

AGENDA

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

BOARD OF DIRECTORS

Special Meeting and Budget Workshop

MONDAY, MARCH 8, 2010

REGIONAL BOARD ROOM, SPSA REGIONAL BUILDING

723 WOODLAKE DRIVE, CHESAPEAKE, VIRGINIA

9:30 A.M.

CALL MEETING TO ORDER CHAIRMAN LEAFE
INVOCATION EVERETT WILLIAMS
PLEDGE OF ALLEGIANCE
ROLL CALL

1. **INFORMAL ITEMS: DISCUSSION ONLY**

- A. UPDATE ON DEQ WARNING LETTER (Landfill Odor) PROGRESS Bucky Taylor and Scott Whitehurst
- B. STATUS ON THE LANDFILL GAS PPEA PROCESS Bucky Taylor
- C. REVIEW OF WTE CLOSING CHECKLIST INCLUDING A BRIEF REVIEW OF ACTIONS REQUIRED AT THE MARCH 24TH MEETING. Warren Nowlin

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. **ACTION ITEMS**

- A. FINALIZING THE CELL VII DEQ PART “B” PERMIT APPLICATION APPROVAL. Bucky Taylor
- B. CONTRACT WITH HRPDC FOR THE 5-YEAR REQUIRED UPDATE ON THE REGIONAL SOLID WASTE MANAGEMENT PLAN Bucky Taylor

4. **BUDGET WORKSHOP** Liesl DeVary, Bucky Taylor

ADJOURN MEETING

LUNCH **WILL BE** SERVED WITH THIS MEETING

INTRODUCTION:

This agenda reflects several changes that have been requested by Chairman Leaf.

The start of the meeting items will be more of an informal, discussion session where the Executive Director (with assistance as needed) will provide updates on various items that are currently pertinent to the Board and citizens of the communities. No backup material will be provided for these items. This will be an oral reporting of the information.

Following this will be the Public Comment Period.

The next section will be the Formal Action Agenda where action items or items which will soon require action will be placed.

3A. FINALIZING THE CELL VII PART "B" PERMIT APPLICATION APPROVAL

As you may be aware, SPSA has been trying now for approximately 2 years to obtain the actual DEQ permit for the construction of Cell VII at the regional Landfill.

The permit is broken down into 2 parts. Part A has been obtained. Part B has not.

The importance to SPSA and thus to the member jurisdictions is that having an approved Cell VII permit enhances the value of the landfill as a SPSA asset. Plus, if over the next several years, if it does become necessary to construct Cell VII, the long wait for obtaining the DEQ Permit will not be a factor.

The Part "A" permit was approved on April 7, 2009. Part "B" was submitted on August 29, 2008 and as of today's date has not been approved...nor has SPSA received comments or requests for additional information.

The estimated SPSA cost to finish this process is in the \$50,000 to \$100,000 range. This is primarily engineering work to respond to questions posed by DEQ. SPSA has paid \$952,205.13 for the development of the Cell VII application thus far.

I believe at this time it would be appropriate for the SPSA Board to direct the Executive Director or Chairman to write a letter to DEQ stating that the timely issuance by DEQ and receipt by SPSA of the Part B Permit to construct Cell VII at the SPSA Regional Landfill is essential to the future planning of the SPSA Board of Directors.

RECOMMENDED ACTION AND MOTION: I MOVE THAT THE CHAIRMAN/EXECUTIVE DIRECTOR BE AUTHORIZED TO SIGN A LETTER TO BE SENT TO DEQ REQUESTING A TIMELY COMPLETION OF THE APPROVAL FOR THE CELL VII, PART "B" PERMIT APPLICATION.

3B. CONTRACT WITH HRPDC FOR THE 5-YEAR REQUIRED UPDATE ON THE REGIONAL SOLID WASTE MANAGEMENT PLAN

When the SPSA Board authorized the termination of recycling services, the communities were concerned as to who would be responsible for performing the end of the year regional recycling statistics. As you may be aware, the communities are required by State law to recycle 25% of their waste each year. The communities which make up the SPSA region have chosen to have a regional wide Solid Waste Management Plan and thereby joining together to seek to meet the 25% recycling requirements.

With the termination of recycling, the individuals who were employed by SPSA to perform the reporting requirements will no longer be employed by SPSA. Therefore, the communities along with SPSA have asked the HRPDC to be the agency which will perform the required work. The agreement by everyone was that the costs to perform this work would still be paid by the communities through the tipping fees they pay for solid waste disposal. This was agreed to by all parties.

