



Southeastern Public Service Authority
Update
To
Chesapeake City Council

March 11, 2025



Today's Agenda

- Expansion at the Regional Landfill
- Ensuring safe and reliable disposal of Solid waste for the future
- RFP for Alternative Waste Disposal
- The future of recycling
- Use and Support Agreements
- Cost Benefit
- Questions

The Proposed Expansion of the RLF



Why is Expansion at the Regional Landfill Needed?

- The current permitted capacity at the Regional Landfill is 9.8 million CY.
- The projected average annual waste volume is 506,000 tons.
- The current permitted capacity at the RLF will be reached in approximately 2034.
- Why permit cells VIII and IX now?
- Cells VIII and IX would provide an additional 16 million CY and provide disposal capacity until approximately 2060 if approved.
- No future expansion would be allowed at the RLF site.

Cells VIII and IX Expansion



- The required Environmental Impact Statement to expand into cells VIII and IX was posted on the Federal Registry on February 28, 2025.
- The comment period ends on March 31, 2025.
- A record of Decision by the ACOE will follow.
- The Least Environmentally Damaging Practicable Alternative (LEDPA) is the proposed expansion of the RLF.
- SPSA agreed to no further expansion at the site.
- SPSA has purchased mitigation credits as well as other surrounding land that will be protected by environmental easements to compensate for wetland impacts.

Ensuring Future Disposal Capacity



- At current waste volumes, both current and potential disposal capacity would be exhausted at the Regional Landfill in approximately 2060.
- SPSA has been exploring options to maximize the remaining airspace at the RLF through improved waste reduction and recycling practices.
- Reducing the volume of waste being landfilled will conserve the remaining airspace and extend the life of the Regional Landfill to ensure the availability of safe and reliable disposal capacity for the future.

RFP For Alternative Waste Disposal



- Over the past 12 months SPSA has been evaluating proposals for Alternative Waste Disposal.
- The evaluation Team has made site visits, evaluated financial proposals, and thoroughly vetted each of the final proposals.
- The SPSA Board passed a resolution at their February meeting recognizing Commonwealth Sortation as the most qualified vendor and directed staff to finalize negotiations and bring a final contract back to the SPSA Board for consideration.

Alternative Waste Disposal

- Includes a component that would remove and sort recyclables from the mixed waste using Artificial Intelligence (AI), robotics and other technology.
- Includes a component that would remove and recycle organics from the mixed waste.
- Would guarantee diversion of 50% of the waste currently being disposed of at the RLF.
- Would increase the life of the regional landfill and provide disposal capacity through the end of the century.
- Would provide performance guarantees that would result in liquidated damages if the guarantees are not met.

Alternative Waste Disposal

- Would increase regional recycling rates while eliminating the need for curbside (Blue Can) recycling.
- The project would represent a capital investment in the region of more than \$100 million.
- A final contract would require a long term (20-year) commitment by SPSA to provide waste from the region.

The Future of Recycling

- While conventional recycling cost continue to increase, recycling rates are still low.
- The recycling rate reported to DEQ by the HRPDC in 2024 was 25.8 %.
- Virginia DEQ sets Mandatory Recycling Rates based on population densities and unemployment rates.
- Our Regional Solid Waste Planning Unit (RSWPU) is required to maintain a 25% recycling rate.
- If the RSWPU fails to meet the “Mandatory Rate” they may be required to submit a “Recycling Action Plan” to DEQ.
- Using AI and state of the art processing equipment allows us to increase recycling rates while reducing our overall cost for the service.



Use and Support Agreements

- The initial term of the Use and Support Agreements between SPSA and member localities is set to expire June 30, 2027.
- Unless a member community notifies SPSA 18 months in advance of the expiration of the current USA that they do not intend to renew, the agreements will automatically renew for an additional 10 years.
- SPSA has re-invented itself and has become a proven leader in Solid Waste Management while providing safe, efficient and reliable service to Southeastern Virginia.
- SPSA is requesting that each member community consider amending their current Use and Support Agreement to include a twenty-year term.

Use and Support Agreements



- The current USA's have served both SPSA and our member communities well, so only minor changes are planned for the amendment.
- A contract with a 3rd party to finance, construct and operate an alternative waste disposal project in the region would require that SPSA has Use and Support Agreements in place with member communities that would allow SPSA to provide waste for the term of the agreement.

Cost Benefit Analysis (Cost of Recycling)

Total Tons	AWD Tip Fee	Current Total Cost MSW + Recycling	AWD Total Cost	Delta Between Current Cost & AWD Cost
137,200	\$88	\$10,645,000	\$12,073,000	\$1,428,000

We anticipate the AWD cost to come down as we continue negotiations with the vendor



Cost Benefit Analysis (Recycling Rates)

Current Tons Being Recycled	AWD Tons Recycled	Current Diversion Rate	AWD Diversion Rate
4,200 Tons	77,500 Tons	2.7%	50%

Next Steps

- SPSA will provide redline Amended Use and Support Agreements for each member community and their legal team to review and comment.
- SPSA and member communities would execute a final version of the amended agreements when appropriate.
- Final drafts of a contract for AWD will be presented to the SPSA Board for review and action.
- A draft revised Standard Operating Procedures will be presented to the SPSA Board for review and action.
- Any Contract for AWD or any revision to SPSA's Standard Operating Procedure would require a Super Majority of the members (75%) to pass.

Questions

Economics of AWD vs Blue Bin

- Costs with Alternative Waste Disposal

$$137,200 \text{ tons} \times \$88/\text{ton} = \$12,073,600$$

- Costs with current solid waste disposal + blue bin curbside recycling

$$122,200 \text{ tons} \times \$65/\text{ton} = \$7,943,000$$

$$\begin{aligned} \text{Curbside recycling at } \$7/\text{household}/\text{month} &= \$7 \times 72,000 \text{ households} \times 12 \text{ months} \\ &= \$6,048,000 \end{aligned}$$

$$\text{Total } \$13,991,000$$

- Blue bin curbside recycling is estimated to cost \$1,917,400 more per year than AWD and would divert 6.5% of waste from the landfill compared to 50% with AWD
- Would also require 50% more trucks trips to service the blue bins separately