

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

February 26, 2020

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)	Ms. Amanda Jarratt ( <i>absent</i> )	(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*	(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 ( <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, Mr. Hart Council (SH), Mr. Michael Etheridge (IW), Mr. Eric Martin (CH), 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. Tressa Preston, Secretary and Executive Administrator, and Mr. Brett Spain, General Counsel.

## 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 opened the meeting and asked if anyone had questions or comments. Seeing that there were none, he moved to the approval of the previous meeting's minutes.

## 4. APPROVAL OF MINUTES

The minutes of the January 22, 2020 Board meeting have been distributed. Chairman Keifer asked if there were any additions or changes.

**Mr. Keaton moved, seconded by Mr. Broad to approve the January 22, 2020 minutes of the SPSA board as presented. The vote on the motion was unanimous.**

## 5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary was pleased to report that business operations at SPSA continue to run smoothly and efficiently. She went on to update the Board on the Regional Landfill Cell VIII and IX permitting process. The Environmental Impact Study (EIS) kickoff meeting was held at SPSA's offices on January 31, 2020 with the Army Corp of Engineers and their consultant, VHB. The meeting went as expected. March 5, 2020 there will be a meeting to further discuss and define what required alternatives will be considered in the EIS process. The next steps will be posting the permit notice through the Federal Register and then agency and public scoping meetings. The scoping meetings will be held at the end of April and beginning of May. Ms. DeVary will inform the Board when the notice is posted and when the meeting dates have been finalized. Chairman Keifer added that it appears that this process will take well over a year to complete. Ms. DeVary confirmed that it may take that long depending on the feedback received during the public comment period.

The next stakeholders meeting to discuss the flyover at the Regional Landfill is scheduled for March 3<sup>rd</sup> and the next Strategic Communications email, which is about the Regional Landfill, is scheduled to go out tomorrow.

In an email following the January Board Meeting, Ms. DeVary informed the Board that concerned parties are attempting to schedule a meeting with the Navy to explain the regional impact of their plans to build a new power plant and determine if there are any options for Wheelabrator to extend their contract to provide steam to the Navy. As of this meeting there has not been a response from the Navy. Ms. DeVary will follow up next week.

Ms. DeVary reported that the Virginia Department of Environmental Quality (DEQ) has approved SPSA's annual financial assurance. Regulations require that SPSA posts or attests to financial assurance for closure and post closure care of the Regional Landfill and transfer stations. These assurances must be certified at the end of each fiscal year. The projected total costs as of June 30, 2019 are about \$24.2 million, the bulk of which is for closure and post closure of Cells I through VI. The transfer stations represent roughly \$281,200 of the total funds. As of January 31, 2020, SPSA has approximately \$25.6 million set aside for landfill expansion and closure. Ms. DeVary reminded the Board that ten years ago SPSA had to post a letter of credit for \$24 million, which cost roughly \$300,000, but that is no longer necessary. Because SPSA's financial situation is now vastly improved due to paying off all debt and maintaining substantial cash reserves, SPSA, for the past eight or nine years has been able to use a different approved method of assurance. The DEQ has approved cost estimates and SPSA's use of the "corporate financial test" to demonstrate financial assurance by meeting certain ratios and having all financial statements in good order. No Board action is required. Ms. DeVary asked if there were any questions regarding the financial assurance and there were none.

Ms. DeVary showed the Board a picture of the new sign that has been put in place at the Norfolk Transfer Station, which features the new logo with updated styling and colors. Each facility will have its own sign with the same design. Staff is excited about this next step in the rebranding process.

Before Mr. Bagley delivered the operations report, he drew the Board's attention to a new item in their agenda packets. Wheelabrator is now providing a metric for their operations that is

formatted like the Landfill operations metric and will continue to be provided before the Board Meetings so that members can review that data ahead of time.

