

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

August 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. Earl Sorey	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt*	(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	(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)

(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. Michael Etheridge (IW) and Ms. Trista Pope (NO), 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.

* Indicates attendance electronically via GoTo Webinar.

Ms. Amanda Jarratt (FR) participated from her office at Franklin City Hall for medical reasons. Mr. Solomon Ashby (PO) participated from his home in Portsmouth for medical reasons. Mr. Ashby joined the meeting after roll call.

Also present at the meeting electronically via GoTo Webinar was Alternate Ex-Officio Member, Mr. Bobby J. Wheeler (VB) who participated from his home in Virginia Beach for medical reasons.

There were no objections to anyone's electronic attendance.

To encourage social distancing during the COVID-19 pandemic state of emergency, through the meeting notice, members of the public were also invited to listen to and view presentations displayed at the meeting by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary through contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. CALL MEETING TO ORDER

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

2. PUBLIC COMMENT

Ms. Preston reported that Mr. Mark Geduldig-Yatrofsky of Portsmouth registered with her to comment via electronic participation:

Thank you very much, Mr. Chair, honorable members of the Board, and fellow interested parties. It's a pleasure to be before you, at least by voice, if not in person. I want to thank you this morning for your leadership in terms of putting together an electronic meeting that provides access to the public beyond what has always been a part of the public input process, which is to say written comments either mailed in or sent in more recently by email. A lot of jurisdictions, my home jurisdiction, being one of them, have restricted the ability of citizens to comment online in time with the proceedings that they are holding electronically. That might have been understandable at an earlier stage of technological advancement, but as you are demonstrating right now, that's not the way it has to be today and that is not the way it should be. So thank you for doing your best to afford citizens an opportunity. The process was as full an opportunity as possible. That concludes my remarks.

3. CHAIRMAN'S COMMENTS

Chairman Keifer commented that, due to its strong leadership and exceptional employees, SPSA continues to do well in facing the challenges of the COVID-19 pandemic and he hopes for continued success. He thanked the Board for their involvement and support.

4. APPROVAL OF MINUTES

The minutes of the July 22, 2020 Board meeting have been distributed. Chairman Keifer asked if there were any additions or changes and there were none.

Ms. Raulston moved, seconded by Mr. McCoy to approve the July 22, 2020 minutes of the SPSA Board of Directors as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary introduced the Board to Mr. Michael Ponds, SPSA's new Safety and Risk Manager. Mr. Ponds has a Bachelor's of Science Degree in Biotechnology and the Environment and more than 13 years' experience, most recently with U.S. Gypsum in Norfolk where he was production supervisor. With expertise in heavy equipment and landfill compliance and monitoring, he is an excellent addition to the leadership staff. Chairman Keifer welcomed Mr. Ponds, letting him know that the safety of SPSA's staff is incredibly important and that he will have the Board's support.

Ms. DeVary also welcomed the electronic attendance of Captain William Butler and Captain Kai Torkleson of the Norfolk Naval Shipyard. It was suggested that someone from the shipyard join SPSA's Board Meetings to keep the lines of communication open, and Ms. DeVary appreciates their participation.

Regarding the proposed power plant at the Norfolk Naval Shipyard, there are no new updates, but Ms. DeVary reminded the Board about the current status of the situation. The Navy has approached Wheelabrator with an 18-month extension to their steam contract with possible options on a month to month basis. Wheelabrator and the Navy are currently in discussions and Wheelabrator has indicated to Ms. DeVary that they intend to meet with SPSA staff regarding future mutually beneficial strategies for waste disposal. DEQ is having a public hearing on the Navy's air permit for the proposed new plant on September 22nd if any Board Members are interested in participating.

Earlier in the month SPSA submitted its application for RSTP funding to the Hampton Roads Transportation Planning Organization (HRTPO) for the flyover at the entrance to the Regional Landfill. Staff will continue to explore all options with the Executive Committee.

At the July Board Meeting there was a question raised about the status of the Hampton Roads Sanitation District (HRSD) new force main for the Regional Landfill. In March of 2018, SPSA entered into a cost-sharing agreement with HRSD for them to construct a new force main at the Regional Landfill to reroute leachate currently going to the Nansemond Treatment Plant to a pump station in Chesapeake and then ultimately to the Atlantic Treatment Plant. The original completion date was projected for January of 2022, but due to HRSD's issues with alignment and obtaining easements, the new projected completion date is the later part of 2023. The pandemic has likely contributed to this delay, as well.

