MINUTES OF THE CITIZENS ADVISORY COMMITTEE OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

November 19, 2019

A meeting of the Citizens Advisory Committee of the Southeastern Public Service Authority (SPSA) was held at 6:30 p.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 Kish	(CH)	Mr. Richard Pippin	(CH)
Mr. William Raye Moore	(FR)		
Mr. Richard Schwarting	(IW)		
Mr. Willie Barnes	(NO)	Ms. Kim Y. Sudderth*	(NO)
Mr. Mark Geduldig-Yatrofsky	(PO)	Mr. Vernon Tillage (absent)	(PO)
Mr. John Bunch	(SH)	Ms. Denise Wlodyka	(SH)
Ms. Ellen Cobb	(SU)		
Mr. Andrew G. Baan	(VB)	Mr. Eric Nielsen	(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 SPSA Executive Staff, Ms. Liesl R. DeVary, Executive Director, Mr. Dennis Bagley, Deputy Executive Director, Ms. Tressa Preston, Executive Administrator, and HDR Staff, Mr. Jeffrey Murray.

1. CALL TO ORDER AND APPROVAL OF MINUTES

Ms. DeVary welcomed the Committee and reviewed the agenda for the evening's meeting. With the minutes from the October 29, 2019 meeting of the Citizens Advisory Committee having been distributed and members given time to review before the meeting, Charmain Baan entertained a motion to approve the minutes.

Mr. Pippin moved, seconded by Mr. Schwarting, to approve the October 29, 2019 minutes of the Citizens Advisory Committee as presented. The vote on the motion was unanimous.

2. FEEDBACK ON THE TOURS OF THE LANDFILL

Ms. DeVary opened the floor for members to provide any feedback on their tours of the Regional Landfill. Several members of the Committee spoke about their experience, commenting on the cleanliness and efficiency of landfill operations, the landfill's central location within the service area, as well as the facility's relative isolation from homes and businesses. There was also conversation about utilization of new technologies to improve landfill compacting and speculation about future land use once the landfill cells are closed.

The Committee expressed gratitude to staff for making the tours possible, stating that they were enjoyable, informative and relevant to the work of the Committee. Ms. DeVary thanked the members for their comments and agreed that that being able to see and experience something firsthand is often the best way to gain understanding.

3. PROCEDURAL OVERVIEW AND NEXT STEPS

At the request of the Chairman, Ms. DeVary reviewed the roles and responsibilities of the Committee in relation to their formal recommendation to the SPSA Board of Directors. The CAC mission states that the Committee will serve in an advisory capacity regarding landfill options only and will deliver their recommendation to the Board in the form of a letter or an oral presentation.

Chairman Baan asked the Committee if they had comments or suggestions on the form and structure that the recommendation should take. After some discussion it was determined that the Committee will vote on their recommendation and that, due to the fact that the CAC is an advisory committee rather than a decision-making committee, if the recommendation is not unanimous dissenting opinions can be included. Before moving on to the review of alternative landfill locations, Chairman Baan asked the Committee to keep in mind their mission of delivering a formal recommendation to the Board and allow that goal to give context and structure to their discussion.

4. <u>ALTERNATIVE LANDFILL LOCATIONS</u>

Ms. DeVary began the by stating that, to SPSA's knowledge, the only community in SPSA's service area that has interest and/or capacity to host a landfill is Suffolk, the host community for the Regional Landfill. Chairman Baan asked the Committee, for the record, if any members had differing information or opinions. The Committee agreed with Ms. DeVary's assessment that there is not a location in the SPSA service area that is open to siting a new landfill.

Knowing that financial concerns would be a major factor in assessing alternative sites, as an introduction to Mr. Murray's presentation, Ms. DeVary went over the criteria SPSA is using to evaluate the estimated costs. Ms. DeVary explained that direct operating costs and capital costs are grouped into four categories: transfer stations; transportation; landfill; and additional programs. She went on to say that indirect costs such as administration, fleet maintenance, scale house operations, and the environmental department are allocated across those four groups based on factors like waste tons received, labor hours, and total operating costs. Applying this information to the task at hand, regardless of where waste is hauled, there should be no significant changes to transfer station operations or other programs. The primary focus would be changes to transportation costs and associated capital, fleet maintenance, and landfill costs. In these slides, costs can be inferred by looking at transportation miles, as increased transportation miles alone will be an indicator of increased costs.

