

# SOUTHEASTERN PUBLIC SERVICE AUTHORITY

Board of Directors ~ Regular Meeting\*

Regional Board Room

723 Woodlake Drive, Chesapeake, Virginia



Wednesday, October 28, 2020 at 9:30 a.m.

\*To encourage social distancing, members of the public may listen to and view presentations displayed at this meeting by registering at <https://attendee.gotowebinar.com/register/6370597169898880271>. Members of the public may also listen to the SPSA Board Meeting via telephone by dialing toll-free to 1-877-309-2071 and entering access code 265-378-250. Additionally, members of the public are invited to speak electronically 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 meeting organizer. All requests for registration to make an electronic public comment must be received by 3:00 p.m. on October 27, 2020.

**Meeting Organizer: Tressa Preston ~ [tpreston@spsa.com](mailto:tpreston@spsa.com) ~ 757.961.3486**

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<b>1. Call Meeting to Order .....</b>	<b>1</b>
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<b>2. Public Comment Period.....</b>	<b>1</b>
<b>3. Chairman’s Comments .....</b>	<b>1</b>
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**1. Call Meeting to Order**

Roll Call

**2. Public Comment Period**

All speakers must register prior to call to order;  
5-minute maximum per speaker unless advised by Chairman differently;  
30-minute total maximum time.

**3. Chairman's Comments****4. Approval of Minutes**

The minutes of the September 23, 2020 Board meeting are included below for your review and approval.

RECOMMENDED ACTION: Approve the minutes as presented.

MOTION: Do I hear a motion that the September 23, 2020 minutes of the SPSA Board of Directors meeting be approved as presented?

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

**September 23, 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 ( <i>absent</i> )	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Burle Stromberg	(PO)
Mr. Mark Hodges	(SH)	Ms. Lynette Lowe	(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), Mr. L.J.. Hansen (SU), Ms. Trista Pope (NO), and Ms. Erin Trimyer (PO), 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.

Also present at the meeting electronically via GoTo Webinar were Alternate Ex-Officio Members, Mr. Greg Martin (CH) who participated from his office in Chesapeake for personal scheduling reasons, and 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 though 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**

At the request of Mr. Keifer, Chairman of the Board, who was unable to attend, Mr. McCoy, Vice Chairman, served as Chairman for the meeting. Mr. McCoy called the meeting to order at 9:30 a.m.

**2. PUBLIC COMMENT**

Ms. Preston reported that she received no requests to make a public comment.

**3. CHAIRMAN'S COMMENTS**

Mr. McCoy drew the Board's attention to a letter that Ms. DeVary sent to members of the Virginia legislature in opposition to the proposed budget item regarding charging additional tipping fees for landfilling. Ms. DeVary added that it is her understanding that the purpose of the suggested study would be to disincentivize new landfill construction and out-of-state waste from entering Virginia. She and staff will be tracking the issue and will update the Board accordingly. Mr. McCoy encourages Board Members to reach out to their representatives to let them know that SPSA is strongly opposed to any legislation implementing additional tipping fees.

**4. APPROVAL OF MINUTES**

The minutes of the August 26, 2020 Board Meeting have been distributed. Mr. McCoy asked if there were any additions or changes and there were none.

**Ms. Roberts moved, seconded by Ms. Raulston to approve the August 26, 2020 minutes of the SPSA Board of Directors as presented. The electronic participant was polled individually. The vote on the motion was unanimous.**

**5. EXECUTIVE DIRECTOR UPDATES**

Ms. DeVary informed the Board that there are no new updates on the proposed power plant at the Norfolk Naval Shipyard. She reminded the Board that Wheelabrator and the Navy are in negotiations for an 18-month extension to the steam agreement, with a possible additional 6-month extension. Ms. DeVary understands that Wheelabrator will be sending their proposal to the Navy sometime this week.

In regards to the Regional Landfill, Ms. DeVary was notified that SPSA did not receive the BUILD Grant for the flyover project. Hopefully there will be news about RSTP grant funding sometime in October or November. The Executive Committee has been discussing options and for several months and staff intends to provide an overall presentation at the next Board Meeting to cover some of the options and potentially covering costs through the tipping fee. Mr. Maxwell asked for information on why SPSA did not receive the BUILD Grant and Ms. DeVary said that she would solicit feedback on the application.

There is no new information on the wetlands permitting process. Ms. DeVary presumes that the Corp, through VHB, has reached out to landowners, as discussed at the August Board Meeting. SPSA will be updated at the next scheduled call with VHB and Corp in the first week of October.

Staff is in the process of reviewing Mas Energy's request for changes to the landfill gas agreement and will be discussing the situation with the Executive Committee and legal counsel. It is likely that a more finalized draft of the suggested changes will be brought to the Board at the December Board Meeting.

As Mr. McCoy mentioned in his comments, SPSA has sent a letter opposing House Bill 5005, Item 372 E regarding a statewide landfill fee. Ms. DeVary also informed the Board that SPSA has opted out of the President's payroll tax deferral program.

Ms. DeVary went over some topics that Board Members can expect to be covered in the remaining two Board Meetings of the year, including a presentation on an alternate entrance at the landfill, the annual audit presentation, a revised purchasing policy, the amendment to the landfill gas agreement, and the annual review of DEQ financial assurance.

Mr. Bagley delivered the operations report, stating that 32,884 tons of material were landfilled in the reporting period, which is a decrease of about 4,000 tons from the previous month. 1,324,567 gallons of leachate were sent to HRSD, with 763,863 gallons pumped and 560,704 gallons hauled. 91% of the ash received from Wheelabrator qualified for use as daily cover. Mr. Bagley commented that this percentage is well above their goal and is an excellent number in terms of providing clean fill for landfill operations. What should be a final knife replacement on the aging tire shredder was completed and hopefully that will sustain operations until a new tire shredder, pending Board approval, can be acquired in January 2021. The public comment period on the proposed modification to the Tire Processing Facility permit by rule has expired without comment and the modification request will be sent to DEQ as soon as the model number of the new tire shredder is determined. Mr. Bagley asked if there were any questions he could answer.

Mr. Barnes asked about progress to the pump station modification which would reduce or eliminate the need to haul leachate. Mr. Bagley responded that, while SPSA has money set aside for the force main project, it is HRSD who is responsible for design and construction which, at this point, is not estimated to be completed until December of 2023.

## **6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT**

Mr. Clint Stratton presented the report from Wheelabrator electronically.

### Wheelabrator Portsmouth

September 2020 Report to SPSA Board



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



### Wheelabrator Portsmouth August 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
58,838	56,986	1,852	56,307	54,208	2,099	6,053	6,629	(576)	13,985	14,905	(920)
Tons remain higher than anticipated for region			Processing favorable despite unfavorable downtime on boilers			Heavy NP deliveries remain, still seeing storm debris			Timing at end of month when we utilized ash drivers for diversions		

Steam Sales			Boilers			TG's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
47,839	26,263	21,576	226	128	(98)	2	0	(2)	19,593	16,965	(2,628)
Yard continues to take high volumes of steam			Driven by boiler tube leak and ash system issues						Driven by boiler USDOT and favorable steam sales		

- Includes 1,251.14 tons of non-qualifying residue delivered to the landfill this period, qualifying residue 91.1% for August
- Waste delivered by SPSA to RDF- 49,360 tons
- Boiler availability - 88%; Turbine Generator availability- 99.9%
- Boiler 4 scheduled outage completed this period to include grate cleaning, pressure part repairs, flue gas and baghouse replacement, RDF feed system screw repairs, ash removal system repairs.
- Boiler 1 outage scheduled 9/20-26, Boiler 2 outage scheduled 10/4-10
- 0 OSHA Recordable accidents this period, 4 for the YTD; 0 Environmental incidents this period

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### Powerscreen

- New equipment removes all metal and other items
- Final product looks like top soil, perfect for ADC
- Trucks haul 25-ton loads to landfill, each making seven trips per day



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### Questions?



Mr. Stratton asked if there were any questions, but there were none. Mr. Pete DiCecco also delivered a report updating the Board on the capital improvements being made at Wheelabrator.

### Wheelabrator Portsmouth

2020 Capital Improvements YTD



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



### Wheelabrator Portsmouth

#### 2020 Operational Improvements



- Six additional employees added and processes optimized at RDF to assist in proper housekeeping of the facility.
- Leadership issues at the Maintenance Manager level led to additional work and inefficiencies at the RDF and Power Plant.
  - Separated from the former Maintenance Manager and hired a promising candidate who started on 9/21.
- Organizational structure modified to have a Maintenance Supervisor at both locations.
- New Power Plant day-based Operations Supervisor with vast experience with Waste to Energy.
- Housekeeping at the RDF and Power Plant has made significant progress and have sustained the condition.
- Power Plant ash screener process has become reliable with an additional redundant equipment purchase.

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### Wheelabrator Portsmouth 2020 Capital Improvements



- RDF
  - Reconditioning of two tipping floor bays
  - Main Magnet (M3) replaced and in service.
  - Installation of Non-Processing ramp for RDF.
  - Two operating refuse truck tipplers in service.
  - Twelve various belt replacements throughout RDF.
  - Purchase of service truck for mobile equipment repairs.
  - Purchase of Large Excavator for Non-Processable.
  - Purchase of Volvo 220 fuel handling loader and Bobcat.
  - Purchase of two 6-ton forklifts and diesel forklift
  - Control Room and Lobby upgrades.
  - Security camera upgrade with remote handling.
  - Purchase of 3 additional metal haul trailers (walking floor)

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### Wheelabrator Portsmouth 2020 Capital Improvements



- Power Plant
  - Overhaul and upgrade to Main Control Room.
  - TG Control HMI upgrade.
  - Inconel Furnace overlay in all boilers.
  - Boiler grate overhaul on boiler 1 and 4.
  - Overhaul crane holding and closing motors.
  - Replace south crane drum.
  - Replace east drag conveyor.
  - Baghouse bag replacements in Boiler 1, 3 and 4.
  - Overhaul diesel generator.
  - Improvement to facility aesthetics.
  - Purchase of new ash screener and used ash screener for redundant purposes.
  - HVAC upgrades in Control Room and admin area.

