



SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA
Fees and Charges for Solid Waste Management
To be effective February 1, 2009

WASTE DISPOSAL - ALL LOCATIONS

WASTE DELIVERED TO ALL DISPOSAL POINTS:	RATE PER TON
Municipal Solid Waste (delivered by any SPSA Member Jurisdiction)	\$245.00
Contract Municipal Solid Waste (delivered on behalf of a SPSA Member Jurisdiction)	\$245.00
Commercial Solid Waste (delivered by any non-SPSA entity unless qualified for any other Rate/Fee)	\$60.00
U.S. Navy Waste under contract with SPSA	\$28.58
Residential Solid Waste Delivered in private automobile or low-side pickup truck	No charge
Weighing Charge Per Vehicle, Per Incident	\$20.00
REGULATED MEDICAL WASTE IS PROHIBITED AT ALL SPSA FACILITIES. A PENALTY WILL BE CHARGED PER OCCURRENCE OF \$250.00, PLUS ANY COSTS INCURRED/REVENUES LOST	
CONTRACT COMMERCIAL PROCESSABLE WASTE:	RATE PER TON
Commercial processable waste delivered to SPSA Facilities (except Regional Landfill), contract ending June 30, 2010 (if signed by 12-17-08)	\$35.00
(if signed after 12-17-08)	\$40.00
Out of SPSA Service Area Processable Waste delivered to SPSA's RDF Plant	\$35.00

WASTE DISPOSAL - LANDFILL ONLY

WASTE DELIVERED TO SPSA'S REGIONAL LANDFILL:	RATE PER TON
Suffolk Municipal Solid Waste (delivered by the City of Suffolk)	No charge
Suffolk Contract Municipal Solid Waste (delivered under contract with the City of Suffolk)	No charge
Non-Processable Solid Waste	\$60.00
Industrial Process wastes (acceptable only with prior approval)	\$60.00
Dead Animals (household pets only, i.e., dogs and cats)	\$10.00 each
Dead Animals - Bagged (household pets only, i.e., dogs and cats)	\$25.00/bag
Water Treatment Plant Sludge from any member community transported by SPSA	\$46.00

C&D Waste when quantities exceed 200 tons per month (per contract terms)	\$22.00
Special Handling Waste (accepted only with prior approval)	Handling Cost, plus 25%

Yard Waste tipping fees are deleted

NATURE'S BLEND MULCH: (Picked up at VB Yard Waste facility)

1-99 cubic yards	\$12.00
100+ cubic yards	\$10.00

NATURE'S BLEND COLORED MULCH:

1-99 cubic yards	\$24.00/cy	100+ cubic yards	\$16.00/cy
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RECYCLING

CURBSIDE & DROP-OFF RECYCLING:	RATE PER MONTH
Curbside Recycling Collection Fee (per home) Manual	\$1.47
Curbside Recycling Collection Fee (per home) Fully Automated	\$3.47
Drop-Off Recycling Container (per pull)	\$107.00
BUSINESS RECYCLING:	MONTHLY RATE PER CART
Carts (one)*	\$11.83

*Reduced rates per cart are available based on volume and location

TIRES

WHOLE TIRES ACCEPTED AT LANDFILL ONLY:	RATE PER TON
Automobile and Light Truck	\$77.50
Truck and Light Industrial (up to 24.5" rim diameter)	\$140.00
Heavy Equipment and Off-the-Road	\$155.00 each
Tires with Rims	Add \$2.00 per tire
Hauling and Disposal of Used Tires	\$950.00 per pull

HOUSEHOLD HAZARDOUS WASTE

USER FEES:	RATE PER TRIP
Rate Per Resident Visit charged to customer's local Govt	\$35.00
WASTE ACCEPTED AT SPSA'S REGIONAL LANDFILL (FROM BUSINESSES):	RATE PER TON
Batteries (lead & rechargeable)	\$60.00
Cell Phone Batteries	\$60.00
Alkaline Batteries	\$0.75/lb

MISCELLANEOUS

SERVICES FOR MEMBER COMMUNITIES	SPSA'S COST INCURRED
APPLIANCES WITH CFC DISPOSED AT SPSA'S REGIONAL LANDFILL OR VIRGINIA BEACH LANDFILL:	
Virginia Beach Residents	NO CHARGE
Member Communities or Residents (Billed to customer's local Govt)	\$12.00 each
Businesses	\$12.00 each
White Goods Containers (based upon distance from the Suffolk Regional Landfill)	\$75.00-125.00 per pull
LIGHT FRACTION MATERIAL (delivered to SPSA's Power Plant)	\$25.00/ton
TRASHANATOR PERFORMANCE:	RATE PER SHOW
One Show: \$145.00 Two shows (same day/site): \$220.00	
GRAY SOILS FOR USE AS ALTERNATIVE DAILY COVER (See attached Fees and Charges)	As negotiated by Contract to be effective on approval