Mr. Murray pointed out that while economic drivers are certainly a large consideration, based on previous discussions, the Committee will likely have interest in other factors related to hauling, such as environmental concerns like carbon emissions and community concerns like traffic congestion and highway safety.

The first of Mr. Murray's slides shows the SPSA service area and four of the five alternative landfill sites presented for consideration. The fifth is a long-distance site that is included as an example of a rail transportation option.

Mr. Murray starts by giving an overview of the SPSA Regional Landfill, noting operator, location, 2018 disposal numbers, permitted capacity, estimated life, total transportation miles, tipping fee, and other considerations. Each of the following slides will take the same format. For the purpose of this exercise, SPSA is assuming that all waste will go the Regional Landfill with the goal of providing an "apples to apples" comparison with the other landfill sites so that the Committee can make a more informed recommendation to the Board of Directors.

The Regional Landfill, operated by SPSA on Bob Foeller Drive in Suffolk, disposed of 358,220 tons in 2018 with a permitted capacity of 9,399,117 tons and an estimated life of 19 years. Total yearly transportation miles would be 1,137,234 and the tipping fee is between \$25.00 and \$30.00. Other considerations include that the facility is co-located with the Suffolk Transfer Station and that it is centrally located to SPSA's service area. There is a dense buffer area that keeps the Regional Landfill from disturbing the residences and businesses in the area.

Atlantic Waste Disposal, operated by Waste Management, Inc. on Atlantic Lane in Waverly, VA disposed of 1,279,485 tons with a permitted capacity of 45,497,743 tons and an estimated life of 74 years. Total yearly transportation miles would be 3,056,447 and the tipping fee is estimated between \$40.00 and \$50.00. Other considerations would include additional trailers, tractors, and staff needed, along with increased fleet maintenance costs.

Bethel Landfill, operated by Waste Management, Inc. at 100 N. Park Lane in Hampton, VA disposed of 645,913 tons in 2018 with a permitted capacity of 22,467,607 tons and an estimated life of 80 years. Total yearly transportation miles would be 1,607,625 and the tipping fee is estimated between \$40.00 and \$50.00. Other considerations would include additional trailers, tractors, and staff needed, along with increased fleet maintenance costs. Additionally, transportation delays to Hampton and limited hours due to close proximity to residential housing would require further increases to equipment and staff.

Brunswick Waste Management Facility, operated by Republic Services, Inc. at 107 Mallard Crossing Road in Lawrenceville, VA disposed of 211,151 tons in 2018 with a permitted capacity of 9,982,219 tons and an estimated life of 72 years. Total yearly transportation miles would be 4,480,791 and the tipping fee is estimated between \$40.00 and \$50.00. Other considerations would include additional trailers, tractors, and staff needed, along with increased fleet maintenance costs.

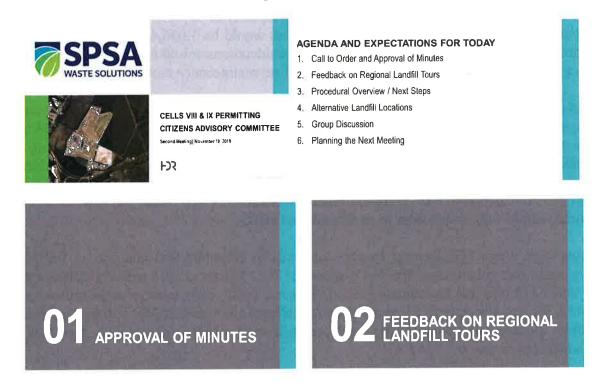
Shoosmith Landfill, operated by Shoosmith Brothers at 11520 Iron Bridge Road in Chester, VA disposed of 1,002,544 tons in 2018 with a permitted capacity of 20,050,000 tons and an

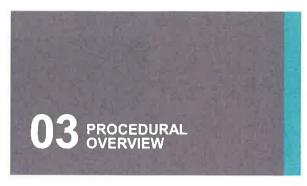
estimated life of 30 years. Total yearly transportation miles would be 4,684,657 and the tipping fee is estimated between \$40.00 and \$50.00. Other considerations would include additional trailers, tractors, and staff needed, along with increased fleet maintenance costs.