Mr. Bagley stated that 29,348 was the total tonnage deposited in the landfill, which is a 9,868 ton decrease from the last reporting period. Total leachate hauled for the reporting period was 1,018,600 gallons. SPSA also pumped 738,332 gallons for a total of 1,738,932 gallons of leachate, which was an increase of 556,888 gallons from the previous reporting period. This high number is due to the ongoing project of dredging the leachate lagoons. The goal is to keep the leachate levels low to accommodate a weather event or any other complication that might arise during the process. Wheelabrator delivered 12,469 tons of residue to the landfill, of which 1,145 tons, or 9%, was reclassified as nonqualifying ash. Mr. Bagley noted how pleased SPSA is with the quality of the ash being received. No odor complaints were reported this period.

Mr. Bagley went on to say that the leachate pond dredging project he mentioned earlier is about half way completed. Bad weather and some unforeseen conditions caused delays, but overall, staff is pleased with the progress and have made improvements which will extend the life of the leachate ponds and allow them to operate more efficiently. Tours of the Landfill continue to go well, with about 75 kindergarten, first, and third graders from Carrollton Elementary School visiting this month and a gardening group in Southampton County expressing interest in scheduling a tour.

Mr. Bagley asked if there were any questions about the operations report, and seeing that there were none, moved on to presenting the airspace report. Mr. Bagley began with the adage "what you don't measure, you can't manage," stating that the goal of the Airspace Utilization Report is to provide staff with accurate measurements to indicate how much landfill space is used over time. This report can indicate compaction performance from year to year and is a valuable tool for performance evaluation and future planning.



### 2020 Airspace Utilization Update

February 26, 2020



### The Purpose

- To determine disposal space consumed over a period of time
- To determine remaining disposal area
- To determine compaction ratio
- Ensures the fill plan is being followed
- Better understand Operational Efficiency
- Planning Tool

February 26, 2020



## The Process

- Perform flyover to gather topographic information (elevations)
- Perform ground survey when needed
- Use information gathered to develop 3-D drawings
- Compare new drawings to previous drawings to determine cubic yards of space consumed
- Gather weights of all incoming material
- Determine the number of tons per cubic yard of airspace consumed
- Convert to Airspace Utilization Factor (AUF)



## Compaction Rate and Airspace Utilization Factor

Compaction Rate  
Lbs / Cubic Yard

- 1,000
- 1,200
- 1,400
- 1,600
- 1,800
- 2,000

Airspace Utilization Factor  
Tons / Cubic Yard

- .5
- .6
- .7
- .8
- .9
- 1.0



## What Impacts AUF?

- Type of material
- Density of Material
- Moisture Content of material
- How well material is compacted after placement
- The amount and type of cover used



## Data Through December 2019

- Total Material Landfilled in 2019  
↳ 308,952 Tons
  - Total Volume of Landfill Consumed  
↳ 320,749 Cubic Yards
  - Pounds/ Cubic Yard 1,921
  - AUF .96
  - Remaining Capacity 3.4 million CY
  - Life Expectancy (Cells V and VI) May 2029 \*
- \* Assumptions: 325,000 tons of waste being disposed  
1,800 lbs /CY compaction rate  
All available disposal space will be captured

## Comparison of 2019 and 2020 Report

2019 (2018 Data)	2020 (2019 Data)
<ul style="list-style-type: none"> <li>• Disposed • 322,260 Tons</li> </ul>	<ul style="list-style-type: none"> <li>• Disposed • 308,952 Tons</li> </ul>
<ul style="list-style-type: none"> <li>• Airspace Consumed • 543,413 CY</li> </ul>	<ul style="list-style-type: none"> <li>• Airspace Consumed • 320,749 CY</li> </ul>
<ul style="list-style-type: none"> <li>• AUF • .85</li> </ul>	<ul style="list-style-type: none"> <li>• AUF • .96</li> </ul>
<ul style="list-style-type: none"> <li>• Disposed In Place Density • 2,005 Lbs./CY</li> </ul>	<ul style="list-style-type: none"> <li>• Disposed In Place Density • 2,008 Lbs./CY</li> </ul>



## Estimated Life of Cells V and VI

300,000 Tons	350,000 Tons	400,000 Tons	450,000 Tons	500,000 Tons
10 years 3m 5/2030	8 years 9m 11/2028	7 years 8m 10/2027	6 years 10m 12/2026	5 years 1m 3/2026