Regarding the permitting process for Cells VIII and IX, as Ms. DeVary mentioned last month, the Corp has elected to have public scoping through a virtual meeting on a website created and monitored by VHB. The Board has been provided with the link to the scoping website. The scoping will continue through September 28th so that the public has ample opportunity to make comments.

SPSA's proposed expansion would impact 129 acres of wetlands, requiring the Corp to conduct an Environmental Impact Study (EIS) to determine if they will issue a wetlands permit. This is also considered a major federal action and the National Environmental Policy Act (NEPA) must be followed. One of the NEPA requirements is that the Corp must look for off-site alternatives to the proposed action. Ms. DeVary outlined the preliminary siting criteria that the Corp and VHB have gone through.

When looking at properties with 300 acres of contiguous undeveloped land within SPSA's service area, that are within 2 miles of a major highway corridor and outside of the 100-year flood plain, their search resulted in 58 sites. The next step was to examine those sites for "fatal flaws" such as a wetland impact of greater than 129 acres, bisection of the property by a road or pipeline, or if the property housed an airport or airfield. That left the Corp and VHB with 29 properties to grade and rank using 14 criteria, such as land use compatibility, roadway compatibility, site configuration, and environmental justice factors.

Once the ranking process was complete, they were with six top scoring properties, five of which are in Southampton County, with the remaining site located in the City of Suffolk. The next step is for VHB to reach out to the landowners on behalf of the Corp and request permission to walk the property to assess for wetlands that may not have been accurately reflected in the national wetland mapping system they used for reference during the earlier stages of the process.

The main point that Ms. DeVary stressed is that this is strictly a procedural step that must be documented under the NEPA process. She has already spoken with Mr. Mike Johnson,

Southampton County Administrator, and Mr. Patrick Roberts, Suffolk City Manager, to alert them to the properties' locations so that they may inform their respective elected officials in the event that the properties' owners make contact as a result of VHB's notification and request. Ms. DeVary reiterated that this is a required documentation process to seek out possible alternative landfill sites. As it will state in the letter that the property owners will receive, this inquiry does not imply, assume, or obligate any land acquisition on SPSA's part, nor does it imply, assume, or obligate any willingness on the part of the landowners to transfer property.

Ms. DeVary went on to say that while this assessment is necessary, the most likely conclusion will be that any off-site alternative would be cost prohibitive, considering the siting of a new landfill would require entirely new infrastructure, such as pump stations, leachate collection, a scalehouse and transfer station, all of which already exist at the Regional Landfill. Additionally, as it always has been, SPSA's preferred alternative is to expand the Regional Landfill to Cells VIII and IX, as proposed.

Mr. Barnes asked how and when the Corp and VHB assess the comparative costs of these alternatives. Ms. DeVary responded that the cost aspect will be addressed as they move further along in the draft EIS. As they begin to draft their statement, they will also be comparing additional alternatives, such as hauling the waste out of the area, and any on-site alternatives.

Ms. DeVary mentioned that HDR has done some analysis to see if there are on-site alternatives at the Regional landfill, such as creating mechanically stabilized earth (MSE) walls to create more disposal space, but those are likely cost prohibitive, as well. Also, Mr. Bob Garner of SCS Engineers is serving as consultant for VHB, and SPSA is confident that his cost assessment will be accurate and fair.

Chairman Keifer asked for confirmation that the properties in question are not necessarily for sale, which Ms. DeVary affirmed. He also asked about SPSA's condemnation rights, to which Ms. DeVary responded that if the situation came to it, that was something SPSA could look into.

Mr. Maxwell asked if the Corp's permitting decision was bound to the most cost-effective option. Ms. DeVary replied that while cost will come into play in the Corp's decision on whether or not to issue a permit to impact wetlands, it is not their only consideration. Mr. Sorey added that the Corp uses the term "least environmentally damaging practicable alternative" in their decision-making. The cost of a project is a large part of its practicability. Ms. DeVary and Mr. Bagley are confident that expansion of the Regional Landfill will be the most practicable from a cost standpoint, because if there were more cost-effective solutions available, staff would already be working toward them.

Mr. Bagley presented the operations report, stating that despite the effect that COVID has had on the economy, the waste business has been very busy, with increased customer activity at transfer stations and the Regional Landfill. 36,758 tons of material were landfilled during the reporting period and 1,117,631 gallons of leachate were sent to HRSD. The increase in the amount of leachate was due to rainfall in July. 85% of ash received from Wheelabrator qualified for alternate daily cover, which is on target.

The final item on the operations report was an update on the tire shredder facility permit modification process. After proper public notice was published, a public meeting was held on August 25th, but there were no attendees and, so far, there have been no comments submitted.