The final alternative site has been presented as an example of a rail transportation facility, which is an option that has been a part of previous discussions and is the solution for some communities. Tunnel Hill Reclamation Landfill is operated by Tunnel Hill Partners, located at 8822 Tunnel Hill Road in New Lexington, Ohio and disposed of 1,299,797 tons in 2018. Being an out-of-state facility, there are no published numbers on estimated life that staff has been able to locate. Total rail transportation is more than 850 miles, totaling 387,434,250 ton-miles with an estimated \$25.00 - \$30.00 tipping fee. For this option there would be an extensive capital outlay to create infrastructure to transport by rail, as well as a \$100K cost per individual rail car and \$10K cost per individual cube. With rail car turn-around time taking up to six weeks it would be an extensive investment in order to serve the needs of SPSA's member communities. Mr. Murray believes that this is not a viable option for SPSA, but has outlined the details to give insight into the process.

Mr. Murry went on to say that while each of these options would require increases to costs for the member communities, there is alternative landfill space available should the Board of Directors determine that hauling is necessary, or if the permitting process is not able to proceed.

Chairman Baan thanked SPSA staff and Mr. Murray for their work on the presentation, particularly for the summary slide that compiles all of the data into a chart, noting that this information allows the Committee to perform its due diligence in their recommendation.





CAC MISSION

The CAC will serve in an advisory capacity only, and will make recommendations regarding preferred landfill options, including the possible siting of a new landfill, in order to meet SPSA's disposal needs for the next 20 to 40 years, and make its recommendations to the Board in the form of a letter or oral presentation to the SPSA Board.

ALTERNATIVE LANDFILL LOCATIONS

EVALUATING ALTERNATIVE LANDFILL COSTS

SPSA's direct operating and capital costs are categorized in 4 groups:

- Transfer Stations
- Transportation
- 3 Landfill
- 4 Other programs such as Household Hazardous Waste, Whiles Goods and Tire Shredder
- > The indirect costs such as administration, fleet maintenance, scale attendants and environmental are allocated over the 4 groups based on certain factors like waste tons received, labor hours and total operating costs.
- Regardless of where the waste is hauled, there should be no significant changes to transfer station operations or other programs.
- > We primarily focus on changes to transportation costs and associated capital, fleet maintenance, and landfill costs.



SPSA REGIONAL LANDFILL

- Operator: SPSA.
- Location: Bob Foelier Dr., Suffolk, VA 2018 Disposal: 358,220 tons
- Permitted Capacity: 9,399,117 tons Estimated Life: 19 yrs
- Total Transportation Miles: 1,137,234
- Tipping Fee: \$25-30 Other Considerations
 - · Co-Located with Suffolk TS



ATLANTIC WASTE DISPOSAL

- Operator: Waste Management, Inc.
- Location: Atlantic Ln, Waverly, VA
- 2018 Disposal: 1,279,485 tons Permitted Capacity: 45,497,743 tons
- Estimated Life: 74 yrs
 Total Transportation Miles: 3,056,447
- Tipping Fee: \$40-50 estimated
- Other Considerations:
- Addltional Trailers/Tractors & Staff
 Increase in fleet maintenance costs



BETHEL LANDFILL

- Operator: Waste Management, Inc.
 Location: 100 N. Park Ln, Hampton, VA
- 2018 Disposal: 645,913 tons
- Permitted Remaining: 22,467,607 tons
- Estimated Life: 80 yrs
- Total Transportation Miles: 1,607,625
- Tipping Fee: \$40-50 estimated Other Considerations:
 - Additional Trailers/Tractors & Staff
 - · Increase in fleet maintenance costs · Transportation Delays to Hampton



BRUNSWICK WASTE MANAGEMENT FACILITY

- Operator: Republic Services, Inc.
 Location: 107 Mallard Crossing Rd,
- Lawrenceville, VA 2018 Disposal: 211,151 tons

- Permitted Capacity: 9,982,219 tons
 Estimated Life: 72 yrs
 Total Transportation Miles: 4,480,791
- Tipping Fee: \$40-50 estimated Other Considerations:
- - Additional Trailers/Tractors & Staff
 Increase in fleet maintenance costs