### Assumptions

- 1,800 lbs. / CY density for the life of the landfill
- The entire 3.4 million CY of airspace remaining can be captured



### Effect of Compaction on Estimated Life

300,000 Tons	350,000 Tons	400,000 Tons	450,000 Tons	500,000 Tons
7 years 2m 5/2027	6 years 2m 5/2026	5 years 4m 4/2026	4 years 11m 1/2025	4 years 2m 4/2024

#### Assumptions

- Compaction rate of 1,400 lbs / CY.
- The air-side 3.4 million CY of airspace remaining can be captured



### QUESTIONS/COMMENTS

Mr. Bagley closed the presentation by stating that landfill staff are doing an excellent job and that the consultants who completed this report were very impressed with the increased compaction rate this year. Mr. Bagley opened the floor to questions or comments.

Mr. McCoy commented on the innovative ways SPSA is gathering information stating that the use of a drone to measure airspace would have been unthinkable ten years ago. He went on to say that over the years waste management in the region has grown and changed for the better and he complimented Liesl and her staff on their ability to adapt quickly while keeping the Board well informed so that members can leave meetings feeling good about their decisions. Chairman Keifer added that it was a great presentation and thanked Mr. Bagley and Mr. Henry Strickland for their efforts.

## 6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the report from Wheelabrator, first stating that they have updated their presentation format in order to more clearly deliver operational high points and provide updates on established goals.

### Wheelabrator Portsmouth

February 2020



Meeting SPSA's mission to provide safe and environmentally sound disposal of regional solid waste



### Wheelabrator Portsmouth JAN 2020

Actual Operational Data



Net Refuse Received			Total Refuse Processed			Total NP Diverted			Ash Shipped		
Actual	Plan	Adj Plan	Actual	Plan	Adj Plan	Actual	Plan	Adj Plan	Actual	Plan	Adj Plan
82,634	42,927	3,737	52,882	45,765	8,125	9,771	8,442	1,000	12,469	12,584	(115)
Equipment of boiler breaks in a straight line for 28.8 weeks			Favorable deliveries and full management			Pickup and grinding to size, change of plan			11,871 tons used as ADC 59.8%		
Blowdown			Boilers			Turbine Unavailability Downtime			Net MW Sold		
Actual	Plan	Adj Plan	Actual	Plan	Adj Plan	Actual	Plan	Adj Plan	Actual	Plan	Adj Plan
94,832	82,554	10,090	187	42	(145)	0	0	(17)	11,230	11,861	644
Cold weather drive increases steam sales			One primary 24" scrape boiler and failure of 1 of 4 boiler grates due to aluminum			One tripped on a boiler upset event involving the refuse system			Favorable steam produced for processing despite favorable steam cost		

- Waste delivered by SPSA to RDF: 43,504.60 tons
- Boiler availability - 82%
- Turbine Generator availability - 28%
- Boiler 2 scheduled outage this period. Major work included pressure part inspections and overfly baghouse change out, fuel gas and SDA metal repairs, bottom ash and grate repairs
- Zero safety and environmental incidents



- Operational incidents
  - C33 belt failed: 1600 tons in diversions to keep SPSA night shift able to dump through this period; commercial direct kept out of the facility
  - Boiler grate issues leading to 43 hours USDT on units 1 & 4; dealing with heavy aluminum in grates, lack of recycling
  - January scheduled outage overrun 53 hours for additional work on pressure part overlay to ensure boiler reliability during run
- Power Plant ash screener processed well this period despite some downtime. Operators running machine longer per day to store more screened material to absorb upsets and improve on ash moisture content
- Third party TG in service inspections and boiler inspections completed this period.

Mr. Stratton opened the floor for any questions. Mr. McCoy mentioned a comment Mr. Stratton made about seeing an increased need for equipment maintenance due to more aluminum in the waste stream. Mr. McCoy asked if Mr. Stratton believed that increase was due to a reduction in recycling. Mr. Stratton replied that yes, he would make the assumption that was the case. Wheelabrator has seen several atypical premature boiler grate failures that can be attributed to burning aluminum passing through the grate keys and building up on the drive shafts. As the aluminum cools, it expands and pushes the grate chain away from the sprocket and breaks the chain. Mr. Stratton reiterated that he believes the increase in aluminum in the system is due to a reduction in recycling.

