

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

October 23, 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 (<i>absent</i>)	(CH)	Mr. Steven Jenkins	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt (<i>absent</i>)	(FR)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton (<i>absent</i>)	(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 (<i>absent</i>)	(SH)	Ms. Lynette Lowe	(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. Michael Etheridge (IW), Ms. Trista Pope (NO), Ms. Erin Trimyer (PO), Mr. Bobby J. Wheeler (VB), the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Sandy Schreiber, Accounting Manager and Secretary, Ms. Tressa Preston, Executive Administrator, Mr. Warren Tisdale, General Counsel, and Mr. Brett Spain, Attorney with Willcox & Savage.

1. CALL MEETING TO ORDER

Mr. Keifer, Chairman of the Board, called the meeting to order at 9:30 a.m.

2. PUBLIC COMMENT – No public comments received.

3. CHAIRMAN'S COMMENTS

Chairman Keifer made the Board aware that Board Secretary Sandy Schreiber has tendered her letter of resignation as Secretary. Ms. Schreiber will remain at SPSA in her role as Accounting Manager. Ms. Tressa Preston, in her role as SPSA's Executive Administrator, is recommended to serve the remainder of Ms. Schreiber's term as Secretary.

Mr. McCoy moved, seconded by Mr. Broad, to accept the resignation of Ms. Schreiber as Secretary of the Board of Directors and appoint Ms. Preston to serve the remainder of Ms. Schreiber's term as Secretary. A roll call vote taken on the motion was unanimous.

4. APPROVAL OF MINUTES

The minutes of the September 25, 2019 Board meeting have been distributed. Chairman Keifer asked if there were any additions or changes.

Mr. Jenkins moved, seconded by Ms. Raulston, to approve the September 25, 2019 minutes of the SPSA board as presented. The vote on the motion was unanimous.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary reported that things are going well and that it is business as usual at SPSA. Part of regular business at SPSA includes retiring staff and bringing on new personnel. Ms. DeVary introduced SPSA's new Safety Administrator, Lina Kennedy. Ms. Kennedy has many years of experience in safety administration, especially in local government, and has also worked with SPSA's insurance company. Ms. DeVary let the Board know that everyone is pleased that she has joined SPSA and Chairman Keifer welcomed Ms. Kennedy on behalf of the Board.

Ms. DeVary updated the Board on the Cell VIII and IX permitting process, letting them know that, as her email to them indicated, she has submitted a preliminary draft Purpose and Need statement and a draft of the RFP for the third-party consultant to the Army Corp of Engineers. Melissa Nash, SPSA's contact at the Corp, has suggested a few minor revisions, but their email servers have been down since Friday, making communications difficult. The goal is to have the RFP published within the next week or two.

The first Citizens Advisory Committee Meeting is Tuesday, October 29th at 6:30 p.m. and each community has appointed representatives. The Committee is subject to FOIA, so while Board member attendance and participation is welcome, it is preferable to limit Board attendance to two people. Chairman Keifer and Mr. McCoy will attend the initial meeting to welcome and thank the Committee. The meetings will be recorded, minutes will be taken, and Ms. DeVary will keep the Board informed.

There is a follow-up meeting on the flyover at the 460/58 interchange scheduled for Thursday, October 24th. Ms. DeVary will report on the information gathered at that meeting at the December Board Meeting.

Mr. Bagley presented the Operations Report stating that during the most recent reporting period, SPSA brought in 43,544 tons of waste to the landfill, which is an increase of 8,567 tons from the previous month, which is due in part to the diversion of waste that SPSA had in the previous month, but was not in the previous reporting period.

Total leachate hauled for the previous period was right at a half a million gallons and the total leachate pumped to the force main though the low flow was 864,695 gallons. Those 864,695

gallons are gallons that SPSA no longer has to haul, which is improvement in that category. The overall total leachate for the reporting period is 1,365,726 gallons, a decrease of 14,207 gallons from the previous reporting period.

Wheelabrator delivered 12,922 tons of residue to the Regional Landfill, of which 9,756 tons, or 75%, was reclassified to nonqualifying ash. That number will be decreasing due to Wheelabrator's equipment replacement and maintenance efforts. Recent numbers over the last week and a half show a marked improvement with nonqualifying ash making up as little as 20% of delivered residue, with a possibility for greater improvement as operators become more familiar with the new equipment.

Efforts continue to have SPSA drivers trained on how to use the tipper at Wheelabrator. As more drivers become proficient in backing the trailer onto the tipper, disconnecting the vehicle, and tipping it, a tremendous amount of time will be saved.

Mr. Bagley went on to say that Wheelabrator has been addressing the core issues that lead to previous barriers to consistent service and they have made significant improvements over the last month. Mr. Bagley and Ms. DeVary have met with Wheelabrator's Vice President of Waste to Energy and he has been delivering weekly status reports. At the next Board Meeting, SPSA staff will present a new metric document identifying any areas of importance at the RDF plant with a green light/yellow light/red light status breakdown.

For the first time in three reporting periods, there was no waste diverted from the RDF plant, which is another sign of improvement. There were no odor complaints for the reporting period.