SHOOSMITH LANDFILL

- Operator: Shoosmith Brothers Location: 11520 Iron Bridge Rd, Chester, VA
- 2018 Disposal: 1.002.544 tons
- Permitted Capacity: 20,050,000 tons Estimated Life: 30 yrs Total Transportation Miles: 4,684,657

- Tipping Fee: \$40-50 estimated
- Other Considerations:
 - Additional Trailers/Tractors & Staff
 Increase in fleet maintenance costs



TUNNEL HILL RECLAMATION LANDFILL

- Operator: Tunnel Hill Partners
- Location: 8822 Tunnel Hill Road, New Lexington, OH
- 2018 Disposal: 1,299,797 lons
- Estimated Life: ?
- Total Rail Transportation: 850+ miles
- 387,434,250 ton-miles
 Rail Cost: \$0,033 to \$0.08/ton-mile e/w
- Tipping Fee: \$25-30 estimated
- Other Considerations:
 - Rail Transfer Station Cost and Access
 Rail Cars and Container Cost
 - Travel Times and Rail Container Storage



SUMMARY OF ALTERNATIVE LANDFILL SITES

	Regional Landfill	Atlantic Waste Disposal	Bethel Landfill	Brunswick Waste Management Facility	Shoosmith Landfill
Operator	SPSA	Waste Management	Waste Management	Republic Services, Inc.	Shoosmith Brothers
Location	Suttox	Waverly	Hampton	Lawrenceville	Chester
Estimated Life	19 years	74 years*	80 years*	72 years'	30 years*
Transportation Miles	1,137,234	3,056,447	1,607,625	4,480,791	4,684,657
Tipping Fee (per ton)	\$25-30	\$40-50	\$40-50	\$40-50	\$40-50

Lile estimates taken from the 2019 Annual Solid Waste Report for CY 2018 Prepared by VDEQ

GROUP DISCUSSION

06 PLANNING THE NEXT MEETING



5. **GROUP DISCUSSION**

The following discussions occurred before, during, and after Mr. Murray's presentation. For clarity they have been grouped by subject matter rather than chronology.

- SPSA is a public company and the other alternative sites are private companies. This means that SPSA is not seeking to make a profit whereas the other companies are driven by the free market and must answer to their stockholders. This fundamental difference in operations results in differences in permitting and procedures. As a public entity, SPSA permits as needed because that is the soundest choice for their member communities. SPSA builds smaller and more slowly, siting landfills as a safety net to provide for their communities' needs. In public companies, permitting generally happens all at once so that they have room to hold waste from an unlimited service area with the goal of filling their landfills as fast as possible to increase profits. Public companies still must meet the current environmental standards as they build, but at the rates at which they are filling and capping, their permits often happen with little time to spare.
- SPSA and the Regional Landfill have a service area that is limited only to its member communities. The other alternative sites have an unlimited service area, making it possible for them to accept waste from as far away as New York and New England. Some of these distant communities have determined that it is in their best interests to ship all of their municipal waste out of state and not permit new landfills, but this is done at great expense. If it were necessary for SPSA to take those steps, they would be able to do so, but at a greatly increased cost to the member communities. Perhaps these high costs will incentivize the market to create new technologies for managing and processing waste, but as of yet, those technologies do not exist.
- If SPSA were to enter into a contract with any of these alternative sites, it is likely that they would be able to negotiate a 10% to 15% decrease in the tipping fee, but not enough to make a significant change in the overall costs.
- SPSA's tipping fee is an "all in" number that covers SPSA's full operating costs, as well as money set aside for expansion and future closure costs. The expansion of the Regional Landfill is already included in the current tipping fee. In the past, SPSA borrowed money in the form of bonds to fund their projects. Since Ms. DeVary's tenure with the organization, SPSA is a cash-only operation, using only their own funds. In addition to maintaining self-sufficiency, one of the reasons for this decision is that in order for borrowing to be viable, terms are usually 20 to 30 years, but SPSA's use and support agreements with member communities are only 10 years.
- The costs for SPSA to transport waste work out to roughly \$8 to \$10 per mile. The way costs are calculated is through an Excel model that formulates based on number of tons

from each transfer station, mileage from each station, average miles per hour for total minutes on the road, how many drivers it will take to haul that many loads, fuel costs, et cetera. It is a very detailed process that considers many factors. The average truck hauls between 20 and 22 tons per load. This is due to weight regulations from the Department of Transportation and other carriers would be held to the same standard.

