

Port Authority to receive \$20 million for offshore wind

BY JIMMY LAROUÉ
STAFF WRITER

The Virginia Port Authority will receive a \$20 million grant from the Department of Transportation to make improvements to Portsmouth Marine Terminal to turn it into a staging area to support the building of 180 wind turbines 27 to 42 miles off the Virginia Beach coast.

Sens. Mark Warner and Tim Kaine made the announcement Jan. 13 and said in a joint statement that “this funding is a recognition of the Commonwealth’s leadership in this space and will go a long way toward establishing Virginia as a hub for offshore wind development along the East Coast.”

The money came from the Department of Transportation’s Port Infrastructure Development Program, a competitive discretionary grant program run by the Maritime Administration. Warner, Kaine and Rep. Bobby Scott co-signed a letter to Secretary of Transportation Pete Buttigieg in support of the port’s grant application.

Last October, Siemens Gamesa announced that it would develop more than 80 acres of the Port of Virginia’s 287-acre terminal to manufacture the blades to go on the turbines, bringing 310 jobs and positioning itself, the port and the surrounding Hampton Roads area for future growth as a hotbed of maritime and renewable energy activity. Dominion Energy had previously announced that it is leasing 72 acres at the terminal for 10 years to stage and pre-assemble the foundations and turbines.

Two Siemens Gamesa six-megawatt, 620-foot wind turbines off the Virginia Beach coast began generating power in late summer 2020 and can power up to 3,000 homes. The Coastal Virginia project will be able to power 660,000 homes when it goes online.

Virginia and Danish offshore wind developer Ørsted reached an agreement in 2020 to have the company lease 1.7 acres at the terminal for offshore wind equipment and staging materials through at least 2026, with options to expand to an additional 40 acres.

By late 2026 when the 180 turbines are expected to go online, officials have said there would be about 1,100 direct

and indirect jobs across Hampton Roads and nearly \$210 million in economic activity.

In a related development, Gov. Ralph Northam has signed an agreement with Denmark’s Ministry of Climate Energy and Utilities to work cooperatively to advance the offshore wind industry.

Secretary of Commerce and Trade Brian Ball and Danish Minister of Climate Energy and Utilities Dan Jørgensen virtually signed a memorandum of understanding Jan. 14.

The agreement calls for Virginia and Denmark to work as partners and share best practices, along with challenges and success stories in the offshore wind sector.

Northam said the state is well-positioned to grow in offshore wind and noted the state can learn from Denmark’s experience with having the highest proportion of wind power in the world.

“We have purposefully worked to position Virginia as a leader in offshore wind,” Northam said in a statement.

The Danish minister said the state’s ambition and his country’s experience with more than 6,000 wind turbines there combine for a “perfect partnership.”

“Virginia has made an ambitious decision to build a 2.6-gigawatt offshore wind farm by 2026,” Jørgensen said. “I hope that our long regulatory experiences within offshore wind can contribute to a successful undertaking in Virginia. At the same time, Denmark can be inspired by new and innovative approaches. Together, we stand stronger in the green transition.”

Virginia and Denmark will also work on other issues such as renewable energy’s strategic role, climate change and energy security.

Two Danish companies, Ørsted and Rose Holm Inc., have sites in Virginia. In 2020, Rose Holm built a manufacturing facility in Richmond, the company’s first outside Denmark, to produce industrial fasteners with a focus on offshore wind.

The state will be connected to two major offshore wind farms now in development. Besides the one off the Virginia Beach coast, another off the northeastern North Carolina coast that will run its power cables to a substation in the Sandbridge area of Virginia Beach.

The Coastal Virginia Offshore Wind Commercial Project will generate 2.6 gigawatts of power when completed and the coastal North Carolina wind farm 2.5 gigawatts.

The Port of Virginia posted its most productive year on record, processing more than 3.5 million twenty-foot equivalent units in 2021, according to a news release.

In a statement, port CEO and Executive Director Stephen Edwards said the port was able to overcome challenges in world trade.

“We kept our focus and delivered a best-in-class performance with solid efficiency, customer service and a record amount of cargo,” Edwards said. “It was (a) truly collaborative effort between our entire team and all of our

partners.” The port processed more than 325,000 TEUs in December, the most productive month in port history, eclipsing its mark of 318,000 TEUs processed in October. December 2021 volumes were ahead of December 2020 by 25%, or more than 65,000 TEUs.

Edwards said the port’s success isn’t just in cargo volumes, but in long-term efforts toward infrastructure improvements such as dredging, the Norfolk International Terminals Central Rail Yard, equipment and offshore wind.