SPSA is seeking the modification to the tire shredder facility permit to allow for larger storage to accommodate the increasing number of tires that need to be processed. Mr. Bagley and staff do not foresee any issues with the permitting application.

Mr. Bagley offered to answer any questions, but there were none.


6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the report from Wheelabrator electronically.

Wheelabrator Portsmouth
August 2020 Report to SPSA Board



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



Wheelabrator Portsmouth July 2020
Actual Operational Data

Net Refuse Received			Total Refuse Processed			Total NP Diverted			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
55,807	50,919	4,888	54,077	62,971	1,105	6,272	5,658	(614)	17,381	14,565	(2,816)
Tons continue to be heavy regionally						Large NP volumes continue from storm clean up			Increased this month due to clearing out all on-site storage		

Steam Sales			Boilers			TQ's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
48,969	27,007	21,962	133	128	(5)	203	28	(175)	18,467	19,665	(1,198)
Heavy continues to see a large volume of steam despite summer weather						Failure of bearing on #2 TQ 3 months after first repair. Looking at workmanship of initial repair on #2 TQ			Reduced boiler loads and UCDT		

- Includes 2,537 tons of non-qualifying residue delivered to landfill, driven by increased ash processing for the month. qualifying residue 85.4% for July
- No rejected loads of ash
- Waste delivered by SPSA to RDF- 47,262 tons
- Boiler availability - 90%, Turbine Generator availability- 91%
- Boiler 3 scheduled outage completed this period to include grate cleaning and chain replacement pressure part repairs, flue gas and baghouse metal replacement, RDF feed system screw repairs, ash removal system repairs
- 0 OSHA Recordable accidents this period. 4 for the YTD. 1 Environmental incident

Mr. Stratton opened the floor for any questions. Chairman Keifer noted that there were no questions or comments on the Wheelabrator Report, but mentioned that he is impressed with all of the progress that Wheelabrator has made and the positive indicators that they are showing.

7. FINANCIAL REPORT

Ms. DeVary reported that for the first month of the new fiscal year, total revenues exceeded total expenses by approximately \$961,000 as compared to \$1.3 million in the previous fiscal year. Tipping fees reflect a decrease of -1.2% or approximately \$47,600 as compared to July of 2019. The municipal tip fees are up approximately 10%, but commercial tip fees are down approximately 36%. Municipal waste tons are up approximately 10% or 3,987 tons as compared to last fiscal year.

Ms. DeVary reported that total expenses for the month ending July 31st were approximately \$3.2 million, compared to \$2.9 million in the prior fiscal year. The annual audit is underway and cash balances are at \$41.5 million, currently designated as \$4.9 million in operating, \$5.9 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$96,176 in FY 2020 rolled purchase orders, \$314,757 for unencumbered capital budget, \$2.5 million for the proposed HRSD force main, \$535,182 for landfill expansion purchase orders, and \$27.2 million in the landfill expansion and closure fund. Ms. DeVary also mentioned that the surplus for FY 2020 is about \$4 million and that she will have final numbers in September, stating that the more money that can be set aside now, the better that will be for SPSA.

Mr. Maxwell had a question about the \$2.5 million set aside for the HRDD force main, asking if that amount was a fixed fee or if the amount would need to increase due to the delays in the

project. Ms. DeVary responded that \$2.5 million is an estimated cost, but that, per the cost agreement, the maximum that SPSA would pay is \$3 million.

Chairman Keifer asked if there were further questions or comments and, seeing that there were none, requested a motion to approve the financial reports.

Mr. Keaton moved, seconded by Mr. Maxwell to approve the SPSA financial report as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

8. CONTRACTS

The first contract for consideration was for a replacement wheel loader at the Landstown Transfer Station. The contract is based on a Sourcewell Cooperative Contract with Carter Machinery. The current capital budget allotted is \$519,400 and the bid price is \$518,096.


Ms. Raulston moved, seconded by Mr. Maxwell to award the contract for a replacement wheel loader to Carter Machinery as presented. Mr. McCoy abstained from voting due to a conflict. Electronic participants were polled individually. The vote on the motion was unanimous.

The second contract for consideration was for four Peterbilt 567 Tandem Axle Tractors to replace road tractors that have exceeded their useful life, increasing maintenance costs and down time. This contract was procured under a Sourcewell Cooperative Contract from the Peterbilt Store. The budget for this replacement is \$600,000 and the bid price is \$599,888.

Mr. McCoy moved, seconded by Mr. Baugh to award the contract for four new road tractors to the Peterbilt Store as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

9. ADJOURN MEETING

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



Liesl R. DeVary
Executive Director

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