Mike Johnson

From: William Harrell [weharrell@cityofchesapeake.net]
Sent: Wednesday, January 21, 2009 2:06 PM
To: mikejohnson@co.southampton.state.va.us
Cc: rtaylor@spsa.com
Subject: SPSA Tipping Fee
Importance: High

Dear County Administrator Johnson:

The attached letter has been sent to the Mayor of your city from Mayor Krasnoff of Chesapeake. As you know, this is a significant issue for all of us. For Chesapeake a \$7M mid-year adjustment cannot be absorbed and will result in significant service level decreases and employee lay-offs. This increase is equivalent to 2.9 cents on the City's tax rate.

Therefore, our Council approved the attached resolution last night requesting a 60 day continuance on the tipping fee increase to allow us time to develop reasonable alternatives. I will certainly be available to discuss this with you at your convenience. Thank you in advance for your assistance in this matter. It is our hope, that as a region, we can come together to resolve this issue expeditiously.

Sincerely,

William E. Harrell
City Manager
City of Chesapeake
382-6988
weharrell@cityofchesapeake.net



CITY OF CHESAPEAKE

OFFICE OF THE MAYOR
306 CEDAR ROAD
CHESAPEAKE, VA 23322

PHONE 1-757-382-6153
FAX 1-757-382-6678
PHONE MAIL 1-757-382-6974

January 21, 2009

The Honorable Dallas O. Jones
Chairman, Board of Supervisors
Southampton County
7427 Southampton Parkway
Drewryville, VA 23844

Dear Chairman Jones:

We are all feeling the impacts of the downturn in the economy as well as State budget cuts. Recent news of SPSA's proposed tipping fee increase of \$245/ton has resulted in much discussion and once again highlighted the compelling need for SPSA's financial reform. For the City of Chesapeake, the proposed tipping fee increase would increase FY 2008-09 costs by \$7.05 million – the equivalent of 2.9 cents on the real estate tax. For FY 2009-10, a \$245 tipping fee would require an additional \$16 million – 6.7 cents on the real estate tax. The alternative to a tax rate increase is dramatic reductions in services to our citizens.

As you may know, a public hearing and action on the proposal is scheduled during the Board's meeting on **January 28, 2009 at 9:30 a.m.** On behalf of the members of Chesapeake City Council, we are requesting your body consider adopting the attached resolution opposing the tipping fee increase and defer this consideration for sixty (60) days. As regional leaders, we have had little time for meaningful dialogue on the issue. With the public hearing scheduled during a weekday morning, it is clearly not a convenient time for those most affected by this 250% increase – the residents and taxpayers of our respective communities. It is our belief that the Region's quality of life and economic competitiveness are at risk unless and until this issue is resolved.

SPSA's financial troubles have been well chronicled; most recently by the Commonwealth's Auditor of Public Accounts. Following are some points for consideration:

- Debt is currently \$232 million with a five year capital plan which would increase that amount for maintenance of exiting infrastructure and expansion of facilities prior to 2018. This level of debt of approximately 40% of SPSA's revenue stream is unmanageable.
- There appears to be no plan for payment of all debt prior to 2018, absent assignment of it all to local government members. We have been advised that this lack of planning for debt retirement can jeopardize our own ability to issue debt.

January 21, 2009

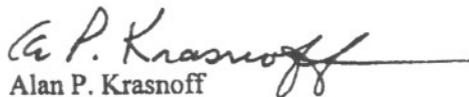
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- Operations and small capital are being managed through a line of credit. Cash balance is characterized as able to manage six weeks of operation.
- There is little strategic planning. This causes decisions to be rushed with pressure placed on local governing boards to act with little time for deliberation or consideration of alternatives.
- There is a lack of analysis of the economic and market environment in which SPSA is operating, causing mid-year adjustments when market forces change.
- There is a total dependence on the tipping fee of six localities, with no effort to ease the impact on those taxpayers by working to lower costs or increase revenues from other sources.
- It is unclear that operations are best practices in critical areas such as avoidance of landfill usage in favor of other strategies to extend the life of the landfill.
- There appears to be little commitment to finding savings within the SPSA operation prior to passing costs along to local governments

Enclosed is a certified copy of the Resolution of the Chesapeake City Council that was adopted at its January 20, 2009 meeting which requests SPSA's deferral of the proposed increase to sixty (60) days. It is believed that this modest delay is reasonable for the above reasons, and we request your governing body's favorable consideration of a similar measure.

I thank you for your consideration and am available to speak with you regarding this matter at your convenience at 382-6975, or your staff may contact City Attorney Ron Hallman at 383-6586, or City Manager William Harrell at 383-6988.