HRPDC has accepted the additional responsibility and in order to develop the required 5 year update of the regions Solid Waste Management Plan is negotiating with SCS Engineers for this work. Also, there is other work that the PDC must do in order to meet the annual recycling reporting. The total to perform these services is estimated to be \$87,000. The update to the plan must be complete by late July 2010.

While these funds were not specifically budgeted in this year's budget they can be addressed under the Professional Services portion of the budget. This is what we would recommend.

A contract will be forthcoming for your consideration and approval; however, with the urgency to begin this planning process it is necessary for the HRPDC to begin work now and SPSA to authorize the work to begin.

RECOMMENDED ACTION AND MOTION: I MOVE THAT THE SPSA BOARD OF DIRECTORS AUTHORIZE THE PAYMENT FOR SERVICES TO THE HRPDC FOR THE DEVELOPMENT OF THE 5 YEAR UPDATE OF THE REGIONAL SOLID WASTE MANAGEMENT PLAN AND OTHER RELATED RECYCLING REPORTING WORK REQUIRED FOR THE 2009 REPORTING YEAR IN AN AMOUNT NOT TO EXCEED \$87,000 TO BE BASED UPON A MUTUALLY AGREEABLE CONTRACT WHICH WILL BE BROUGHT BACK TO THIS BOARD FOR FUTURE ACTION.

4. BUDGET WORKSHOP

Following a very brief presentation on certain pertinent parts of the proposed budget, the floor will be open for questions from Board Members.

Attached please find a copy of certain questions which have already been asked by Board members and the responses to those questions.

Southeastern Public Service Authority
FY 2010-11 Operating and Capital Budget
Questions and Answers

1. What is the tipping fee if the capped rate to Va. Beach did not apply but included the \$2 million for O&M at Va. Beach landfill?
 - a. Approximately \$126 per ton

2. What is the tipping fee if all 8 municipalities paid the same rate?
 - a. Approximately \$109 per ton

3. Is the budget for legal fees and professional services, under cost center 802 – Executive Office, estimated costs or are they fixed costs? What is the potential for these to increase? Do we have any control over those costs?
 - a. The legal fees and professional services are estimates. The professional services line does include the estimated cost for HRPDC to prepare the regional waste management plan and recycling report.

4. Why is there \$100,000 in overtime budgeted at the regional landfill, cost center 813? Is that due to staffing reductions since 2008? What measures are being considered to reduce overtime expenses?
 - a. Overtime expenses at the landfill are mainly for contingency operations during foul weather or emergency repair situations on our piping, vault work, or roads. The environment that the infrastructure is in, is very harsh, and many of the systems we work on convey leachate (very corrosive). Also, the heavy equipment operating on the roads, and in the cell are damaging to the roads and some pipe work. There is no way around having a large overtime budget here. We try to only use overtime in emergency situations and foul weather conditions. If a job can wait to be completed during normal operating conditions then that is what we do. However, most of the repair scenarios out here are permit compliance driven. I.e.. We cannot leave leachate laying on the ground, we must be able to provide all weather access to the cell.

5. Do the savings from the RIF (\$1.9 million) include unemployment benefits or COBRA payments?
 - a. No, the amount is the cost for salaries and benefits for those positions. The severance package includes up to 2 months of Cobra expense to be paid by SPSA. However we anticipate the RIF to be implemented before July 1 and those costs would be accounted for from the current year's

budget. SPSA's unemployment expense is based on a percentage of pay on the first \$8,000 adjusted annually based on claims. .

6. SPSA staffing costs for HHW are higher than contract expense (cost center 844). What do these positions do that the contractor does not?
 - a. The individuals that work for HHW and White Goods are all cross trained. Several of them also do all of the required sampling (leachate, ground water, surface emissions, storm water, gas probe) at the Regional Landfill, the Hosier Road Landfill, the Isle of Wight Landfill, and the Franklin Landfill. Several are also certified to recover refrigerants from various white goods SPSA's Household Hazardous Waste staff prepares the receipt from residents, the handling, and identification, separating, and bulking of the waste prior to shipment to EcoFlow. These individuals also do the required random inspections at the SPSA facilities.

7. Has a study been done / being done to privatize both fleet maintenance and transportation? Wouldn't leasing tractors for hauling be cheaper due to elimination of maintenance costs?
 - a. A study has NOT been done which would include the evaluation of leasing tractors; however, this is something we would like to conduct after the sale of the WTE facilities is complete.

8. Where are expenses for preparing the Regional Waste Management Plan, Regional Recycling Report budgeted?
 - a. Funds are budgeted in the professional services line in the executive office budget 802. See answer 3a.

9. Are capital equipment purchases bid together or separately?
 - a. We will bid as a package where appropriate.