He said in about two years, the port will be able to process more than 1 million rail lifts yearly and dredging progress has the port on track to be the deepest on the East Coast by late 2024.

Port of Virginia

Cargo snapshot for calendar year 2021 vs. calendar year 2020

Total TEUs	– 3,522,834 up 25.2%
Loaded Export TEUs	– 1,049,588 up 11.6%
Loaded Import TEUs	– 1,679,528 up 27.5%
Total Containers	– 1,959,750 up 25.9%
Total Breakbulk Tonnage	– 147,686 up 84.4%
Virginia Inland Port Containers	– 31,282 up 9.8%
Total Rail Containers	– 642,755 up 27.9%
Total Truck Containers	– 1,239,324 up 24.9%
Total Barge Containers	– 77,651 up 27.7%



COME JOIN US FOR VIRTUAL SERVICES ON SUNDAY
VISIT OUR WEBSITE
To view a live stream of Sunday Service

www.MetropolitanBaptist1.org

NOW OFFERING TELEPHONE SERVICE ON SUNDAY - FOR SUNDAY SCHOOL AND WORSHIP SERVICES. (757) 539-2696

Regular Sunday Worship Service: 10:30 AM
Wednesday Worship Services: 7:00 pm • Wednesday Bible Study: 7:30 pm

Dr. Robert L. Hobbs, Pastor

757-539-2696 (Office) • 757-539-1774 (Fax)

125 County St., Suffolk, VA | www.metropolitanbaptist1.org

Life is short.
Don't make it shorter.

Choose life. Make sure your kids get their HPV vaccine and protect them against cancer.

@vaccinatevirginia

Protect the ones you love, get vaccinated now.

VDH VIRGINIA DEPARTMENT OF HEALTH



Costly water

Suffolk has region's highest rates

BY JIMMY LAROUÉ
STAFF WRITER

Even after factoring in dif-

ferent billing methods and calculations, Suffolk has the highest water rates among localities in Western Tidewater

and South Hampton Roads, a News-Herald analysis found.

See **WATER**, 7

Residential water rates, per 1,000 gallons

Suffolk: \$13.94 (adopted fiscal 2023 rate)

Isle of Wight: \$11.76 (adopted fiscal 2023 rate)

Chesapeake: \$10.58

Norfolk: \$7.58 (proposed fiscal 2023 rate)

Portsmouth: \$6.37 (adopted fiscal 2023 rate)

Virginia Beach: \$4.90 (adopted fiscal 2023 rate)

Franklin: \$5.35 (\$12.62 flat fee plus \$2.83 per 1,000 gallons)

Southampton: \$7.25 (for first 4,000 gallons use, \$7 every 1,000 gallons after, proposed FY '23 rate)

* Note: Rates do not include service fees or HRSD charges.

Water: Upgrades cited as reason for high cost

Continued from page 1

But the question that comes to the minds of city residents is why.

Gloria Spencer, a newer resident in the city, said the cost of water is extreme and noted the frequent complaints by residents on the Nextdoor social media website. In a letter to the Suffolk News-Herald, she said she paid \$158 in March for her water, which is higher than any of the bimonthly bills she had in the 30 years she lived in Chesapeake, including summer months and with four people in her home. Currently, she lives with her husband and only does eight loads of laundry in a month and rarely uses the dishwasher.

“We need someone to help us (and) demand answers,” Spencer said.

Suffolk charges residents \$10.31 per 100 cubic feet, the equivalent of 748 gallons. That rate is set to increase July 1 by 12 cents, or 1%, to \$10.43. The rate, when calculated per 1,000 gallons as it is in some south Hampton Roads localities, comes out to \$13.94.

Isle of Wight County, which will be charging \$11.76 per 1,000 gallons used beginning in July, has the next highest cost for water. Conversely, Virginia Beach has the lowest rates, charging \$4.90 per 1,000 gallons, and that rate will remain unchanged in the new fiscal year, which begins in July. The region’s average water rate is \$8.40 per 1,000 gallons.

Several things factor into residents’ water rates, according to city Public Utilities Director Paul Retel. They include any projects in the city’s capital improvements program and plan, the city’s annual operating budget, debt service from bonds in financing water-related projects — 40% of his department’s budget is tied up there in building up its water system. That’s something Retel compares to having a mortgage on a house.

“The 40% debt you’re paying on, you’re paying on putting pipes in the ground,” Retel said, (the) treatment plant to go ahead and expand the system out there. ... You’ve got to build a system in order to serve the customers.”

The city, about two years ago, hooked up the last of 37 community well systems, or privately owned ones, to the city’s water system.

He said that is important because the city had to extend transmission lines, the larger diameter pipelines, to feed those areas and then hook them in. In some cases, the city had to make changes

to the distribution system to connect them to the city’s system.

“So in order to do that, you have to either cash finance it or sell bonds,” Retel said. “So that 40% of our operating budget, that’s bond debt. Some of that was to go ahead and do that and then expand the system because you have to maintain your system in a state that’s ready to serve the customer.

“It can’t be that a customer moves in, a large customer, and all of a sudden we’re caught short and we can’t provide them the water. So you look 10 to 15 years down the road. You’ve got CIP (capital projects), you’ve got bond debt and then you’ve got the annual operating budget.”

Ratel said the city has also had to project capacity building out, not just for the year’s higher use days, but years and even decades out for when new people or businesses come. He noted that as a member of the Western Tidewater Water Authority — made up of Isle of Wight County and Suffolk — the city has secured enough water to meet the demands of existing and future customers for the next 26 years.

He also noted the city’s “relatively young” water system, which has been operational since June 1982 when the city’s G. Robert House Jr. Water Treatment Plant in Chuckatuck opened, is one that has more than 497 miles of water mains and is supplied by potable water from it and Portsmouth’s water treatment plant also located in Suffolk. At the time the House plant opened, it cost \$6.8 million.

The city spent more than \$9 million about 10 years ago to upgrade its plant, and spent about \$8.8 million on the plant’s most recent upgrades from 2019 and 2020.

The city gets 2.54 million gallons of water per day from Portsmouth, per a 1997 agreement.

Portsmouth operates the Lake Kilby Water Treatment Plant, which uses a conventional surface water plant. The Portsmouth water serves the majority of Suffolk’s downtown area, a portion of the southern part of the city and part of the Nansemond Parkway near the Chesapeake border.

Suffolk’s surface water comes from Lone

Star Lakes, raw water from Norfolk’s Western Branch — which is actually in Suffolk, owned by Norfolk, and is treated in Suffolk — and the Crumps Mill Pond reservoirs, along with several production wells.

The other issue that factors into higher rates, he said, is Suffolk’s smaller customer base when compared to other cities in Hampton Roads. Currently, there are about 27,000 metered customers. By comparison, Virginia Beach has more than 136,000 customers.

Why does the number of customers matter?

“They’re able to spread

with debt service coverage, or the amount of revenues over reserves.

“If you ask the question as far as Suffolk’s rates being high,” Retel said, “I would point to the young nature of the system, the extent of the system ... geographically what we have to serve, and then when that system was being built, the bonds that were sold, 40% of our budget is paying down that debt.”

He said the city is paying for more by cash rather than bonds, which helps when it does a rate model because it doesn’t have to pay interest on it. That, in turn, has kept rates at least a little lower.

“A couple of times a year,” Retel said, “we look at the projects and we think, ‘OK, do we need to do this one now? Can we defer this one right now?’ Maybe we may not be able to defer this one because the condition of a certain asset.”

Almost 90% of the expenses for public utilities are fixed costs, but about 70% of revenues are variable and based largely on people’s water consumption.

“That’s a variable that goes up and down,” Retel said, “so we try to predict every year what our revenues are going to be, and sometimes that can be a little tricky.”

The department models its charges by equivalent residential unit, or roughly a household. What it’s looking for is how many ERUs the system will add with new construction and new connections to the city’s system. It is taking into account economic forecasts and the past few years. A typical water bill, Retel said, sees a family use about 500 cubic feet of water, or about 3,740 gallons. On a bill that combines water, sewer and meter charges, it comes to about \$100.65, Retel said. The upcoming rate increase will add about \$1.10 to the bill.

The city of Suffolk’s part of the bill includes a monthly meter service charge — Retel calls it a “readiness to serve” charge — along with the water consumption charge and a sewer collection charge. The bill also includes Hampton Roads Sanitation District charges for wastewater treatment.

The rates generally do not increase after a budget is approved, which typically happens in May for the fiscal year beginning July 1.

Average monthly water bill

Suffolk

Water: \$51.55

Meter charge (five-eighths in.): \$12.75

Total: \$64.30

Note: The average monthly water bill includes water and meter service charges, but does not include the sewer charge or the Hampton Roads Sanitation District wastewater fee. It is based on 500 cubic feet of water use, or 3,740 gallons of water used by a family per month.

those costs out on those customers more than we can with our customer base,” Retel said. “(And) our transmission mains don’t go geographically to all of Suffolk because some of it is fairly rural. You think about northern Suffolk and you think about the downtown area, that’s a stretch.”

The city also treats groundwater and is in need of an upgrade that is a part of the CIP.

Retel said that in the early 2000s, the rate of growth in the city was between 20% and 30%, “and so they were building capacity at that time, treatment and transmission capacity, in order to serve those customers.”

He noted the slower development around 2007 and 2008 when the economy took a nose-dive, but it has been picking back up in the last few years with steady residential and commercial growth.

Developing the rates, reading the bill

The city works with an outside firm to develop a rate model that factors in such things as the CIP, operating debt and the city’s annual budget to determine where rates should be, Retel said.

The bonds the city has sold affect the rates, and it is required to have a minimum of 90 days of operating and debt service reserve on hand, he said. That also goes into the rate model, along



FILE PHOTO

Sentara Obici Hospital has been rated among the safest hospitals in Virginia, according to the latest rankings in The Leapfrog Group's spring 2022 Hospital Safety Grades released Tuesday.

Obici gets 'A' for hospital safety

BY JIMMY LARQUE
STAFF WRITER

Virginia still has among the highest percentage of hospitals rated safest in the country,

and Sentara Obici Hospital in Suffolk is one of them, according to the latest rankings in a new watchdog report.

Virginia, which led the fall 2021 rankings with 56.2% of

its hospitals given an A grade, increased that percentage to 59.2% in The Leapfrog Group's spring 2022 Hospital Safety Grades released Tuesday. But it dropped to second overall,

flip-flopping places with North Carolina, which had an increase in A grades from 55.1% last fall to 59.8% this spring.

See OBICI, 12

Obici: Perfect score for responsiveness of hospital staff

Continued from page 1

Obici once again received an A grade this spring and has failed to do so only once since spring 2019.

Statewide, more than 80% of hospitals received either an A or B grade.

“I’m very proud of our team and the quality care we provide to our patients and our community,” said Obici president David Masterson in a statement. “This recognition highlights the commitment of our team members to keep patients safe and to improve health every day.”

The Leapfrog Group is a national organization of employers and other buyers focused on safety in health care, and its safety grade list gives a letter grade to about 3,000 general acute-care hospitals twice per year and uses up

to 22 national patient safety measures from publicly available data, including the Centers for Medicare & Medicaid Services.

The grades are based on five broad categories: infections, problems with surgery, safety problems, practices to prevent errors and doctors, nurses and hospital staff. In these areas, hospitals were scored based on factors within each area, and were broadly rated below average, average or above average.

Obici received a perfect score for its doctors, nurses and hospital staff, along with its practices to prevent errors and problems with surgery, and it was rated highly for its focus on safety, though it was marked as below average in this area for the subcategory of falls causing

broken hips. It was rated lowest, though far from the worst, in infections.

Nearby hospitals did not fare quite as well in the rankings, as Southampton Memorial Hospital in Franklin fell from a C in the fall to a D this spring — one of just three hospitals statewide to receive that grade — while Chesapeake Regional Memorial Hospital and Sentara Norfolk General Hospital received B’s.

All hospitals in the Hampton Roads and Western Tidewater regions, other than Southampton Memorial, received either an A or B grade.

The other states with the highest percentage of A hospitals are Utah, Colorado and Michigan. There were no A hospitals in Wyoming, West Virginia, the District of

Columbia and North Dakota. Nationwide, just 33% of hospitals received an A.

“The health care workforce has faced unprecedented levels of pressure during the pandemic, and as a result, patients’ experience with their care appears to have suffered,” said Leah Binder, president and CEO of The Leapfrog Group, in a statement. “We commend the workforce for their heroic efforts these past few years and now strongly urge hospital leadership to recommit to improved care — from communication to responsiveness — and get back on track with patient safety outcomes.”

Due to the limited availability of public data, the rankings do not include safety grades for placental hospitals, long-term care

and rehabilitation facilities, mental health facilities, federal hospitals, some specialty hospitals, free-standing pediatric hospitals, hospitals in U.S. territories and hospitals missing scores in more than six process/structural measures or more than five outcome measures.

Generally, the report notes COVID-19’s negative influence on patient safety in hospitals, as “key areas of patient experience that worsened were likely associated with the strain health care workers endured during the height of the pandemic.”

It noted the largest difference comparing an adult patient’s experience in hospitals pre-pandemic and mid-pandemic is in the responsiveness of hospital staff, an area in which Obici received a perfect score.