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### Wheelabrator Portsmouth 2020 Improvement Opportunities



- Lack of internal communication leading to work order priority issues as well as equipment availability concerns.
- Lack of leadership abilities at the mid-manager level.
- Retention and succession at the RDF and Power Plant as well as efficiency of hiring new employees.
- Lack of proper identification on redundant equipment condition.
  - Boiler feed pumps
  - Residual handling equipment
- Preventative maintenance and lubrication schedules incompleteness leading to premature failures.
- Employee injuries – currently at 4 (minor in nature), but we need to be better.
- Dust Collection Area of RDF – Equipment replacement as well as housekeeping.

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### Questions?



Mr. DiCecco also informed the Board that Wheelabrator has sent their proposal for the extension of the steam contract to the Navy. The Navy has contacted Wheelabrator that they have received it and they will be in touch sometime next week to set up a call for further discussion. He asked if there were any questions or comments. Mr. McCoy thanked Mr. DiCecco for his thorough report.

## 7. FINANCIAL REPORT

Ms. DeVary reported that, as of August 31, 2020, total revenues exceeded total expenses by approximately \$2.1 as compared to \$1.8 million in the previous fiscal year. Tipping fees year-to-date reflect an increase of 3.5% or approximately \$275,000 as compared to FY 2020. As the Member Communities are aware, municipal waste tons are up approximately 15% or 12,000 tons as compared to last fiscal year. However, commercial tons are down 28% or 8,700 tons as compared to last year. In regards to increased municipal waste, Ms. DeVary commented that the last time tonnages were this high was in 2010, before some communities had fully implemented their recycling programs. Some of the increase may be due to increased storm debris, but most likely the cause is COVID-related because people are eating in and ordering more items to their homes, creating more municipal waste rather than contributing to commercial waste in restaurants and stores.

Ms. DeVary reported that total expenses for the month ending August 31<sup>st</sup> were approximately \$6.4 million, compared to \$6.7 million in the prior fiscal year. Cash balances



are at \$43.3 million, currently designated as \$6.3 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, \$529,332 for landfill expansion purchase orders, and \$27.6 million in the landfill expansion and closure fund.

Ms. DeVary went on to discuss FY 2020 actual revenue and expenses and make her recommendations for the allocation of the FY 2020 surplus. Unanticipated revenues included an additional \$2 million in municipal and other tipping fees and resulted in a total positive variance of \$2,482,041 from the FY 2020 budget. Unanticipated savings in expenses included a \$639,689 reduction in personnel costs due to turnover and unfilled positions and energy savings from the installation of LED lighting. Total expenses were \$2,091,089 less than budgeted. This resulted in net revenue over expenses totaling \$4,573,130.

Ms. DeVary's surplus allocation included, in lieu of a merit increase, that staff hired prior to June 30, 2020, receive a one-time payment in recognition of their outstanding service. With the exception of the Executive Director, all full-time employees would receive a net payment of \$1000 and part-time employees would receive a net payment of \$500. She recommended that the remaining \$4,377,130 of the surplus be transferred to the landfill expansion and closure fund. Ms. DeVary opened the floor for questions and comments.

Mr. Maxwell raised concerns about the turnover rate for SPSA employees, stating that turnover can be costly. Ms. Jarratt asked about conducting exit interviews with departing staff. Ms. DeVary confirmed that exit interviews are conducted and Mr. Bagley reported the turnover rate to be 16%. Exit interviews largely show that the reason for leaving SPSA is employment elsewhere due to preferred conditions outside of the waste industry, or increased salary. While a preference for another job environment cannot be remedied, being informed of salary requirements has been helpful as it can confirm the value of merit increases or indicate the need for a pay study, such as the one that was conducted last year and resulted in appropriate pay scale adjustments for some positions.

SPSA's largest turnover is found in transportation vehicle operators (TVOs) and heavy equipment operators (HEOs). Mr. Bagley went on to say that due to the vast amount of construction happening in the region, commercial companies are paying well. It is not at all uncommon for TVOs and HEOs to leave for a \$0.50 or \$1.00 hourly increase. If employees don't have a 10-year tenure, they are likely to find better take-home-pay rates elsewhere and often fail to take into consideration the value of the benefits offered at SPSA. Also, people in these positions are routinely drug tested, and a failed test results in immediate termination. Mr. Bagley commented that Mr. Broad and others around the table are likely experiencing similar challenges in retaining TVOs and HEOs, stating that in the waste management business, a 16% turnover rate is not a high number, due to those factors.

Mr. McCoy agreed that today and historically it has been difficult to retain employees and reiterated the value of exit interviews. Mr. Bagley added that SPSA hosts a Regional Operations Meeting and retraining employees is always a topic of discussion, particularly across the communities, departments are seeing applicants who have experience in multiple localities because a minor hourly increase will motivate an employee to apply elsewhere. The region is looking at the situation as a group and seeking solutions.

Mr. Keaton asked for the gross amount for the checks issued to employees, if the net for full-time employees is \$1000. Ms. DeVary replied that bonuses are treated as supplemental pay for tax purposes and are subject to a flat rate of 22% for federal tax and 5.75% state tax, along with FICA and Medicare. This brings the gross amount to \$1548.

Mr. Keaton went on to comment that many of the localities are looking at issuing hazard pay or a one-time payment and that, as a regional organization, SPSA should fall somewhere in the middle of what the Member Communities are doing. Mr. Keaton also added that in terms of turnover and employee satisfaction, a cost of living increase may be more favorable than a one-time payment. He recommended tabling the discussion until localities have finalized their plans.

Ms. DeVary commented and confirmed with representatives from Chesapeake, Norfolk Portsmouth, and Virginia Beach that they have implemented their bonuses which have fallen between \$1500 and \$2000 per full-time employee. Mr. Keaton said that solid waste workers in Isle of Wight County will receive \$750, but they are also proposing an additional merit increase in January. Ms. DeVary reiterated that her request for a one-time payment is in lieu of a FY 2021 merit increase, as her original budget proposal for a merit increase was not met with support.

Ms. Raulston stated from the reports on the payments being made by the communities to their solid waste workers and additional proposed merit increases, Ms. DeVary's request is less costly and she recommends going ahead with the one-time payment.

Ms. Jarratt mentioned that the City of Franklin has reinstated their initial proposed 2% merit increase beginning November 1<sup>st</sup>, based on the City's surplus. She asked Ms. DeVary what a 2% merit increase for all staff would cost. Ms. DeVary reported that the additional annual cost would be roughly \$146,000.

Mr. McCoy added that Ms. DeVary's recommendation falls within the parameters of what many localities are implementing and that, keeping in mind the difficulty to in hiring and keeping staff, this one-time payment will signal to employees that the Board is making efforts to retain dedicated workers.

**Mr. Keaton moved that the allocation of the FY 2020 surplus, specifically regarding the one-time payment to employees, be tabled to a later meeting. The motion died for lack of a second.**

**Ms. Raulston moved, seconded by Ms. Lowe to approve the allocation of the FY 2020 surplus as presented. A roll call vote was taken. Mr. Keaton voted "No." All other voting members present in person and electronically voted "Yes." The motion passed.**

Ms. DeVary thanked the Board and let them know that SPSA staff will be very grateful for their decision. Mr. McCoy asked for a motion to approve the financial report.

**Ms. Jarratt moved, seconded by Ms. Lowe to approve the SPSA financial report as presented. The electronic participant was polled individually. The vote on the motion was unanimous.**

Mr. Barnes mentioned the presentation Ms. DeVary plans to present at the October meeting, asking if it will be a comprehensive overview of landfill closure, expansion, and access, including schedule adjustments and potential impacts to the tipping fee. Ms. DeVary affirmed that it would.

## 8. **CONTRACTS**

The first contract for consideration was for SPSA's pollution legal liability insurance policy. This is a 3-year, \$5 million policy covering 3<sup>rd</sup> party claims for bodily injury, property damage, and defense costs and is required under the Use and Support Agreements and the Good Neighbor Agreement with the City of Suffolk.

VRSA brokers the policy on SPSA's behalf. Five companies were selected, but the only bid received was from the current carrier, Great American E&S Insurance Company. Ms. DeVary recommends the policy with a \$50,000 self-insured retention at a cost of \$40,796.47. The cost is not increasing from the previous policy.

Mr. Arnold asked if VRSA received any compensation for brokering the policy. Ms. DeVary responded that she did not think so, but would confirm that was the case. She also commented that SPSA has had no claims filed regarding this policy.

**Mr. Sorey moved, seconded by Mr. Roberts to renew the pollution legal liability insurance policy with Great American E&S Insurance, as presented. The electronic participant was polled individually. The vote on the motion was unanimous.**

The second contract for consideration was for a replacement tire shredder. This expenditure is included in the FY 2021 capital budget in the amount of \$625,000. The invitation for bid required that the bid price include the tire shredder itself, delivery and installation, and the cost of annual maintenance. As a separate bid item, all bidders were invited to offer a trade-in allowance, if beneficial to the bidder, which would also reduce SPSA's net costs. The bid price, not the net cost to SPSA, was the only figure used to rank the bids.

Three bids were received. BESA Equipment had the initial low bid, but were determined to be non-responsive due to their lack of a proven track record for tire shredders. BESA has an excellent track record with industrial paper shredders, but, when requested to do so by SPSA, were unable to provide references and/or evidence of one of their machines being used in the manner required by the Tire Shredding Facility.

Staff's recommendation is to award the contract to CM Shredders in the net amount of \$621,000, excluding knife replacement costs and including CM Shredder's trade-in allowance. Ms. DeVary is asking that the Board award this contract pending the completion of the Intent to Award rebuttal period to allow sufficient time for any protest of the intent.

Mr. Maxwell voiced concern about the trade-in value being taken into account in the bidding process. Ms. DeVary, Mr. Bagley, and Mr. McCoy assured Mr. Maxwell that the ranking was based only on the bid amount and not the net cost to SPSA and that all bidders were given the opportunity to offer a trade-in allowance as a separate bid item, but that it was not required. BESA Equipment came in with the lowest bid, but were determined to be non-responsive. CM Shredders was the next lowest bid, not including the trade-in allowance.