- It should be noted that all life estimates for each of the Virginia alternative landfill sites have been taken from the 2019 Annual Solid Waste report for CY 2018, which was prepared by the Virginia Department of Environmental Quality. If one were to do a straight addition of the yearly tonnage rates to calculate life capacity of these sites, the numbers would not balance. This is a known factor, but these official numbers are the ones used by the State of Virginia to determine whether or not a new landfill can be sited. Should SPSA begin hauling all of their waste to one of the alternative sites, it is unknown how that influx of tonnage would alter the life capacity of the site.
- There was discussion among the Committee that the alternative sites farthest away (Brunwick and Shoosmith) should be eliminated as possibilities. Ms. DeVary noted that SPSA has, in the past, received a bid from Republic, Inc. to haul to their Brunswick facility. While the tipping fee was lowered, that did not make up for the overall transportation costs that would have to be incurred.
- A member of the Committee inquired as to whether or not SPSA would be receiving any of the ash from the new coal plant. Ms. DeVary advised that SPSA would not be receiving any of that ash.
- Regarding the permitted height of the landfill, a member of the Committee inquired about petitioning for a variance as it appears that the Regional Landfill does not lay in a direct path for aircraft that would be arriving at or departing from the Hampton Roads Executive Airport. Mr. Murray advised that safety regulations are set in place by the Federal Aviation Administration (FAA) and are non-negotiable. Murray also mentioned that with the design of the landfill cells being what they are, it would not be advisable to fill higher due to safe construction limitations, and that birds and other vectors are issues to consider.
- One of the considerations brought up for discussion was prompted by the Committee's visits to the Regional Landfill. It is SPSA's practice to construct landfill cells by excavating the soil from the area under construction and moving it to a "borrow pit" where the soil is stored until it is needed for clean fill. In order to use wetlands as a borrow pit it must first be permitted as a future landfill site. One cannot get a permit to impact wetlands to be used solely as a borrow pit. This process of using excavated soils is what helps keep construction costs low and is a contributing factor in the timing of seeking permits for cells VIII and IX now so that cell VII can begin construction when needed. Even though there are years of life left in the already permitted cells at the

landfill, construction and operation of cell VII will be most efficient once cells VIII and IX are permitted.

• The cost of wetlands mitigation is estimated to be approximately \$20K to \$30K per acre. With low-quality wetlands there is an anticipated 2:1 ratio for banked mitigation. However, it is important to note that while SPSA has budgeted \$5.2M for wetlands mitigation, mitigation only occurs at the time of disturbance, so it is likely that SPSA would not have to purchase these mitigation credits until many years in the future.

A suggestion was made to see if SPSA could purchase adjacent property to use for wetlands mitigation, as well as to ensure a continued buffer and act as insurance that no unwitting buyers would find themselves with property adjacent to a landfill. Mr. Murray informed the committee that the Army Corp of Engineers would not be favorable to that as the property is already considered wetlands. They insist on banks for wetlands mitigation, unless none are available. Purchasing property for self-mitigation is fourth or fifth on their list. While SPSA would much prefer to handle their own mitigation, it is understandable that the Army Corp of Engineers would want to maintain control of the process to ensure that all of their standards are being met.

- A committee member raised a concern about the buffer around the Regional Landfill as it relates to unsuspecting buyers potentially purchasing land for development only to discover too late that it has been permitted as a future landfill site. Mr. Bagley suggested that due to the majority of the property falling into protected wetlands on the delineation map, it is unlikely to be purchased for development. While it is outside of the Committee's jurisdiction to ask the City of Suffolk to warn potential buyers of the proximity to the landfill, Ms. DeVary and Mr. Nielsen are confident that there are local provisions that are already in place to keep citizens aware of the process through public meetings and other planning initiatives. Mr. Murray added that the Regional Landfill Master Plan has been a part of the public record and the conditional use and permitting process, noting that the landfill is a valuable resource to the community as Suffolk is compensated as a host community.
- The Committee brought up concerns about not devoting time to discuss and explore ways to reduce, reuse, and recycle, as they are more primary methods in the waste hierarchy pyramid. Ms. DeVary clarified that such explorations fall outside of the scope of this Committee as the CAC's mission is to discuss landfill siting only. She did, however, direct committee members to the Regional Solid Waste Plan which is managed by the Hampton Roads Planning District Commission (HRPDC) under the guidance of the region's communities and to which SPSA contributes as a stakeholder. Mr. Bagley and Mr. Murray went on to say that, as a mandate of recycling legislation, the Regional Solid Waste Plan is the vehicle by which those hierarchical processes are addressed as a part of the region's waste management strategies. Choices regarding reduction and recycling are determined at the community level and lay outside of SPSA's scope of service. As it stands, member communities entrust SPSA to responsibly provide the