Chairman Keifer appreciated Mr. Bagley's comments about Wheelabrator working with SPSA and that improvements to operations are already being seen. Mr. McCoy added that he would like to thank SPSA staff and Wheelabrator for working as a team to meet these challenges.

6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton of Wheelabrator thanked Chairman Keifer and Mr. McCoy for their comments. He went on to say that Wheelabrator values their partnership with SPSA and that they do their best to address SPSA's concerns as quickly as possible.

Mr. Stratton presented the September 2019 operational report for Wheelabrator Portsmouth:



44,094 Tons	50,258 Tons	49,348 Tons	12,923* Tons	17,603 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
30,002 K-LBS	94%	99%	0	2
Steam sold to U.S. Navy	Overall boiler availability	Overall generator availability	OSHA recordable accidents	OSHA recordable accidents YTD

*Includes 9,746 tons of non-qualifying residue delivered to landfill, due to temporary loss of rented screening unit. Screening resumed 10/11.



After reviewing the operational data, Mr. Stratton also reported that boiler repairs and shredder motor installations have taken place which will improve reliability and provide better overall service to SPSA. He thanked SPSA for their support and reported that Driver Appreciation Day, where Wheelabrator provided bagged lunches to drivers, was a success.

7. **EXECUTIVE DIRECTOR UPDATES, CONT.**

Mr. Bagley reintroduced Brittany Collins, SPSA’s Landfill Environmental Compliance Specialist to complete the third part of the Environmental Compliance Series: Virginia Pollutant Discharge Elimination System & Title V Air Permit.

Environmental Compliance Series



Part 3:
Virginia Pollutant Discharge Elimination System & Title V Air Permit

Presented by: Brittany Collins, Landfill & Environmental Compliance Specialist



Virginia Pollutant Discharge Elimination System (VPDES) Permit

- Permits Stormwater Runoff from industrial activity at the Regional Landfill only.
- The Regional Landfill is classified as a minor industrial user.
- SPSA permit covers 5 sampling outfalls.
- Parameters for sampling are based on individual permittee activities and the Clean Water Act.

VPDES continued:



This is an example of an outfall where sampling takes place



VPDES Permitting Requirements

- Sampling must take place at different intervals when there is a flow at an outfall:
 - Quarterly sampling at Outfall 903
 - Semi-annual sampling at all Outfalls
 - Annual sampling at all Outfalls
 - Visual inspections at all Outfalls during any sampling events
- Reporting must be performed for each sampling event.
- Must maintain Spill logs
- Must provide annual training for all employees.
- Must maintain a Stormwater Pollution Prevention Plan (SWPPP).
- Daily visual inspections:
 - Not a permit requirement - a step we take as a preventative measure



What is a Stormwater Pollution Prevention Plan?

- Identifies site activities and environmental impacts associated with each activity
- Outlines the steps necessary to prevent site activities from negatively impacting stormwater runoff.
- Clearly identifies frequencies for sampling and reporting.
- Requires annual review and updates to ensure the information is accurate and up to date.
- The SWPPP is a road map for ensuring proper management of run off at the Regional Landfill.

Why Is SPSA Required To Maintain A Title V Permit ?



To ensure that air emissions resulting from the operation of the Regional Landfill do not have a negative impact on air quality.



Title V Permitting

- The Title V Operating Permit determines and enforces environmentally acceptable thresholds for air emissions at the Regional Landfill.
- The permit requires that landfill gas be eliminated in a safe and non-hazardous manner. It does not dictate how landfill gases are to be managed.
- Landfill staff perform surface monitoring and other tasks associated with this permit. However, due to the complexity of the Title V Permit, SPSA contracts with HDR Engineering to provide the Scientific and Engineering support necessary to ensure compliance.
- Other forms of air pollution such as dust are also covered by the Title V Operating permit but are much easier and less complex to manage.

How do we control Landfill Gas ?

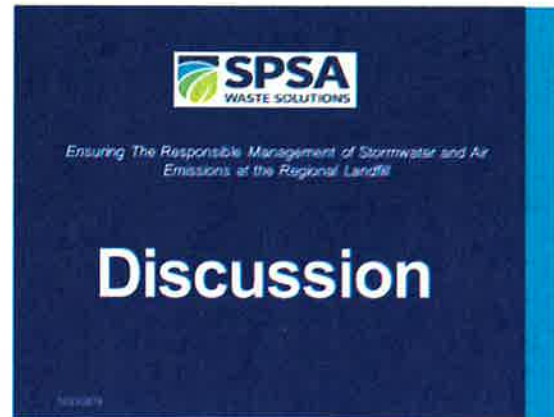


Landfill gas is extracted and either sold to a local manufacturing plant or used to fuel generators that produce electricity which is sold back to the grid. If any excess gas exists it is "flared off" at the power generation plant. This is accomplished in conjunction with Suffolk Energy Partners who is a third party contractor



Title V Permitting Requirements

- Semi-annual reports on gas production and extraction.
- Regular gas well monitoring
- Surface emissions monitoring.
- Any event that could lead to an inefficiency of the combustion engines, such as power outages or failures, must be reported.
- Annual compliance certification.
- Suffolk Energy Partners (SEP) is required to perform monthly monitoring of gas wells.
 - Inspect and test for leaks at the extraction wells.
 - Vacuum, temperature and volume measurements are recorded
 - HDR Engineers and SPSA staff evaluate data provided by SEP and we use this data to provide reporting mandated by Title V



After the presentation, Ms. Collins opened the floor for discussion. Chairman Keifer commented that it is important for the Board to be aware of the environmental permitting processes that that SPSA undertakes and he thanked Ms. Collins for her efforts.