**Mr. Broad moved, seconded by Mr. Keaton to award the contract for the tire shredder to CM Shredders, as presented. A roll call vote was taken. Mr. Maxwell voted "No." All other voting members present in person and electronically voted "Yes." The motion passed.**

**9. OTHER BUSINESS**

Mr. McCoy introduced Mr. Stromberg to the Board as the ex-officio member from the City of Portsmouth, in his role as Interim City Attorney. Mr. Stromberg said that he is honored to serve and thanked the Board for their welcome.

**10. ADJOURN MEETING**

There being no further business to come before the Board of Directors the regular meeting was adjourned at 10:48 a.m.

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Liesl R. DeVary  
Executive Director

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

**5. Presentation of Annual Audit – Cherry Bekaert**

Ms. Laura Harden and Mr. Logan Booth from Cherry Bekaert will present the Audit to the Board. The Audit Committee met in September with the firm and discussed the audit in detail. Hard copies will be distributed at the meeting.

RECOMMENDATION: Accept the Annual Audit as presented.

MOTION: Do I hear a motion that the Annual Audit for fiscal year ending June 30, 2020 be accepted as presented.

Handout:

- Financial Report as of and for the Year Ended June 30, 2020 (with Comparative Totals for 2019) and Report of Independent Auditor

**6. Executive Director Updates**

Attachments:

- Landfill Operational Summary
- Executive Committee Minutes – August 19, 2020

## Landfill Operational Summary

SPSA Regional Landfill Operational Summary		KEY:			
Period	September 1st to September 30th, 2020		Change Since Last Report		
			All Is Well		
			Working On		
			Noted Issue		
Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
<b>1</b>	<b>Regulatory Compliance</b>				
1.1	Notice of Violations	None	In Compliance		No issues during the reporting period.
1.2	Environmental compliance and reporting	Compliance	All submissions made.		
1.2.1	Solid waste operations	Compliance	In Compliance		No issues during the reporting period.
1.2.2	Title V	Compliance	In Compliance		New EPA regulations have been issued. Still awaiting VDEQ's final decision on whether they will accept those regulations as written or enforce more stringent limits as allowed by the new EPA rules.
1.2.3	VPDES	Compliance	In Compliance		New Permit to be issues in October 2020
1.2.4	Financial Assurance	Compliance	In compliance		
1.2.5	Wetlands	Compliance	In Compliance		
1.2.6	Groundwater	Compliance	In Compliance		3rd Quarter Groundwater sampling complete.
1.2.7	Storm water system operating and in compliance with VPDES permit	Systems operational and in good order	In Compliance		In compliance.
<b>2</b>	<b>Landfilling Operations</b>				
2.1	Tonnage Landfilled	Actual Tons	29,834		
2.2	No. staff	15.5	12.5		3 vacancies: 2-HEO, 1- Env Tech
2.2	Equipment Utilization	Key equipment fully operational and deployed	All equipment operating and deployed with appropriate spares		
<b>3</b>	<b>Cover Operations</b>				
3.1	Total Cover Material Received	Actual Tons	16,174		
3.2	Date of last aerial survey	12/12/2019			
3.3	December 2018 Operational In-Place Density (lbs./cy)	1,600-1,800lbs/cy	1,788 lbs./cy or AUF =0.894		
3.4	December 2018 Effective In-Place Density (lbs./cy)	1,600 lbs./cy	2005 lbs./cy or AUF = 1.00		Still well above targeted long term airspace utilization.

<b>4</b>	<b>Leachate Management</b>				
4.1	Pump stations operational during period	100 % Operational	All pump stations are operational, pump performance is being monitored, and repairs/replacements made as necessary.		All vaults are operational.
4.2	SCADA system operational during period	100 % Operational	Fully operational		SCADA is fully operational.
4.3	Flow meter system functional during period	100 % Operational	All 8 Cell V/VI Pump Stations are now operational		Flow Meters can now be logged to history in Scada system and reviewed as needed.
4.4	Leachate Levels	In compliance	In compliance.		1. In compliance at all 8 pump station locations. 2. Flow generation remain < 40,000 GPD typically.
4.5	Leachate Disposal	In compliance			Capital Project for dredging of the Leachate Ponds is complete.
4.5.1	Quantity of leachate pumped to HRSD during period	x gallons	641,093		From 9/01 to 9/30
4.5.1.1	Cell V, Sumps 1-4	x gallons	298,274		From 9/01 to 9/30
4.5.1.2	Cell VI, Sumps 5-8	x gallons	348,187		From 9/01 to 9/30
4.5.2	Quantity of leachate hauled for disposal during period	x gallons	582,136		From 9/01 to 9/30
4.5.3	Disposal costs in period: \$		\$ 19,820		From 9/01 to 9/30
4.5.4	Any issues relative to leachate quality and acceptance at WWTPs?	No constraints	No constraints		
<b>5</b>	<b>Landfill Gas Management</b>	Compliance	Not in compliance		1st Quarter Gas monitoring had 1 exceedance at GP03. Increased monitoring began mid March. Per gas remediation plan, monitoring has been moved to monthly following 4 weeks of compliant results. July and August 2020 monitoring showed GP03 still in compliance. September monitoring was completed with no exceedance.
<b>6</b>	<b>Odor Complaints</b>	No complaints	No complaints		From 9/01 to 9/30
<b>7</b>	<b>HRSD Force Main</b>	Contract Schedule	None provided to date.		HRSD has reported that the project is delayed two years.

**Acronym Definitions**

**ACOE**- Army Core Of Engineers **AUF**- Airspace Utilization Factor **BOD**- Biological Oxygen Demand **CAP**- Corrective Action Plan  
**COD**- Chemical Oxygen Demand **CSCE**- Comprehensive Site Compliance Evaluation **DMR**- Discharge Monitoring Report  
**GPS**- Groundwater Protection Standards **LCL**- Lower Confidence Limit **NOV**- Notice Of Violation **SCADA**- Supervisory Control And Data Acquisition  
**SWIFT**- Sustainable Water Initiative For Tomorrow **SWPPP**- Storm Water Pollution Prevention Plan **VPDES**- Va. Pollution Discharge Elimination System  
**WWTP**- Waste Water Treatment Plant **PLC**- Programmable Logic Controller **GPM**- Gallons Per Minute **GPD**- Gallons Per Day



## Executive Committee Minutes – August 19, 2020

**Executive Committee Minutes**  
**Southeastern Public Service Authority of Virginia**  
**August 19, 2020**

A meeting of the Executive Committee was held at 1:00 p.m. in the second-floor conference room of the SPSA Regional Office Building in Chesapeake, Virginia and was called to order by Chairman John Keifer. The other Committee Members present at this meeting were Vice Chairman Luke McCoy, Mr. Randy Keaton, and Ms. Sheryl Raulston. Also in attendance were Executive Director, Liesl R. DeVary, Deputy Executive Director, Dennis Bagley, and Executive Administrator, Tressa Preston. Brett Spain, General Counsel, participated by phone.

**Items for Discussion:**

1. Review and approve Executive Committee Minutes of May 20, 2020

Mr. McCoy moved, seconded by Mr. Keifer, to approve the minutes of May 20, 2020. All were in favor.

2. Executive Director Reports / August Board Meeting Agenda

- a) NNSY Proposed Power Plant – Updates

Ms. DeVary informed the Committee that Mr. Craig Quigley, Executive Director of the Hampton Roads Military and Federal Facilities Alliance (HRMFFA) sent an email summarizing the activity of the stakeholder group working on informing the Navy of their proposed plan's regional impacts to the HRMFF Board of Directors, which is largely comprised of local elected officials. Chairman Keifer requested that Mr. Quigley's email be forwarded to the Board and Ms. DeVary agreed to do so.

Ms. DeVary has a conference call with Mr. Bruce Stanas of Wheelabrator and a separate call with Mr. Quigley and the rest of the community stakeholders scheduled for later in the week to discuss progress and next steps.

- b) Wetlands Permitting

The virtual public scoping website, created and managed by VHB on behalf of the Army Corp of Engineers, is still up and running.

As required by the permitting process, potential off-site alternatives have been identified though a specific set of criteria used to grade a property on suitability as a new landfill site. VHB has narrowed the field to six plots of land, five of which are located in Southampton County, with the remaining site location in the City of Suffolk. Ms. DeVary will be reaching out to the Southampton County Administrator and the Suffolk City Manager to discuss this documentation process with them.

c) Flyover / Back Entrance at Regional Landfill

Ms. DeVary and staff participated in a conference call with VDOT to discuss the path forward on flyover funding. VDOT is eager to move the planning stages forward and would be interested in receiving seed money from SPSA to begin that process. Ms. DeVary informed VDOT that the SPSA Board has raised questions about the overall benefit of the flyover and would like to explore other potential solutions, such as a back entrance.

SPSA has applied for funding for the flyover. A decision on RSTP grant funding will be made on October 16<sup>th</sup> and the BUILD Grant is scheduled to be awarded in November. At the request of Chairman Keifer, SPSA staff will continue working on impact numbers for all alternatives to present at a future Executive Committee meeting as we await the announcement of funding awards.

d) Mas Energy

Ms. DeVary informed the Committee that there are no new developments with Mas Energy, as staff continues to gather information. Mr. McCoy commented that it seems, based on their presentation at the July Board Meeting, that Mas Energy's plans will be a good thing for SPSA. Ms. DeVary agreed.

e) Regional Solid Waste Management Plan (RSWMP)

Matt Smith, the person at HRPDC who has been working on RSMWP updates and coordinating approval from Virginia DEQ, is taking a new position outside of the organization. Ms. DeVary and staff had a call with HRPDC to discuss how they will move forward with the necessary amendments in Mr. Smith's absence. The RSMWP must be updated and accepted by DEQ before SPSA submits its solid waste permit modification for landfill expansion.

f) Permit Related

A public meeting on the application to modify the tire shredder facility permit will be held at the landfill on August 25<sup>th</sup>. The landfill VPDES permit renewal is underway.

g) COVID-19 Infectious Disease Prevention Plan / DOLI

The state of Virginia has issued an emergency temporary standard dictating how businesses must implement an Infectious Disease Prevention Plan in response to the COVID-19 pandemic. SPSA has drafted a plan and all supervisors have been brought up to date on implementation and the training of their employees.

SPSA has also hired Mr. Michael Ponds as Safety and Risk Manager, after the resignation of SPSA's previous Safety Administrator. Ms. DeVary will introduce Mr. Ponds at the August Board Meeting.

h) Annual Audit

With the annual audit in progress, a contract fulfillment issue has been brought to light. TFC is required to deliver a minimum of 50,000 tons of waste each fiscal year to SPSA Transfer Stations, or be subject to a shortfall fee. TFC was 1,491 tons short of their

obligation and accordingly were billed \$14,238, as agreed upon. TFC paid the shortfall fee, but is now requesting a credit, stating that the shortfall was due COVID-19. The Committee requested more information to determine whether or not the situation qualifies as a contractual force majeure, considering the fact that TFC was also delivering waste to the RDF plant in an amount that would have more than covered the shortfall of 1,491 tons.

Ms. DeVary informed the Committee that the FY 2020 surplus looks to be roughly \$4 million. She will have recommendations on fund distribution at a future meeting.

i) Board Meeting – August 26, 2020

At the August Meeting, Ms. DeVary will give an update on the status of the HRSD force main project, stating that due to issues with alignment and easements, HRSD's project is considerably behind schedule. Ms. DeVary has been told that the new estimated completion date is the end of 2023.

Two contracts will be presented at the meeting, one for a replacement wheel loader and another for four road tractors. Both of these procurements were arranged under Sourcewell contracts and have been budgeted in the capital improvements plan.

3. Meeting Adjourned at 2:47 p.m.

## 7. Wheelabrator Portsmouth Monthly Report

October 15, 2020

Liesl R. DeVary  
Southeastern Public Service Authority  
723 Woodlake Drive  
Chesapeake, VA 23320

Dear Ms. DeVary:

Please find attached the Monthly Report for Wheelabrator Portsmouth Inc. facility required by Schedule 15 of the Service Agreement. Should you have any questions on any of the items covered herein please do not hesitate to contact me.

Sincerely,

Clint Stratton  
Plant Manager, Wheelabrator Portsmouth

enclosure

**WHEELABRATOR PORTSMOUTH INC  
TONNAGES REPORT  
CALENDAR YEAR 2020**

MONTH	SPSA ACCEPTABLE WASTE (TONS)	THIRD PARTY ACCEPTABLE WASTE (TONS)	OUT-OF-STATE WASTE (TONS) *	OUTSIDE-AREA WASTE (TONS)	TOTAL TONNAGE	NAVY STEAM DELIVERED (K-LBS)	ALL WASTE ACCEPTED AT RDF (TONS)	NP REMOVED FROM RDF (TONS)	PROHIBITED WASTE	RDF WASTE DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	RESIDUE DELIVERED TO LANDFILL (TONS)	MM SOLD TO THE GRID (MWHt)
JAN	43,504.60	11,225.45	1,638.94	-	56,368.99	94,652	56,368.99	3,770.70	-	1,600.61	52,598.29	50,885.77	12,468.65	15,292
FEB	36,957.70	14,096.57	1,487.88	-	52,542.15	86,407	52,542.15	4,401.87	-	-	48,140.28	46,936.88	13,940.40	13,820
MAR	43,377.21	10,247.57	1,538.33	-	55,163.11	78,725	55,163.11	4,498.44	-	1,366.78	50,664.67	50,829.17	12,554.31	15,692
APR	48,240.27	12,115.41	1,384.03	-	61,739.71	71,990	61,739.71	5,784.85	-	1,155.49	55,954.86	52,854.05	18,308.77	15,260
MAY	49,517.50	11,230.65	1,376.69	-	62,124.84	62,154	62,124.84	6,224.35	-	1,333.18	55,900.49	56,762.86	16,184.91	18,400
JUN	48,074.82	13,240.99	1,496.10	-	62,811.91	50,952	62,811.91	6,847.76	-	-	55,964.15	53,726.77	19,302.55	17,586
JUL	47,262.05	13,309.34	1,585.08	-	62,156.47	48,949	62,156.47	6,271.99	-	1,381.59	55,884.48	54,077.13	17,381.22	18,467
AUG	49,360.37	14,023.46	1,836.37	-	65,220.20	47,839	65,220.20	6,053.24	-	5,068.74	59,166.96	56,306.54	13,984.72	16,965
SEP	52,039.91	3,140.41	1,519.76	-	56,700.08	45,637	56,700.08	5,459.41	-	4,045.14	51,240.67	50,967.19	12,811.16	17,412
OCT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YTD TOTAL	418,334.43	102,629.85	13,863.18	-	534,827.46	587,304.00	534,827.46	49,312.61	-	15,951.53	485,514.85	473,346.36	136,936.69	148,894.00

\* NOTE: This is material brought in from the nearby counties in NC provided for under the Service Agreement.

**WHEELABRATOR PORTSMOUTH INC  
AVAILABILITY  
CALENDAR YEAR 2020**

MONTH	BOILER AVAILABILITY (%)	BOILER PLANNED OUTAGES (HRS)	BOILER UNPLANNED OUTAGES (HRS)	TURBINE AVAILABILITY	TURBINE PLANNED OUTAGES (HRS)	TURBINE UNPLANNED OUTAGES (HRS)
JAN	89%	156.00	187.00	98%	45.00	1.00
FEB	94%	156.00	22.00	95%	96.00	1.00
MAR	95%	-	157.00	90%	-	223.00
APR	89%	152.00	163.00	95%	-	105.00
MAY	89%	156.00	168.00	89%	-	226.00
JUN	91%	156.00	111.00	99.5%	-	10.00
JUL	90%	156.00	133.00	91%	-	203.00
AUG	88%	132.00	226.00	99.9%	-	2.00
SEP	88%	156.00	203.00	99.3%	-	15.00
OCT						
NOV						
DEC						
YTD TOTAL	90%	1,220.00	1,370.00	95%	141.00	786.00

**WHEELABRATOR PORTSMOUTH INC**

**SUPPLEMENTAL INFORMATION**

**September 2020**

Total Waste received by SPSA:	52,040 tons
Waste delivered to RDF:	56,700 tons
Total RDF processed:	50,967 tons
Residue sent to landfill:	12,811 tons*
Electric power sold:	17,412 MW
Steam sold to Navy:	45,637 K-LBS
Overall Boiler availability:	88%
Overall Generator availability:	99%
Environmental Incidents	0

OSHA Recordable Accidents this period: 0

OSHA Recordable Accidents YTD: 4

**General Notes:**

\* This total includes 1,267.06 tons of non-qualifying residue delivered to the landfill this period, qualifying residue 90.11% for September.

Boiler 1 scheduled outage completed this period to include grate cleaning, pressure part repairs, flue gas, SDA and baghouse repairs, RDF feed system screw repairs, ash removal system repairs.

**Wheelabrator Portsmouth Inc.**

**Monthly Report for the Month of September 2020**

This report is submitted in accordance with the Waste Disposal & Services Agreement, section 3.17.1.

**Environmental Issues:**

No issues to report

**Tests Completed:**

Monthly Industrial Discharge Samples  
Fuel Oil Sample  
Quarterly Ash Test

**Tests Planned:**

Monthly Industrial Discharge Samples  
Fuel Oil Sample(s)  
Storm Water Sample  
Annual Stack Test  
Quarterly GHG Test  
Quarterly Ash Test

**Inspections:**

None

**Air Quality Violations:**

None

**Safety Issues:**

OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	4
Lost Time Accidents this period:	0
Lost Time Accidents YTD:	0

**Op Stats: see attached spreadsheet**

**Upcoming Planned Outages:**

2020 Outages

Jan 12-20	Boiler 2
Feb 2-8	Boiler 3
March 15-21	No outage
April 12-19	Boiler 4
May 10-18	Boiler 1
June 14-22	Boiler 2
July 19-27	Boiler 3
August 9-13	Boiler 4
September 20-26	Boiler 1
October 4-10	Boiler 2
November	No outage
December 13-18	Boiler 3





## 8. Financial Report

### **Statement of Revenue and Expenses – Budget to Actual Comparison**

For the month ending September 30, 2020, total revenues exceeded total expenses by approximately \$2.6 million as compared to \$2.4 million in the previous year.

Tipping fee revenue received FYTD reflects an increase of 6.1% or approximately \$701,000 as compared to fiscal year 2020. Municipal waste tons are up approximately 17% or 20,517 tons as compared to fiscal year 2020.

For the month ending September 30, 2020, total expenses were approximately \$10.8 million as compared to \$9.9 million incurred in the previous fiscal year.

### **Monthly Expense Line Items**

This report provides the actual expenses by month by the type of expense. The majority of the line items vary in amounts from month to month because they are either: (1) dependent on usage, or (2) timing of payment and/or check date.

### **Monthly Comparison of Revenues and Expenses**

This report illustrates the monthly revenues and expenses. An explanation is included under each graph if there is a sizeable variance. The straight line in each graph represents the fiscal year 2021 budget on a straight-lined basis and the line graph represents the prior fiscal year for comparison.

### **Waste Stream Report**

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. For the month ending September 30, 2020, municipal waste tonnages reflect an increase of 17% or approximately 20,517 tons as compared to September 2019.

### **Treasurer's Report of Cash Balances**

This report captures the monthly activity in each of the depository accounts grouped as either unrestricted and designated funds or trust funds. As of September 30, 2020, operating cash balances were approximately \$44.3 million representing approximately \$3.2 million in the operating account, \$5.9 million in undesignated fund balance, \$94,176 for FY 2020 Rolled Purchase Orders, \$314,757 for unencumbered capital budget for FY 2020, \$2.5 million reserved for the HRSD Force Main, \$400,973 for Landfill Expansion Purchase Orders and \$31.8 million designated for landfill expansion/closure.

**MOTION:** Do I hear a motion that the SPSA Monthly Financial Reports, subject to audit, be approved as presented?

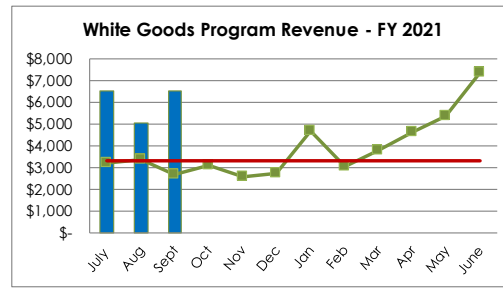
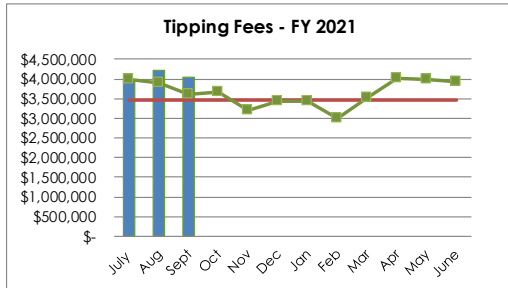
Southeastern Public Service Authority Statement of Revenue and Expenses - Budget to Actual Comparison For the Period Ending September 30, 2020								
	September 2020				September 2019			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
<b>REVENUES</b>								
Tipping Fees	\$ 41,756,055	\$ 4,040,930	\$ 12,213,288	29.2%	\$ 41,631,237	\$ 3,614,903	\$ 11,512,346	27.7%
Tire program	600,000	52,386	159,382	26.6%	515,200	45,341	163,596	31.8%
Household Hazardous Waste Revenue	333,000	30,681	102,894	30.9%	305,000	36,360	99,896	32.8%
White Goods Program	40,000	6,507	18,052	45.1%	35,000	2,706	9,253	26.4%
Landfill Gas Recovery	260,000	28,748	63,059	24.3%	312,000	26,959	66,256	21.2%
Miscellaneous Income	248,491	52,766	79,039	31.8%	333,775	18,396	82,762	24.8%
Interest Earnings	450,000	14,324	130,161	28.9%	350,000	57,331	154,167	44.0%
Fund Balance / Capital / Rolled PO's	410,933	2,000	2,000	0.5%	799,255	2,149	187,857	23.5%
Fund Balance / Landfill Expansion	535,182	128,358	134,209	25.1%	518,111	-	-	0.0%
<b>TOTAL REVENUES</b>	<b>\$ 44,633,661</b>	<b>\$ 4,356,700</b>	<b>\$ 12,902,084</b>	<b>28.9%</b>	<b>\$ 44,799,578</b>	<b>\$ 3,804,146</b>	<b>\$ 12,276,134</b>	<b>27.4%</b>
<b>OPERATING EXPENSES</b>								
Administration								
Salaries / Wages	\$ 837,565	\$ 63,261	\$ 221,413	26.4%	\$ 892,877	\$ 58,984	\$ 174,768	19.6%
Employee Benefits	212,102	14,741	48,965	23.1%	231,231	12,485	40,471	17.5%
Professional / Contracted Services	703,063	15,324	62,790	8.9%	727,254	49,522	90,223	12.4%
Other Operating Expenses	223,872	16,950	44,066	19.7%	231,521	17,048	43,597	18.8%
Materials / Supplies	17,888	311	1,382	7.7%	22,301	1,815	2,730	12.2%
Total Administration	\$ 1,994,490	\$ 110,587	\$ 378,616	19.0%	\$ 2,105,184	\$ 139,854	\$ 351,788	16.7%
Environmental Management								
Salaries / Wages	\$ 319,891	\$ 18,495	\$ 74,052	23.1%	\$ 291,479	\$ 22,430	\$ 67,941	23.3%
Employee Benefits	114,101	6,357	21,907	19.2%	101,641	8,245	24,784	24.4%
Professional / Contracted Services	78,200	423	12,405	15.9%	74,200	2,967	13,437	18.1%
Other Operating Expenses	13,700	659	1,478	10.8%	10,174	473	1,181	11.6%
Materials / Supplies	22,838	394	1,596	7.0%	22,368	810	1,847	8.3%
Total Environmental Management	\$ 548,730	\$ 26,329	\$ 111,437	20.3%	\$ 499,862	\$ 34,924	\$ 109,190	21.8%
Operations								
Salaries / Wages	\$ 5,731,396	\$ 408,008	\$ 1,418,781	24.8%	\$ 5,841,183	\$ 445,807	\$ 1,317,354	22.6%
Employee Benefits	1,917,326	149,307	449,563	23.4%	1,940,329	147,665	437,759	22.6%
Professional / Contracted Services	3,003,643	306,000	614,137	20.4%	2,920,332	222,948	558,227	19.1%
Other Operating Expenses	1,053,761	99,043	258,317	24.5%	1,066,852	50,637	165,548	15.5%
Materials / Supplies	1,813,457	101,336	293,344	16.2%	1,883,733	118,926	348,627	18.5%
Total Operations	\$ 13,519,583	\$ 1,063,694	\$ 3,034,142	22.4%	\$ 13,652,429	\$ 985,983	\$ 2,827,515	20.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 16,062,803</b>	<b>\$ 1,200,609</b>	<b>\$ 3,524,195</b>	<b>21.9%</b>	<b>\$ 16,257,475</b>	<b>\$ 1,160,760</b>	<b>\$ 3,288,493</b>	<b>20.2%</b>
<b>CAPITAL PROJECTS / EQUIPMENT REPLACEMENT</b>								
Cell 8/9 Permitting	535,182	128,358	134,209.16	25.1%				
RLF - Asphalt Overlay	27,090	-	-	0.0%				
RLF - Cells I-IV Repair	29,150	-	-	0.0%				
RLF - TRACTOR W/SIDE BOOM	160,000	-	-	0.0%				
RLF - PUMP	35,000	-	-	0.0%				
RLF - DOZER	545,000	-	-	0.0%				
RLF - WATER TRUCK	159,680	-	-	0.0%				
FLT - COALESCER	85,000	-	-	0.0%				
TSP - ROAD TRACTORS	600,000	-	-	0.0%				
CTS - YARD DOG	130,000	-	-	0.0%				
FIS - YARD DOG	130,000	-	-	0.0%				
IWTS - YARD DOG	130,000	-	-	0.0%				
LTS - WHEELED LOADER	519,400	-	-	0.0%				
OTS - YARD DOG	130,000	-	-	0.0%				
STS - YARD DOG	130,000	-	-	0.0%				
TPS - TIRE CUTTER	18,880	-	-	0.0%				
TPS - TIRE SHREDDER	625,000	-	-	0.0%				
ROB - UPGRADE LIGHTING TO LED	100,000	-	-	0.0%				
UNDESIGNATED	316,797	-	-	0.0%				
<b>TOTAL CAPITAL PROJECTS/EQUIPMENT REPLACEMENT</b>	<b>\$ 4,406,179</b>	<b>\$ 128,358</b>	<b>\$ 134,209</b>	<b>3.0%</b>	<b>\$ 4,903,156</b>	<b>\$ 183,967</b>	<b>\$ 402,447</b>	<b>8.2%</b>
<b>OTHER USES</b>								
Contracted Waste Disposal	\$ 19,820,929	\$ 2,142,099	\$ 5,537,478	27.9%	\$ 19,295,197	\$ 1,712,718	\$ 7,005,285	36.3%
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	-	0.0%
Reserves for Landfill Expansion/Closure	4,338,750	361,563	1,084,688	25.0%	4,338,750	361,563	1,084,688	25.0%
<b>TOTAL OTHER USES</b>	<b>\$ 24,164,679</b>	<b>\$ 2,503,662</b>	<b>\$ 6,622,166</b>	<b>27.4%</b>	<b>\$ 23,638,947</b>	<b>\$ 1,901,591</b>	<b>\$ 6,212,384</b>	<b>26.3%</b>
<b>GRAND TOTAL EXPENSES</b>	<b>\$ 44,633,661</b>	<b>\$ 3,832,630</b>	<b>\$ 10,280,570</b>	<b>23.0%</b>	<b>\$ 44,799,578</b>	<b>\$ 3,246,318</b>	<b>\$ 9,903,325</b>	<b>22.1%</b>
<b>NET REVENUES / (EXPENSES)</b>	<b>\$ -</b>	<b>\$ 524,071</b>	<b>\$ 2,621,514</b>		<b>\$ -</b>	<b>\$ 557,828</b>	<b>\$ 2,372,809</b>	

A Budget has been adjusted by \$946,115 for purchase orders rolled over from FY 2020 and unencumbered funds from the capital budget.

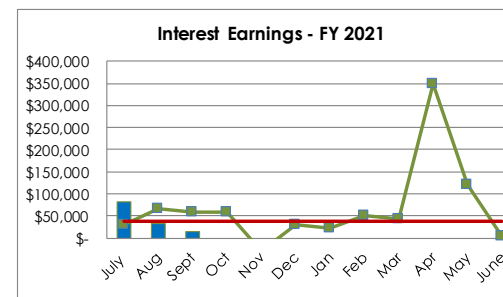
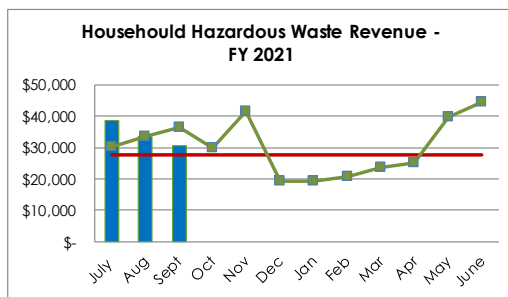
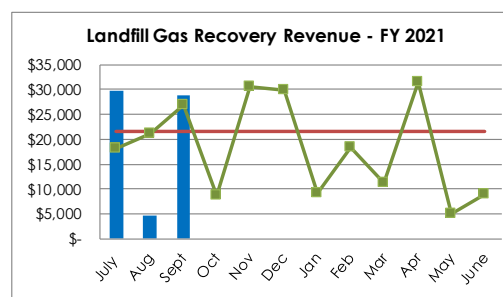
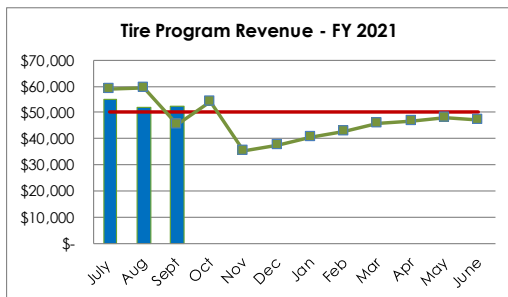
<b>Southeastern Public Service Authority</b>							
<b>Monthly Expense Line Items</b>							
<b>Description</b>	<b>FY 2021 Budget</b>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>FYTD</b>	<b>From Previous Month</b>	
						<b>\$ Change</b>	<b>% Change</b>
Salaries Exempt	\$ 1,974,694	\$ 212,463	\$ 138,572	\$ 138,765	\$ 489,799	\$ 193	0.1%
Salaries Non-Exempt	4,599,858	489,991	326,477	327,017	1,143,485	540	0.2%
Overtime	314,300	22,487	34,493	23,982	80,962	(10,510)	-30.5%
Fica / Medicare Tax	526,999	53,304	36,298	35,202	124,805	(1,096)	-3.0%
VRS Retirement	43,063	3,046	3,007	3,105	9,158	98	3.2%
Health Insurance	1,418,550	107,485	107,485	112,379	327,349	4,894	4.6%
Vrs Group Life Insurance	84,663	6,620	6,481	6,568	19,669	87	1.3%
Unemployment Insurance	1,128	21	10	15	46	4	44.4%
Workers Compensation	169,126	13,136	13,136	13,136	39,408	-	0.0%
Medical Fees	14,000	-	1,145	620	1,765	(525)	-45.9%
Security Service	84,000	3,941	8,103	8,156	20,200	52	0.6%
Professional Services	162,761	19	7,934	8,964	16,917	1,030	13.0%
Engineering Services	276,001	-	20,493	25,190	45,683	4,697	22.9%
Landfill Survey	7,500	-	-	-	-	-	N/A
Legal Fees	325,000	-	2,078	1,370	3,448	(708)	-34.1%
Environmental Testing	103,000	976	19,390	(98)	20,268	(19,488)	-100.5%
Fire Protection	8,000	-	280	1,683	1,963	1,403	501.0%
Temporary Employment Services	34,320	2,178	2,500	132	4,810	(2,368)	-94.7%
Uniform Rental	50,976	3,437	3,269	3,232	9,938	(37)	-1.1%
Maintenance Service Agreements	163,082	877	32,264	3,929	37,070	(28,335)	-87.8%
Grounds Maintenance	104,190	2,740	10,627	3,452	16,820	(7,175)	-67.5%
Hazardous Waste Disp/Cleanup	57,000	-	11,560	-	11,560	(11,560)	-100.0%
Equipment Maintenance	990,800	34,578	38,867	83,053	156,498	44,186	113.7%
Building / Site Maintenance	677,749	23,695	26,798	38,333	88,825	11,535	43.0%
Leachate Pumping Station Maint	38,735	525	172	2,900	3,597	2,728	1587.7%
Advertising	9,500	-	474	944	1,418	470	99.2%
Trustee Expense	1,000	-	-	-	-	-	N/A
Permit Fees	94,892	-	-	87,939	87,939	87,939	N/A
Suffolk Host Fee	582,400	56,300	52,365	51,947	160,611	(418)	-0.8%
Electricity	217,600	-	13,383	15,421	28,804	2,038	15.2%
Heating/Gas/Propane	11,500	-	140	141	281	0	0.3%
Water / Sewer	42,192	-	2,868	1,376	4,244	(1,492)	-52.0%
Leachate Treatment	380,000	-	-	22,459	22,459	22,459	N/A
Telephone	112,000	6,088	8,087	8,545	22,719	458	5.7%
Postage	2,060	-	78	78	156	-	0.0%
Radio Communication & Repair	4,500	-	311	18	329	(293)	-94.2%
Insurance & Bonding	207,908	17,682	17,182	17,182	52,046	-	0.0%
Landfill Fire Expenses	0	16,154	63,094	29,466	108,715	(33,628)	-53.3%
Equipment Rental	35,000	-	150	982	1,132	831	552.7%
Land Lease Payment	3,500	292	292	292	875	-	0.0%
Tire De-Rimming Service	5,000	1,802	-	-	1,802	-	N/A
Travel And Training	42,300	162	36	-	198	(36)	-100.0%
Road Tolls	171,885	14,706	16,441	15,759	46,906	(683)	-4.2%
Membership & Professional Dues	3,888	-	223	825	1,048	602	270.0%
Bank Fees	42,000	3,831	3,855	4,012	11,698	158	4.1%
Awards Programs	9,000	350	-	98	448	98	N/A
EMS Support Program	1,000	-	-	-	-	-	N/A
Office Supplies	13,350	98	1,477	677	2,252	(799)	-54.1%
Dues & Subscriptions	16,950	6,202	188	188	6,578	-	0.0%
Other Operating Supplies	92,886	1,474	7,950	3,518	12,942	(4,431)	-55.7%
Vehicle / Equipment Fuel	913,329	35,144	43,881	39,564	118,588	(4,317)	-9.8%
Vehicle / Equipment Tires	747,700	44,107	45,270	53,588	142,965	8,318	18.4%
Safety Apparel & Equipment	25,150	2,937	4,164	593	7,694	(3,571)	-85.8%
Small Equipment	34,818	500	891	3,887	5,278	2,996	336.3%
Computer Hardware	10,000	-	-	26	26	26	N/A
<b>Total Operating Expenses</b>	<b>\$ 16,062,803</b>	<b>\$ 1,189,346</b>	<b>\$ 1,134,240</b>	<b>\$ 1,200,609</b>	<b>\$ 3,524,195</b>	<b>\$ 66,370</b>	<b>5.9%</b>
Capital Projects/Equip Replacement	\$ 4,406,179	-	5,851	128,358	134,209	122,508	2093.9%
Contracted Waste Disposal	19,820,929	1,674,838	1,720,540	2,142,099	5,537,478	421,559	24.5%
Suffolk Environmental Trust Fund	5,000	-	-	-	-	-	N/A
Reserves for Landfill Expansion/Closure	4,338,750	361,563	361,563	361,563	1,084,688	-	0.0%
<b>Total Expenses</b>	<b>\$ 44,633,661</b>	<b>\$ 3,225,747</b>	<b>\$ 3,222,193</b>	<b>\$ 3,832,630</b>	<b>\$ 10,280,570</b>	<b>\$ 610,436</b>	<b>18.9%</b>

**Southeastern Public Service Authority  
Monthly Comparison of Revenues and Expenses**

FY 2021 (bar)  
FY 2020  
FY 2021 Budget

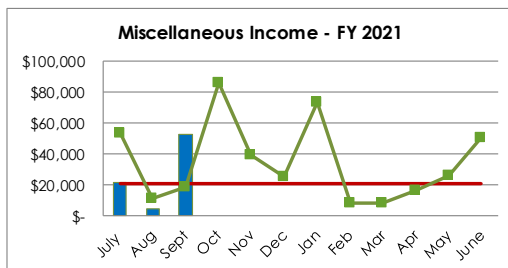


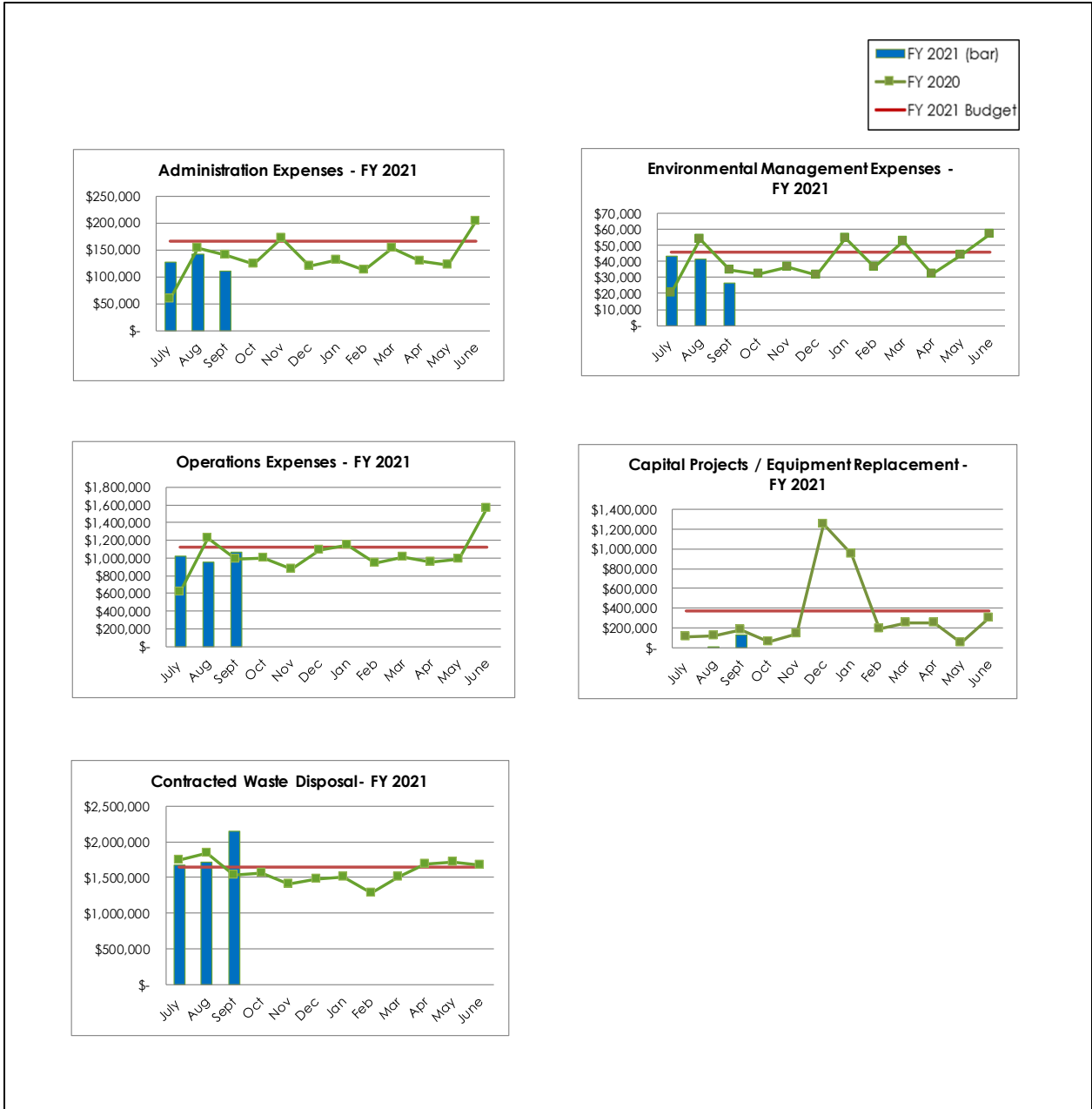
\* Monthly revenue is dependent on users.



\* Monthly revenue is dependent on users.

Interest payments vary based on investment date and maturity date.

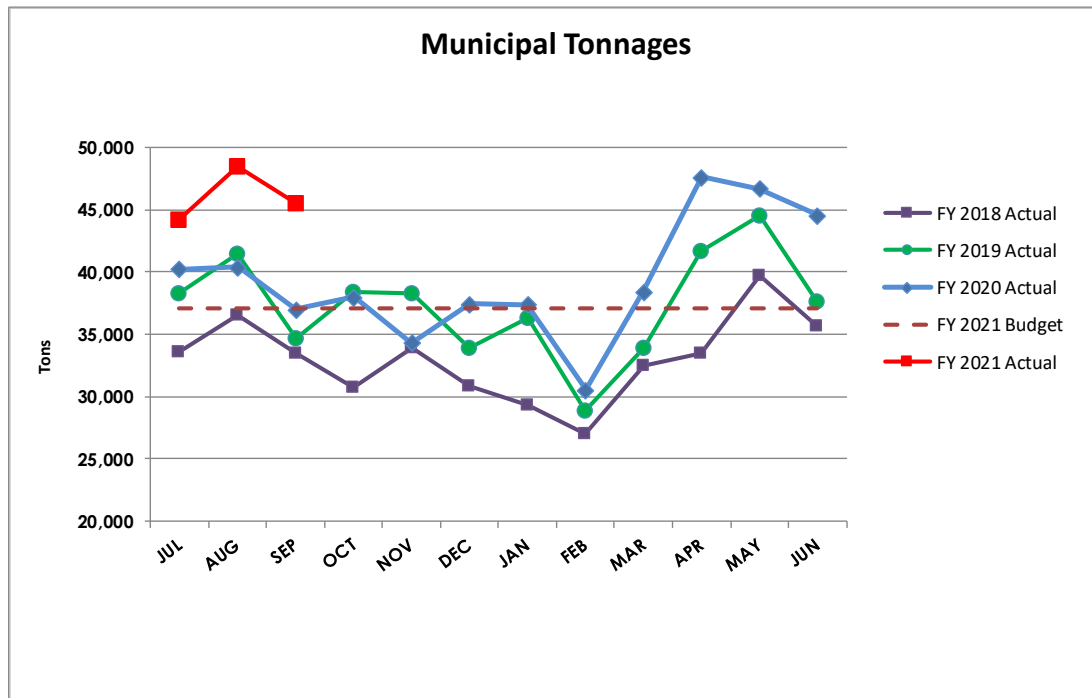




## Southeastern Public Service Authority (SPSA) Waste Stream

Waste Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021	
	Actual (Tons)	Actual (Tons)	Actual (Tons)	Budget	Actual (Tons) as of 9/30/2020	% of Budget
<b>Waste Stream Budgeted under Tipping Fees</b>						
Municipal Waste						
Chesapeake	90,896	105,353	112,154	107,000	31,428	29.4%
Franklin	2,698	2,955	3,276	3,000	891	29.7%
Isle of Wight	16,883	17,265	17,102	17,200	4,632	26.9%
Norfolk	62,587	90,129	92,423	88,000	26,912	30.6%
Portsmouth	32,769	40,222	43,829	40,500	11,636	28.7%
Southampton	8,910	10,675	9,881	10,800	2,408	22.3%
Suffolk	40,847	42,325	46,614	38,900	13,729	35.3%
Virginia Beach	127,483	138,823	147,250	139,600	46,516	33.3%
Residential (Free of Charge)	13,711	-	-	-	-	N/A
<b>Total Municipal Waste</b>	<b>396,784</b>	<b>447,747</b>	<b>472,529</b>	<b>445,000</b>	<b>138,152</b>	<b>31.0%</b>
Sludge - Norfolk	5,586	6,040	4,725	5,500	1,073	19.5%
Navy Waste	26,653	26,265	24,974	25,500	7,056	27.7%
SPSA Contracted Waste	65,936	146,442	130,777	130,000	34,524	26.6%
Construction & Demolition Debris	14,850	9,808	9,312	15,000	1,697	11.3%
Non-Contract Waste	15,469	36,682	39,588	35,500	11,476	32.3%
<b>Total Other Waste</b>	<b>128,494</b>	<b>225,237</b>	<b>209,377</b>	<b>211,500</b>	<b>55,826</b>	<b>26.4%</b>
<b>Total Waste Stream</b>	<b>525,278</b>	<b>672,984</b>	<b>681,906</b>	<b>656,500</b>	<b>193,978</b>	<b>29.5%</b>

Note: Effective July 1, 2018 residential waste tons is included with municipal waste tons.



<b>Southeastern Public Service Authority (SPSA)</b>									
<b>Regional Landfill Waste Stream</b>									
Types of Waste (tons)	July		Aug		Sept		FYTD		FY 2021
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	
Construction and Demolition Debris	9,312	514	615	568	1,697				
Water Treatment Plant Sludge	4,725	426	352	295	1,073				
Industrial Waste	660	12	21	11	44				
Soils for Use as Alternate Daily Cover	6,602	439	610	538	1,587				
Clean Fill	97,970	805	337	534	1,676				
Peanut Residue/Hulls	4,907	477	382	394	1,253				
Non-Processible Municipal Solid Waste	1,570	536	707	269	1,512				
Navy Waste <sup>2</sup>	237	7	3	15	25				
Non-Processible Commercial Waste <sup>2</sup>	650	36	46	62	144				
Concrete/Asphalt	116	-	-	-	-				
Shredded Tires	6,144	724	304	860	1,888				
Ash - Qualifying	112,585	14,844	12,734	11,545	39,123				
Non-Qualifying Ash	58,912	2,537	1,251	1,267	5,055				
MSW from FTS, IWTS, STS	102,702	9,655	10,061	10,169	29,885				
Clean Fill - Clearfield	51,540	5,670	5,385	3,231	14,286				
Residual Waste - Clearfield	436	76	76	76	228				
Diverted Processible Waste (fromTsf Station)	2,127	-	-	-	-				
<b>Total</b>	<b>471,743</b>	<b>36,758</b>	<b>32,884</b>	<b>29,834</b>	<b>99,476</b>				

<sup>1</sup> Prior to January 25, 2018, Represents CDD from the City of Suffolk and City of Suffolk's Contractors

<sup>2</sup> Boats, Flour, Frozen Foods, Other items too large for Suffolk Transfer Station



<b>Southeastern Public Service Authority                      Treasurer's Report of Cash Balances                      For the Month Ending September 30, 2020</b>						
Fund Type	Beginning Balance	Deposits / Transfers In	Interest Earnings	Payables / Transfers Out	Payroll	Ending Balance
<b>Unrestricted and Designated Funds (see footnote below):</b>						
Townebank Operating	\$ 2,848,809.13	\$ 3,651,037.10		\$ 3,098,274.12	\$ 630,881.84	\$ 2,770,690.27
Townebank Money Market	61,773.16		0.80	55,000.00		6,773.96
Townebank CD	6,233,765.80	800,000.00				6,233,765.80
Virginia Investment Pool (VIP)	7,126,068.79	1,371.19				7,927,439.98
Raymond James & Associates Investments	27,094,566.05	263,190.30	26,348.50	12,928.17	-	27,371,176.68
<b>Total Unrestricted and Designated Funds</b>	<b>\$ 43,364,982.93</b>	<b>\$ 4,714,227.40</b>	<b>\$ 27,720.49</b>	<b>\$ 3,166,202.29</b>	<b>\$ 630,881.84</b>	<b>\$ 44,309,846.69</b>
<b>Trust Funds:</b>						
Environmental / Va. Beach Landfill	\$ 470,231.70		11.67			470,243.37
Environmental / Regional Landfill	466,603.72		11.82			466,615.54
<b>Total Trust Funds</b>	<b>\$ 936,835.42</b>	<b>\$ -</b>	<b>\$ 23.49</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 936,858.91</b>
<b>GRAND TOTAL</b>	<b>\$ 44,301,818.35</b>	<b>\$ 4,714,227.40</b>	<b>\$ 27,743.98</b>	<b>\$ 3,166,202.29</b>	<b>\$ 630,881.84</b>	<b>\$ 45,246,705.60</b>
<b>Cash Balances Designated as follows:</b>						
Operating Funds	\$ 3,215,031.97					
Undesignated (Fund Balance June 30, 2020)	5,974,800.00					
Reserved for FY 2020 Rolled Purchase Orders	94,176.00					
Reserved for Capital Budget	314,757.38					
Reserved for HRSD Forcemain	2,500,000.00					
Purchase Orders for Landfill Expansion	400,973.13					
Landfill Closure (as of June 30, 2020)	18,633,452.00					
Landfill Expansion	13,176,656.21					
Total Designated Funds	<u>\$ 44,309,846.69</u>					

<b>Southeastern Public Service Authority Budget Transfer Activity For the Month Ending September 30, 2020</b>				
Department	Object	Description	Transfer In	Transfer Out
Executive	53130	Professional Services	\$ 5,000.00	
Safety	56300	Safety Apparel & Equipment		\$ 5,000.00
Tire Shredder	53800	Permit Fees	\$ 527.50	
Tire Shredder	56410	Small Equipment		\$ 527.50
Environmental	55810	Membership & Professional Dues	\$ 23.00	
Environmental	55830	EMS Support		\$ 23.00
Oceana TS	53800	Permit Fees	\$ 644.30	
Oceana TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Landstown TS	53800	Permit Fees	\$ 644.30	
Landstown TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Franklin TS	53800	Permit Fees	\$ 644.30	
Franklin TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Norfolk TS	53800	Permit Fees	\$ 644.30	
Norfolk TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Chesapeake TS	53800	Permit Fees	\$ 644.30	
Chesapeake TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Isle of Wight TS	53800	Permit Fees	\$ 644.30	
Isle of Wight TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Suffolk TS	53800	Permit Fees	\$ 644.30	
Suffolk TS	56200	Vehicle & Equipment Fuel		\$ 644.30
Ivor TS	53800	Permit Fees	\$ 745.30	
Ivor TS	53410	Building/Site Maintenance		\$ 745.30
Boykins TS	53800	Permit Fees	\$ 644.30	
Boykins TS	53410	Building/Site Maintenance		\$ 644.30
Tire Shredder	53410	Building/Site Maintenance	\$ 4,500.00	
Tire Shredder	53400	Equipment Maintenance		\$ 4,500.00
Total Budget Transfers			\$ 15,950.20	\$ 15,950.20
**Per the Strategic Operating Plan, the SPSA Board shall be advised of all budget transfers between cost centers.**				

## 9. Contracts

### Yard Spotters

This IFB was issued for the purchase of five (5) replacement Yard Spotters. Yard Spotters are used at four of SPSA's transfer stations and at the Operations Center to move trailers back and forth between the tipping floor and a drop and hook lot located at each site. Utilizing drop and hook improves the overall efficiency of operations by eliminating wait times associated with loading and unloading waste hauling trailers. The purchase of these five Yard Spotters is consistent with the capital equipment replacement schedule and funding is available in the FY-21 capital budget. The current Yard Spotters are twenty plus years old and require constant repairs. The response from the lowest bidder did not meet the specifications outlined in the IFB and was declared non-responsive.

Bid: IFB-03-21  
Issued: 8/25/2020  
Opened: 10/14/2020

Budget: \$650,000

Bidders:	Bid Price:
Greggory Poole Equipment Co.	\$569,851.18 (determined non-responsive and rejected)
Southeast Industrial Equipment	\$597,500
Excel Truck Center	\$627,185

**RECOMMENDATION:** Staff recommends awarding a contract to the lowest responsible and responsive bidder, Southeast Industrial Equipment, in the amount of \$597,500 to purchase five (5) replacement Yard Spotters.

**MOTION:** Do I hear a motion to award the contract for the Yard Spotters to Southeast Industrial Equipment, as presented?

HDR Engineering

HDR has provided ongoing technical engineering and consulting assistance for the preparation of the Environmental Impact Statement (EIS) required for wetlands permitting related to proposed landfill expansion. The initial task order was \$30,000.

Additional funds are required related to responding to requests for information from the Norfolk District of the Army Corp of Engineers and their third-party contractor, VHB, regarding the development of potential on-site alternatives for disposal capacity with lesser impact to wetlands.

This amendment covers providing technical support for the period of November 2020 to June 2021. Additional technical assistance under future amendments are anticipated to be required until a final EIS record of decision is issued by the Corp.

RECOMMENDATION: Amend the HDR Engineering task order in the amount of \$29,830 for ongoing technical assistance for the Environmental Impact Statement.

MOTION: Do I hear a motion to amend the existing task order for an additional \$29,830 to HDR Engineering, as presented?

HRTAC Lease Agreement

As it has for several years, SPSA leases a portion of the Regional Office Building to the Hampton Roads Transportation Accountability Commission (HRTAC). The term of the lease is scheduled to expire November 30, 2020. Attached is an amendment to the lease based on the following terms:

1. The term of the lease is amended to extend the term of the lease for 1 year;
2. The lease will automatically renew for successive 1-year periods unless landlord or tenant gives written notice to the other party at least 180 days prior to the expiration of the then-current renewal term;
3. HRTAC will occupy approximately 760 square feet with the annual rent for the first renewal term amounting to \$15,504 and,
4. The annual rent will be adjusted annually by year over year change in the Consumer Price Index for all Urban Consumers (CPI-U)

RECOMMENDATION: Approve the First Amendment to Lease Agreement between SPSA and HRTAC.

MOTION: Do I hear a motion approve the First Amendment to the Lease Agreement between SPSA and HRTAC, as presented?

## FIRST AMENDMENT TO LEASE AGREEMENT

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (this "Amendment") is made as of October \_\_\_\_\_, 2020, by and between the **SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA** ("Landlord"), and the **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION** ("Tenant").

### RECITALS:

A. Landlord and Tenant are parties to a Lease Agreement, dated November 9, 2015, (the "Lease"), with respect to certain property (the "Premises") containing approximately 595 square feet and referred to as Rooms 140, 141, 142, and 151, together with a dedicated hall closet, as generally shown on the floor plan attached as EXHIBIT A to the Lease.

B. The Initial Term of the Lease expired on November 30, 2018.

C. Pursuant to Section 2(b) of the Lease, Tenant exercised its option to renew the Initial Term for two additional terms of one year each.

D. The Term of the Lease is scheduled to expire on November 30, 2020.

E. Landlord and Tenant desire to amend the Lease (i) to extend the Term, (ii) to add another room to the leased area included in the definition of "Premises"; (iii) to adjust the rent and rent escalation for Renewal Terms on and after December 1, 2020; and (iv) to correct a typographical error, all on and subject to the terms and conditions set forth this Amendment.

C. Capitalized terms used herein unless otherwise defined herein shall have the meaning given in the Lease.

### AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties amend the Lease as follows:

1. Section 2 of the Lease is amended to extend the Term of the Lease for one year, beginning on December 1, 2020, and ending on November 30, 2021, and to provide that thereafter the Term of the Lease shall automatically renew for successive additional annual periods (each, a "Renewal Term") of one (1) year each unless either Landlord or Tenant gives written notice to the other party at least one-hundred eight (180) days prior to the expiration of the then-current Renewal Term that the Lease is to terminate upon the expiration of such Renewal Term.

2. On and after December 1, 2020, the term Premises shall include, in addition to original leased area described in the Lease, Room 139 as shown on EXHIBIT A to the Lease, bringing the total area being leased to approximately 760 square feet.

3. The annual rent payable for the first Renewal Term beginning December 1, 2020, shall be Fifteen Thousand Five Hundred Four and 00/100 Dollars (\$15,504.00), payable in advance

in equal monthly installments of One Thousand Two Hundred Ninety-Two and 00/100 Dollars (\$1,292.00) on the first business day of each month at the address of Landlord set forth in Section 18 in the Lease. The annual rent payable for each Renewal Term thereafter shall continue to be paid in equal monthly installments on the first business day of each month but the total amount of annual rent payable shall be adjusted based on year-over-year changes in the Consumer Price Index for all Urban Consumers (CPI-U) (the "Price Index"), measured as of September of each calendar year, with the first such adjustment to be effective as of December 1, 2021. If the Price Index shall be discontinued with no successor or comparable successor index, the parties shall use any other nationally recognized cost of living index then issued and available and selected by Landlord.

4. Section 17 of the Lease is amended to correct a typographical error by changing the last word in the section from "Landlord" to "Tenant."

5. Except as amended and modified by this Amendment, the terms and conditions of the Lease are unchanged and remain in full force and effect. In the event of a conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall govern. This Amendment may be executed in counterparts, which when taken together shall constitute one complete document. Facsimile and/or electronically delivered scanned copies of this Amendment signed by the parties shall be binding and enforceable as if the same were an executed original.

6. The Lease and this Amendment are instruments executed under seal and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

**IN WITNESS WHEREOF**, the parties hereto have caused this lease to be duly executed under seal the day and year first above written.

**LANDLORD:**

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

HAMPTON ROADS TRANSPORTATION  
ACCOUNTABILITY COMMISSION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title : \_\_\_\_\_

Landfill Gas Rights, Easement and Lease Agreement

The parent company of Suffolk Energy Partners, Mas Energy, proposes to convert the methane gas collected at the Regional Landfill to renewable natural gas (RNG). Currently 30% of the methane gas is sold directly to Solenis which utilizes the gas in its boiler system. The remaining gas is either converted to electricity and sold to the grid or it is flared. The royalty payments projected by Mas Energy based on the sale of RNG would nearly double what SPSA has received historically, and would amount to approximately \$600,000 per year.

To accomplish this, the lawyers have recommended that the parties amend and restate the Landfill Gas Rights, Easement and Lease Agreement. SPSA will engage the services of Brad Nowak with William Mullens to assist with the negotiation and to draft the proposed amendment and Brett Spain will consult on the changes. Estimated total legal costs will be approximately \$115,000 and HDR consulting costs will be approximately \$47,000. It has been requested that Mas Energy reimburse SPSA for 50% of the costs incurred by SPSA. Mas Energy has verbally agreed to those terms and will be signing a reimbursement letter.

**RECOMMENDATION:** Authorize the Executive Director to negotiate a proposed amendment and to engage the services of Brad Nowak with William Mullens to assist with the negotiation and to prepare a draft proposed amendment and to engage the services of HDR Engineering as a consultant in the total amount not to exceed \$162,000 and to invoice Suffolk Energy Partners for fifty percent (50%) reimbursement.

**MOTION:** Do I hear a motion to authorize the Executive Director to negotiate the proposed amendment and to engage legal and engineering services as presented?



**10. Other Business**

**11. Adjourn**