Sincerely


Alan P. Krasnoff
Mayor

APK:MAS:sc

Enclosure

RESOLUTION IN OPPOSITION TO INCREASE IN MUNICIPAL SOLID WASTE TIPPING FEES PROPOSED BY THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA AND REQUEST FOR DELAY IN BOARD OF DIRECTORS ACTION.

WHEREAS, the Cities of Franklin, Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton are members of the Southeastern Public Service Authority of Virginia ("SPSA"), which was reorganized under the Acts of Assembly 1977, Chapter 544, as amended by Acts of Assembly 2000, Chapter 596 and Acts of Assembly 2003, Chapter 872, and which is subject to the Virginia Waste and Water Authorities Act ("the Act"); and

WHEREAS, SPSA is charged with the duty of providing for the acquisition, financing, construction, operation, and maintenance of a garbage and refuse collection and disposal system, including a system for the for the recovery, conversion, transportation and sale of solid wastes and any by-products derived therefrom; and

WHEREAS, in 2008, the Virginia Auditor of Public Accounts conducted a study of SPSA operations and management and found that SPSA carries an unmanageable level of debt and relies completely on the tipping fees of six member localities, with little or no effort made to lower costs or increase revenues from other sources; and

WHEREAS, Section 15.2-5136 of the Act, authorizes SPSA to fix and revise rates, fees and other charges, for the services and facilities of a refuse collection and disposal system sufficient to pay all or any part of the cost of operating and maintaining same; and

WHEREAS, under SPSA's current schedule of fees and charges for solid waste management services, the member jurisdictions, with the exception of the Cities of Suffolk and Virginia Beach, are assessed \$104.00 per ton of waste ("tipping fee") collected or deposited at

a SPSA facility, other than residential solid waste delivered in a private automobile or "low-side" pickup truck ("municipal solid waste"); and

WHEREAS, the City of Suffolk does not pay any tipping fee for solid waste management services, or for any other services provided by SPSA, pursuant to its agreement with SPSA to host the regional landfill; and

WHEREAS, the City of Virginia Beach currently pays tipping fees for solid waste management services capped at the sum of \$53.88 per ton of municipal solid waste, pursuant to its agreement with SPSA allowing the deposit of ash at the Virginia Beach municipal landfill; and

WHEREAS, on January 7, 2009, the SPSA Board of Directors approved a preliminary schedule of tipping fees which will increase the amount paid by the Cities of Franklin, Chesapeake, Norfolk and Portsmouth and by the Counties of Isle of Wight and Southampton to the sum of \$245.00 per ton of municipal solid waste; and

WHEREAS, the SPSA Board of Directors is scheduled to hold a public hearing and take final action by approving, disapproving or modifying the preliminary tipping fee schedule on January 28, 2009; and

WHEREAS, in the event the SPSA Board of Directors approve the preliminary tipping fee schedule, the increase in the municipal solid waste tipping fee is proposed to become effective on February 2, 2009; and

WHEREAS, the increase in tipping fees to \$245.00 per ton of municipal solid waste will require the member jurisdictions, other than the Cities of Suffolk and Virginia Beach, to carry a widely disproportionate share of the costs of operating and maintaining the SPSA waste management facilities; and

WHEREAS, the increase in tipping fees to \$245.00 per ton of municipal solid waste during the 2008/2009 fiscal year will have immediate and potentially severe financial impact on the member jurisdictions, other than the Cities of Suffolk and Virginia Beach, especially in light of the economic hardship facing the Commonwealth of Virginia and the United States of America at this time; and

WHEREAS, the proposed increased in the tipping fees will result in a deficit of \$7.05 Million in the City of Chesapeake's budget for the Fiscal Year 2008/2009; and

WHEREAS, SPSA has not conducted transparent negotiations with the governing bodies of the member jurisdictions regarding the proposed increase in tipping fees for municipal solid waste; nor has SPSA attempted to work with the governing bodies to resolve ongoing issues of disparate tipping fees and unequal financial burdens among the SPSA members; and

WHEREAS, the Council of the City of Chesapeake requests the opportunity to work with the other member jurisdictions and the SPSA Executive Director and Board of Directors to address the current financial crisis facing SPSA, while at the same time, maintaining reasonable tipping fees for municipal solid waste; and

WHEREAS, in order to give the City of Chesapeake and other member jurisdictions an opportunity to participate in developing and implementing solutions, the public hearing scheduled for January 28, 2009 must be deferred for a minimum of sixty (60) days; and

WHEREAS, the Council of the City of Chesapeake supports and requests such a deferral of the public hearing and action on the preliminary tipping fee schedule.