Mr. Ashby brought up a request made by Mr. Maxwell at the last meeting regarding a report showing how Wheelabrator's contract with the Navy impacts Wheelabrator's revenue. Ms. DeVary stated that while there is no report from Wheelabrator at this time, she knows they are working on gathering information to present. Additionally, she reminded the Board that there is an outstanding request for a meeting with the Navy for which SPSA is still awaiting a response, so there is no update at this month's meeting.

Mr. Roberts called back to Mr. McCoy's question regarding aluminum in the waste stream and asked to what extent Wheelabrator is able to remove steel and aluminum from the waste that they receive. Mr. Stratton replied that Wheelabrator is on course to remove 11,000 tons of ferrous metals this year using magnets during the pre-combustion process. This number is likely to increase with the recent installation of a more powerful magnet. Nonferrous metals are collected post-combustion. Mr. Roberts followed up by asking Mr. Stratton to elaborate on the financial aspect of that process. Mr. Stratton replied that, while the market value of the recovered metal fluctuates and removing the metals is a challenging process, it is essential to their operations because of the damage that the melted metals can cause to machinery. Mr. Pete DiCecco added that roughly 3% of Wheelabrator's revenue comes from recovered metal, adding that they are looking into having the new ash screener screen for both ferrous and non-ferrous metals as a way of increasing revenue and keeping more metal out of the landfill.

Mr. Keaton thanked Wheelabrator staff for the new format of their report, noting it as being more relevant to SPSA's interests and easier to understand. Chairman Keifer agreed, stating that the report clearly shows a focus on efficiency and accountability and that SPSA can see the improvements.

## 7. FINANCIAL REPORT

Ms. DeVary reviewed the financial information for the month ending January 31, 2020. Total revenues exceeded total expenses for the fiscal year-to-date by approximately \$2.5 million as compared to \$4.9 million in the previous fiscal year. Tipping fees reflect a decrease of -0.3% or approximately \$82,244 as compared to January of 2019. The municipal waste tons are up approximately 1.3% or 3,452 tons from last fiscal year. As of the end of January, the total municipal waste tonnages were 264,698 as compared to 261,246 a year ago. Ms. DeVary went on to say that it is common for tonnages to drop off in January, however this year there was not a decrease, perhaps due to the unseasonably warm weather.

Ms. DeVary reported that total expenses for the month ending January 31, 2020 were approximately \$24.5 million as compared to \$23.6 million in the prior fiscal year. Cash balances are at approximately \$36 million; currently designated as \$1.6 million in operating, \$337,238 for FY2019 ongoing project purchase orders, such as the multiyear wetlands permitting with HDR, \$5.9 million in undesignated fund balance, \$2.5 million for the proposed HRSD Force Main, and \$25.6 million in the landfill expansion and closure fund.

Chairman Keifer requested a motion to approve the financial reports.

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

## 8. CLOSED SESSION

Motion to Approve Request for Closed Meeting.

*I move that a closed session be held for discussion regarding the request for compensation from Wheelabrator Portsmouth, Inc. and possible amendment to 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.*

**Mr. Keifer moved, seconded by Mr. Broad to enter into closed session to discuss the request for compensation from Wheelabrator Portsmouth, Inc. and possible amendment to the Waste Disposal and Services Agreement between Wheelabrator and SPSA. The vote on the motion was unanimous.**

## 9. ACTIONS ARISING FROM CLOSED SESSION

Motion to Approve Certification after Closed Meeting.

*The Board hereby certifies that, to the best of each member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (ii) 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. Keifer moved, seconded by Mr. McCoy to certify the closed session. A roll call vote on the motion was unanimous.**

**10. ADJOURN MEETING**

There being no further business to come before the Board of Directors the regular meeting was adjourned at 11:24 a.m.

  
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Liesl R. DeVary  
Executive Director

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