essential service of managing all waste that is not recyclable. Ensuring that there is adequate landfill space for that inevitable waste is the charge of this Committee.

In light of the discussion, Chairman Baan opened the floor for a motion on the Committee's recommendation and/or a motion on the form that the recommendation should take.

Mr. Nielsen moved that the Committee recommend the expansion of the Regional Landfill to cells VIII and IX. Mr. Schwarting seconded.

A discussion followed where committee members voiced their support for the motion to recommend the expansion of the regional landfill. Comments fell into the following categories:

<u>Economic Considerations</u>: With the other alternative sites all involving increased transportation miles and associated capital and staffing costs, it would be more cost-effective to expand the Regional Landfill. This assessment includes consideration for wetland mitigation costs.

<u>Environmental Concerns</u>: More transportation miles will result in increased carbon emissions with a negative impact to the climate. Although the expansion of the Regional Landfill will require the disturbance of wetlands, the quality of habitat is low and there are mitigation requirements that will be followed.

<u>Location Practicality</u>: Finding a community to host a landfill site is challenging and Suffolk is willing and able to continue to serve as a host for the Regional Landfill.

<u>Timeliness</u>: In order for SPSA to continue the construction of the previously permitted cell VII, permitting for future cells VIII and IX would be required to mitigate costs by serving as a soil borrow pit.

<u>Confidence in Current Operations</u>: The Committee is satisfied that SPSA staff is operating the landfill using safe, effective, environmentally and financially sound practices.

While no oppositional options were expressed, through the course of discussion it was determined that the Committee's preference was to take time to process the information presented at the meeting and return to take a final vote in January, provided that there was no pressing time constraint. Ms. DeVary confirmed that the Committee should feel free to take all the time they need to consider their recommendation.

Mr. Geduldig-Yatrofsky moved to defer Mr. Nielsen's motion to the January meeting. Ms. Sudderth seconded. The vote on the motion to defer was unanimous.

Chairman Baan returned the discussion to the topic of the form in which the recommendation would be presented.

Ms. Cobb moved that the Committee submit their recommendation in the form of a written statement to the SPSA Board of Directors. Mr. Barnes seconded.

SPSA staff discussed the Committee's preference on the structure of the written statement, confirming that the statement would be presented as a heavily condensed summary of the conclusions reached through presentation of materials and group discussion. The minutes of those meetings shall serve as a detailed accounting of how the Committee arrived at their recommendations. SPSA staff will draft a version of that statement and the Committee will have time to edit to their specifications.

It was again determined that the Committee preferred to take its final vote on the form of the recommendation at the next meeting and will review and edit the statement drafted by SPSA staff which will reference the previous meeting minutes.

Mr. Pippin moved to defer Ms. Cobb's motion to the January meeting. Mr. Moore seconded. The motion to defer was opposed by Mr. Barnes with all other members of the Committee present voting in favor. The motion passed.

6. PLANNING THE NEXT MEETING

Due to scheduling conflicts for several members of the Committee, the meeting scheduled for January 14, 2020 was rescheduled. The date of January 7th at the same time and place was agreed upon by the Committee. The next meeting of the Citizens Advisory Committee will take place at 6:30pm in the Regional Board Room on Tuesday, January 7, 2020.

7. ADJOURN MEETING

There being no further business to come before the Citizens Advisory Committee, Chairman Baan asked for a motion to adjourn the meeting. Mr. Geduldig-Yatrofsky moved that the meeting be adjourned and Ms. Wlodyka seconded. The vote was unanimous and the meeting was adjourned at 8:40 p.m.

Andrew G. Baan CAC Chairman

Submitted by: Tressa Preston, SPSA Executive Administrator