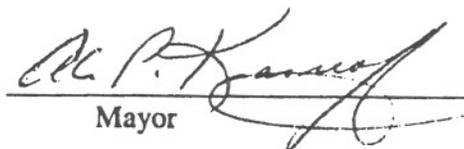
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Chesapeake, Virginia, that it is hereby requested that the Southeastern Public Service Authority of Virginia

defer the public hearing and action on the preliminary tipping fee schedule, from January 28, 2009, to a time no less than sixty (60) days from such time, in order to provide the City of Chesapeake and other member jurisdictions with an opportunity to study the proposed increase in the tipping fee to be paid by six out of eight member localities for municipal solid waste services; to understand the current financial circumstances of SPSA, to negotiate with SPSA and other member jurisdictions toward equalization of tipping fees; and to develop solutions to reduce SPSA's outstanding debt and manage operational costs within its budget.

BE IT FURTHER RESOLVED by the Council of the City of Chesapeake, Virginia, to oppose the increase in tipping fees for municipal solid waste set out in the approved preliminary tipping fee schedule and accordingly, the City Council hereby directs its representative on the Board of Directors, or alternate representative as the case may be, to vote against the approval of the preliminary tipping fee schedule in whole and in part, on grounds of the growing disparity of the fees charged among the member jurisdictions and the ongoing discriminatory and unfair practice of affording private waste companies much lower tipping fees than member jurisdictions are charged for the use of the same waste disposal facilities.

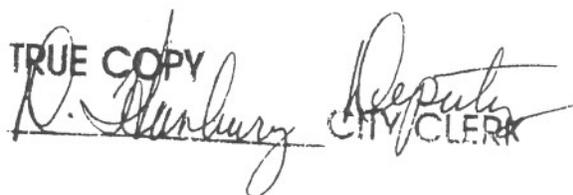
ADOPTED by the Council of the City of Chesapeake, Virginia, this 20 day of January, 2009.

APPROVED:


Mayor

ATTEST:


Clerk of the Council

TRUE COPY

Deputy
CITY CLERK

Mike Johnson

From: Rowland Taylor [rtaylor@spsa.com]
Sent: Wednesday, January 21, 2009 4:26 PM
To: weharrell@cityofchesapeake.net
Cc: Bill DeSteph; Bryan Collins; Dallas O. Jones ; Donald Williams; Doug Caskey; James Brown; James Brown; Kenneth Chandler; Leroy Bennett ; Michael Barrett; Michael Johnson; Selena Cuffee-Glenn; Stanley Stein
Subject: FW: SPSA Tipping Fee

William,

My understanding from bond counsel, our attorneys and staff is that if a positive vote is not taken on the anticipated tipping fee the likelihood is that SPSA will not have the cash to operate for a considerable portion of that 60 days...the doors will be required to be shut when the cash availability to pay debts ceases. There will be no cash to pay anyone for anything. To adopt an inefficient fee sufficient to cover the costs is a violation of State law. To not adopt an adequate fee, as you are aware, impacts not only the member communities but also the Navy contract, national security as well as other things.

The problem does not go away or get better during the 60 day period...it only gets worse. 45 days would likely put us on the brink...60 days and we're likely over the brink. A fee put off for 60 days could then likely be a \$275+ per ton fee for example (if, hypothetically, we are still open) because the spread then would be over 3 months instead of 5. Even a 30 day delay to March 1st would require a tipping fee above the \$245. Plus this could also put the organization at the risks of litigation from bondholders, vendors, etc.

SPSA has over the past several years reduced costs and eliminated programs. More will likely have to be done somehow in the 2010 budget. We have already done \$2.2 million in reductions thus far in the 2009 budget. The SPSA shortfall cannot be made up in operations' reductions unless service reductions are done. Any reduction of services by SPSA will very likely have a corresponding increase in local cost if that service is desired to be continued by the member communities. For example, if we stopped the transportation portions we could save a great amount of money but members and privates would have to deliver their waste to the RDF plant or the landfill in Suffolk. That certainly has many problems associated with it though.

The Board has already directed that SPSA move to sell off assets to eliminate or reduce the debt. This process is ongoing as of this writing. The WTE could be the first step and other assets may be considered simultaneously. There is a direction and a more detailed plan will be forthcoming but to not vote in January to adopt the advertised tipping fee will have devastating impacts on each community for many years to come.

From: William Harrell [mailto:weharrell@cityofchesapeake.net]
Sent: Wednesday, January 21, 2009 2:33 PM
To: jspore@vbgov.com
Cc: Rowland Taylor
Subject: SPSA Tipping Fee
Importance: High

Dear City Manager Spore:

1/21/2009

The attached letter has been sent to the Mayor of your city from Mayor Krasnoff of Chesapeake. As you know, this is a significant issue for all of us. For Chesapeake a \$7M mid-year adjustment cannot be absorbed and will result in significant service level decreases and employee lay-offs. This increase is equivalent to 2.9 cents on the City's tax rate.

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Sincerely,

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