8. FINANCIAL REPORT

Ms. DeVary reviewed the financial information for the month ending September 30, 2019. Total revenues exceeded total expenses for the fiscal year-to-date by approximately \$2.4 million as compared to \$2.3 million in the previous fiscal year. Tipping fees reflect an increase of 3.6% or \$403,000 as compared to September of 2018. The municipal waste tons are up approximately 2.8% or 3,236 tons from what was received last September. The total municipal waste received fiscal year-to-date was 117,635 compared to 114,399 a year ago.

Ms. DeVary went on to say that total expenses for the month ending September 30, 2019 were approximately \$9.9 million as compared to \$10.2 million in the prior fiscal year. SPSA has seen a decrease in overtime, especially in transportation, due in large part to improvements at Wheelabrator, which is good news. She then drew the Board's attention to a line item in the budget for the host fee paid to the City of Suffolk for waste that goes into the landfill. The budget for FY20 is \$560,000 and SPSA has already paid almost \$236,000. The reason for this is because of nonqualifying ash from Wheelabrator. Wheelabrator pays SPSA an additional \$10 per ton for nonqualifying ash and then SPSA remits \$4 of that to the City of Suffolk as a host fee.

Cash balances are at approximately \$35 million; currently designated as \$1.87 million in operating, \$611,398 still outstanding for FY2019 purchase orders from projects not yet completed, \$5.9 million in undesignated fund balance, which is the equivalent of two months' operating expenses under the current budget, \$2.5 million for the proposed HRSD Force Main, and \$24.1 million in the landfill expansion and closure fund.

Ms. Lowe moved, seconded by Ms. Raulston to approve the SPSA financial report as presented. The vote on the motion was unanimous.

7. CONTRACTS

Mr. Bagley introduced a contract for the purchase of a trailer mounted portable tire shredder to ensure that staff is able to maintain tire volume within permit limits during extended down times due to tire shredder maintenance and repair. The purchase is from BCA Industries under a Sole Source contract. The price is \$165,000 and a portion of the capital project for asphalt replacement at the Regional Landfill will be deferred to FY 2021 to cover the cost of this project.

Mr. Jenkins moved, seconded by Ms. Lowe to award the contract for a trailer mounted portable tire shredder to BCA Industries as presented. The vote on the motion was unanimous.

Ms. DeVary introduced a contract for a Facility Assessment and Development of a Capital Replacement Schedule. The replacement plan will be used to quantify and prioritize needed repairs in order to guide future capital budget requests as they relate to SPSA facilities. This contract is the result of RFP 02-20, Issued 8/5/2019 and opened 9/10/2019. SPSA received three proposals to perform this work. Staff rated the proposal from ECS Mid-Atlantic as the most advantageous to SPSA and recommends awarding a contract to ECS Mid-Atlantic in the amount of \$38,000 to perform the identified services.

Mr. McCoy moved, seconded by Mr. Broad to award the contract for facilities assessment and capital replacement schedule to ECS Mid-Atlantic as presented. The vote on the motion was unanimous.

Ms. DeVary introduced a contract that was the result of an RFP issued to provide network and telecommunication service to nine (9) SPSA locations. Five service providers attended the Pre-Proposal Conference held on October 1, 2019. Cox Virginia Telecom L.L.C. was the only response received by SPSA. Negotiations took place between SPSA and Cox Virginia Telecom L.L.C. on October 11, 2019. The proposer addressed several questions and submitted a revised pricing schedule that staff requested. Staff recommends award of a five (5) year contract in the approximate amount of \$84,000 per year with the option to renew the contract for five (5) 1-year periods.

Mr. Arnold moved, seconded by Mr. Baugh to award the contract for network and telecommunications services to Cox Virginia Telecom, L.L.C. as presented. The vote of the motion was unanimous.

In preparation for Mr. Warren Tisdale's retirement from Willcox & Savage on December 31, 2019, a new letter of engagement has been issued to name Mr. Brett Spain as SPSA's main point of contact beginning January 1, 2020. SPSA is billed on an hourly rate and Mr. Spain's proposed hourly rate for calendar year 2020 is \$350 per hour.


Mr. Arnold moved, seconded by Mr. McCoy to authorize the Executive Director to execute the engagement letter with Willcox & Savage as presented. The vote of the motion was unanimous.

8. **OTHER BUSINESS**

Chairman Keifer reminded the Board that the next Regular Meeting of the Board of Directors will take place on December 11, 2019.

9. **ADJOURN MEETING**

There being no further business to come before the Board of Directors the regular meeting was adjourned at 10:19 a.m.



Liesl R. DeVary
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors