrative Coordinator and Secretary and Warren Tisdale, General Counsel.

Chairman Keifer (NO) welcomed back Mr. Eric Martin from the City of Chesapeake as the new alternate ex-officio.

**1. INFORMAL ITEMS: DISCUSSION ONLY**  
A. MONTHLY REPORT ON WTE OPERATIONS

Mr. Johnson began his presentation on the monthly operational stats for April. Boiler 3 had a scheduled outage. Thirteen (13) super heater tubes were replaced and an overhaul of the bottom drag conveyor and feed screw replacement was completed. There were some dramatic increases in processing NP (non-processable) items thus reducing the volume sent to the landfill and increasing energy generation. In the past, this was segregated waste. Last year 17% of the gross amount of weight that was coming to the system was non-processable, this year it is around 6%. We are happy to support Cradock, our host community in the city of Portsmouth. We presented a check to the

Craddock Civic League for landscape improvements as part of Craddock’s 100<sup>th</sup> anniversary. Wheelabrator also sponsored the Lynnhaven River Now Oyster Roast on April 21. We are continuing to make sure we do our part to keep wait times short.

## Wheelabrator Portsmouth April 2018



### Operational Data

39,582 Tons	55,198 Tons	52,943 Tons	14,723 Tons	19,447 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
55,601 K-LBS	94%	97%	0	0
Steam sold to Navy	Overall boiler availability	Overall generator availability	Environmental incidents and OSHA Recordable Accidents	OSHA Recordable Accidents YTD

### B. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary began by stating that SPSA staff continues to keep the operations running smoothly. We are in the process of updating our website. If you know of anything or have any suggestions, please let me know. We are looking at accomplishing this over the next 30 - 45 days. Once done, we will bring you an overview of it at one of these meetings. We have issued a RFP for new scale house software. Our current scale house software is at least 15 years old.

On May 14, the Virginia Occupational Safety and Health Department arrived over at our operations center in Portsmouth for an inspection. They were investigating a possible carbon monoxide issue from a gas water heater. There have been no claims or measurable exposure. Our safety department has been involved, and we will let you know if anything else comes from it, but we do not see there being any issue.

Since Mr. Sorrentino was not able to make it today, he asked me to update the group on the RFP evaluation committee. The committee has met a couple times, and we have scheduled meetings to begin negotiations with Wheelabrator in a couple weeks.

We will be requesting quotes from qualified engineering firms to perform a biennial evaluation of SPSA's system-wide performance. Previously, this report was included in the annual survey and report, which was required annually to ensure there was sufficient revenues to support the outstanding bonds. The purpose of the report will be to review the proper maintenance, repair and operation of the disposal system, including permit compliance and also to make any recommendations if there are deficiencies. I will bring that back for your review later this year.

Chairman Keifer (NO) commented that this is another layer of effort to make sure that all of our operations are done properly, including the landfill. It is something we did in the past, it is not a requirement but something we think is very important.

Ms. DeVary continued at the June board meeting, we hope to have the ancillary waste disposal

agreements for your approval. This would include items such as household hazardous waste and the Norfolk transfer station weekend hours. We will also be updating the Board on the RFP process.

Ms. DeVary recognized John Spivey, the workers compensation administrator who has been with us nearly 30 years. He handles many of the safety inspections. The Virginia Municipal League Insurance Program (VMLIP), have recognized him with an award this year for outstanding performance in risk management. John has done an excellent job, and we are very proud of him.

Ms. DeVary asked Mr. Bagley to provide an update on the landfill activities.

Mr. Bagley began by congratulating Mr. Spivey. We have had several opportunities to meet with VML and discuss our insurance renewal and during those discussions, we were advised on what a great job he was doing in controlling our risk here at SPSA. We have a dangerous operation and our safety representatives do a great job of controlling our risk exposure.

In your agenda packet, you will see a few small changes that we have made by the recommendation of some of the Board members. I want to encourage you to let us know if there is additional information you want, and we will be glad to try to incorporate it. We have had zero odor complaints for the month. I know we are getting to the time of year where that is a real concern. We are canvassing more regularly around the neighborhoods and verifying the situation on the ground. We have equipment in place now to be able to handle that if there's any sign at all of odor. We hope we can continue to keep that at no complaints through the summer.

We received 26,306 tons of waste at the landfill during this reporting period. The average daily leachate discharge was 36,428 gallons. Our SCADA system project is on schedule with a scheduled August completion. We hope to bring that back to you and demonstrate what monitoring we will do remotely at the landfill 24 hours a day from on site. The loadout facility submittal review is finishing up and the project is beginning to take shape.

SPSA staff attended a wetlands mitigation meeting with Bay Environmental and the Army Corps of Engineers on May 16, to discuss Cell VII wetlands requirements. It looks like now that rather than having to purchase 1.5 credits; it is a possibility we may not have to purchase any at all. We are waiting and letting the Corps and Bay Environmental work on that issue, we will let you know as we know more.

HRSD has agreed to host a meeting on May 29, with SPSA, HDR and representatives from the labs who performed testing from split samples to determine why we continue having discrepancies in results. If we can't come to an agreement, then we're going to ask the certifying agencies to look at all of the data that we have and let a third party come in and tell us where the issues are because we're in disagreement with the numbers that HRSD has provided us. We should have a better understanding after the meeting.

The SWIFT ribbon cutting was held on May 18. HRSD has notified SPSA that the pump and haul would start on the June 1, which we are prepared to do. Until that time we are working with HRSD to minimize the impact leachate will have at the Nansemond plant by sending them smaller amounts over an extended period to try to help with the bromide levels. The forcemain project went through

the Board of HRSD last week, and their construction schedule came out with a scheduled completion date of January 2022, which is later than we anticipated.

C. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) stated that there is a need to appoint a nominating committee to come up with a recommended slate of officers for next year. The committee will meet and present that slate next month. Mr. Arnold and Mr. Maxwell have volunteered to be on that committee. Chairman Keifer asked Mr. Taylor Williams to be on the committee, which he accepted.

**Mr. McCoy (PO) moved, seconded by Mr. Jenkins (CH) to approve the nominating committee of Mr. Arnold (SU), Mr. Maxwell and Mr. Williams (FR). The vote of the motion was unanimous.**

2. ACTION AGENDA

A. MINUTES OF BOARD MEETING

Chairman Keifer (NO) moved to the action agenda. The minutes of the April 25, 2018 Board minutes have been distributed. He asked if there were any additions or changes.

**Mr. Jenkins (CH) moved, seconded by Mr. Baugh (IW) that the April 25, 2018 minutes of the SPSA Board meeting be approved as presented. The vote of the motion was unanimous.**

B. FINANCIAL MATTERS

1. Financial Reports

Ms. DeVary began for the month ending April 30, 2018, total revenues exceeded total expenses by approximately \$2.75 million as compared to \$2.42 million in the previous year. Our tipping fees reflect a 5.4% decrease or approximately \$2 million as compared to last year. This decrease is due to a reduction in the municipal waste stream and reduction in the MSW tip fee rate. Municipal waste tonnages are down approximately 4,820 tons as compared to last year. For the month ending April 30, 2018 municipal waste tonnages fiscal year-to-date were 321,439 tons as compared to 326,259 tons a year ago. Total expenses as of April 30, 2018 were approximately \$34.3 million as compared to \$39.4 million in the prior fiscal year. Cash balances were \$24.1 million and designated with \$2.8 million in the operating fund, \$4.8 in the undesignated fund balance and \$16.5 million has been set aside for landfill closure. The good news is that the fiscal year 2018 projection that I did a few months ago is looking a lot more positive. Revenues are higher than originally projected. We should not need to use any of the fund balance to close out the year.

**Mr. Ashby (PO) moved, Ms. Raulston (FR) seconded that the financials subject to audit be approved as presented. The vote of the motion was unanimous.**

2. Contracts

A. Contract Awards

a. NTS Tip Floor Improvements

Ms. DeVary stated we have several contracts for your consideration; the first one is the Norfolk Transfer Station tip floor improvements. It was not included in your agenda because we just received the bids on Monday, but the contract form it is at your place. She welcomed Mr. Bagley to discuss the project.

Mr. Bagley stated in the transfer station when loads go across the floor, it wears down the concrete in the areas where it is most traveled. There are places in the Norfolk Transfer Station flooring where the rebar is actually coming through the top of the concrete. This project would take that floor out and replace it with 8,000-pounds of concrete. It is a 3-phase project. HDR has looked at this project, and it is a project that is needed not just for SPSA staff, but for the public as well, because it presents a very dangerous situation for people coming in and out of the transfer station. A thorough investigation of the company was done because of the discrepancy in the bid pricing. One of their references was the City of Norfolk.

Ms. DeVary commented that five bids were received. The lowest bid is from the Anike Group, which was higher than our budgeted amount. Dennis talked with them, and we were able to make some reductions, bringing their bid price down to \$280,475. The original budget on this was \$265,000, but we have spent some funds with HDR, which left \$238,000 remaining. We are requesting that you award the bid to Anike Group for \$280,475 along with a 5% contingency for \$14,000. There is sufficient funds from other line items within the budget to make up the difference of \$56,475.

Mr. Arnold (SU) commented the Virginia legislature takes conflicts of interest very seriously now because of things that happened in the recent past. Some of us in the private sector have to run a conflict check before we get here any time there is a proposal. I have had no opportunity to run a conflict check, and I want the minutes to reflect that I will not participate in any discussion or any vote regarding this contract. I understand why it happened, but I need to be clear on the record in case there is a conflict.

**Mr. Williams (FR) moved, seconded by Mr. Hodges (SH) to award the contract to Anike Group for the repairs to the tipping floor at the Norfolk transfer station as presented. All were in favor of the motion with the exception of Mr. Arnold (SU) who abstained from the vote.**

- B. Contract Renewals
  - a. Annual Audit
  - b. Property, Liability & Worker's Compensation Insurance
  - c. Grounds Maintenance
  - d. Regional Landfill Security Services
  - e. Laboratory Analysis Services
  - f. Service & OEM Caterpillar Replacement Parts
  - g. Truck Tire Management Program
  - h. Loader Tire Service

Mr. Arnold (SU) asked to pull out item b, the property, liability and worker's compensation insurance to be voted on separately.

Mr. McCoy (PO) asked to pull out item f, the service and OEM Caterpillar replacement parts to be voted on separately.

Mr. Williams (FR) commented that on item C, grounds maintenance, the memo date needs to be amended to May 23, 2018.

Ms. DeVary responded that was an oversight, the date will be corrected.

**Ms. Raulston (FR) moved, seconded by Mr. Jenkins (CH) that the contract renewals for the annual audit, grounds maintenance, regional landfill security services, laboratory analysis services, truck tire management program and the loader tire service be approved as presented. The vote of the motion was unanimous.**

b. Property, Liability & Worker's Compensation Insurance

**Mr. McCoy (PO) moved, seconded by Mr. Williams (FR) that the contract renewal for the property, liability, and workers' compensation insurance be approved as presented. All were in favor with the exception of Mr. Arnold (SU) who abstained from the vote.**

f. Service & OEM Caterpillar Replacement Parts

**Mr. Williams (FR) moved, seconded by Ms. Raulston (FR) that the contract renewal for the service and OEM Caterpillar replacement parts be approved as presented. All were in favor with the exception of Mr. McCoy (PO) who abstained from the vote.**

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

Chairman Keifer (NO) commented that there is a request to discuss matters in closed session and asked for a motion to amend the agenda to add a closed session item.

**Mr. McCoy (PO) moved, seconded by Mr. Jenkins (CH) to amend the May agenda to add a closed session item. The vote of the motion was unanimous.**

### **4. CLOSED SESSION**

Warren Tisdale, General Counsel read the following closed session certification:

*I move that a closed session be held for discussion regarding the response of Wheelabrator Portsmouth, Inc. ("WPI"), to SPSA's Request For Proposal for Municipal Solid Waste Disposal Services dated January 3, 2018, and regarding the terms of SPSA's current Services Agreement (Addendum 6) with WPI, in accordance with Virginia Code Section 2.2-3711(A)(29), 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.*

**Mr. Popovich (IW) moved, seconded by Mr. Williams (FR) to approve the certification as**

read. The vote of the motion was unanimous.

**5. ACTIONS ARISING FROM CLOSED SESSION**

Immediately upon completion of the closed meeting, General Counsel, Warren Tisdale, read the following certification:

*The Board of Directors 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. Popovich (IW) moved, seconded by Mr. McCoy (PO) seconded to approve the certification as read. The vote of the motion was unanimous.**

Chairman Keifer (NO) asked if there were any other items for discussion.


Mr. Barnes (VB) commented we have a fourth of July holiday coming up and SPSA does not collect. I would like to recommend that that issue be revisited and find out from member communities of what is the overall least disruptive to all of the communities. We are looking at probably impacting 90,000 residents shift on that particular day. A number of the other holidays are less disruptive overall, but that particular one requires quite a bit of coordination and creates some difficulties for us. If there is something, we can do, we have accommodated schedule shifts before, but it is one that would be good to coordinate with the member communities.

Ms. DeVary responded that New Years' Day, Christmas Day, Fourth of July 4, and Thanksgiving days are the only four days out of the year that we are closed and have been for at least eight years.

Chairman Keifer (NO) commented we could talk to the different communities; see their thoughts are on it.

**6. ADJOURN MEETING**

There being no other business to come before the Board of Directors the regular meeting was adjourned at 10:56 a.m.

  
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Liesl R. DeVary  
Executive Director

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Submitted by: Blanche Christian  
Secretary, SPSA Board of Directors