

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

August 24, 2016

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. Marley Woodall	(CH)	Mr. Eric Martin	(CH)
Mr. Everett Williams	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Roy Chesson	(IW)	Ms. Mark Popovich	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Cheran Cordell	(PO)
Mr. Mark Hodges <i>absent</i>	(SH)	Mr. Michael Johnson	(SH)
Mr. David Arnold	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(VB)	Mr. John Barnes <i>absent</i>	(VB)

* Indicates Late Arrival

** Indicates Early Departure

(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. Steven Jenkins (CH), Mr. Randy Martin (FR), Mr. Harvey Howard (NO), Ms. Erin Trimyer (PO), Ms. Lynette Lowe (SH), Mr. Eric Nielsen (SU), Mr. Phil Davenport (VB), and the following SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director, Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer, and Mrs. Blanche Christian, Administrative Coordinator and Secretary, Trey Huelsberg, General Counsel, and staff from SPSA and the Hampton Roads Planning District Commission.

The meeting was then called to order by Chairman Woodall followed by the invocation by Mr. Everett Williams (FR), the Pledge of Allegiance, and Roll Call. A quorum was present.

1. INFORMAL ITEMS: DISCUSSION ONLY

A. MONTHLY REPORT ON WTE OPERATIONS

Mr. Clint Stratton began the report on operational stats for Wheelabrator Portsmouth for the month of July. The total waste received by SPSA was 36,106 tons and 59,659 tons of waste was delivered to the RDF facility. The total tons processed were 61,236 tons and 14,961 tons of ash was sent to the regional landfill. The total electricity sold to the grid was 23,686 megawatts and 27,806 K-pounds of steam was sold to the Navy. The overall boiler availability was 90% and the generator availability was 98%. There were no environmental incidents, but we did have two OSHA recordables this period which takes us up to four for the year. The boiler 4 scheduled outage was

started early due to tube failure in the superheater. The boiler 1 scheduled superheater replacement outage was started early due to tube failure.

B. EXECUTIVE DIRECTOR UPDATES

Mr. Taylor began his monthly reports. There were no odor complaints received during this past monthly period.

The transfer stations and transportation have been moving nicely over the past month. The 1,000 gallon fuel tank replacement at the Landstown Transfer Station has been awarded but not yet completed at this time.

SPSA has submitted the Conditional Use Permit (CUP) Application and Conditional Rezoning Application on June 30, 2016. The waiver request for the Public Facilities Report (PFR) was not granted per the letter dated June 20, 2016. SPSA requested an extension for the PFR and it was submitted on July 7, 2016. The city land use meeting was held on July 23, 2016 to review the applications, and some comments are pending. Bob Goumas with the City Planning Department indicated that comments would be provided by the end of August. HDR will prepare responses with coordination from SPSA for submittal and approval by the City, with the goal of the applications being heard by the Planning Commission on September 20, 2016 and City Council on October 19, 2016.

The Commercial/Private Hauler Waste Committee has not met this past month. The major effort was placed on putting together an RFP for the services in hopes of having it ready for consideration by the Board at this meeting. Legal is currently reviewing the document and we hope to be able to have it available for the Board in September.

The RePower South monthly report was submitted in your agenda packet.

The Portsmouth transfer station is scheduled for discussion in closed session this morning

We have received the Order of Dismissal of the Chesapeake lawsuit entered into and accepted by the Clerk of the Chesapeake Circuit court, pursuant to which the lawsuit by the City of Chesapeake against SPSA has been officially dismissed with prejudice effective August 2, 2016.

Portsmouth had a recycling event at the Lowe's on Victory Boulevard, in which 237 individuals participated. We are always happy to assist on these events.

C. CHAIRMAN'S COMMENTS

Chairman Woodall (CH) commented that the Executive Committee will consist of Mark Hodges (SH), Everett Williams (FR) and me. The Audit Committee will remain the same with Roy Chesson (IW) as Chair and David Arnold (SU). The Commercial Haulers Committee will remain the same with Patrick Roberts (SU) as Chair along with Everett Williams (FR) and the Executive Director.

2. ACTION AGENDA

A. MINUTES OF THE BOARD MEETING

Chairman Woodall (CH) moved to the action agenda. The minutes of the July 27, 2016 Board meeting have been distributed and he asked if there were any additions or changes.

Mr. McCoy (PO) moved, seconded by Mr. Mike Johnson (SH), the July 27, 2016 Board minutes of the SPSA Board of Director's meeting be approved as presented. The vote of the motion was unanimous.

B. FINANCIAL MATTERS

(1) Financial Reports

Ms. DeVary began by stating that for the month ending July 31, 2016 total revenues exceeded total expenses by approximately \$870,000 as compared to \$1.03 million in the previous year. Tipping fees actually reflect a 7% increase or approximately \$262,000 as compared to last July. Municipal waste tonnages are down nearly 5,500 tons as compared to last July. For the month ending July 31st municipal waste tonnages were 34,480 as compared to 39,974 a year ago. The total expenses for July were approximately \$3.25 million as compared to \$2.84 million in the prior fiscal year. Cash balances are \$23 million representing \$3.9 million in the operating fund, \$3.1 million in the tip fee stabilization fund; we only needed to use approximately \$204,000 from that, \$6 million in landfill closure and \$10 million in the operating reserve. The auditors will be here the week after Labor Day.

Mr. Davenport (VB) asked what the total annual figures for municipal tonnages were. Ms. DeVary responded that for 2016 total municipal waste including residential was 402,951 compared to 395,480 in 2015.

Mr. Broad (NO) commented that in July of this year we had two fewer collection days than last July.

Mr. Eric Martin (CH) moved, seconded by Mr. Popovich (IW) that the financial reports subject to audit be approved as presented. The vote of the motion was unanimous.

3. CLOSED SESSION

Chairman Woodall (CH) stated that concludes our open session items and read the closed session request as follows:

I move that a closed session be held for discussions regarding (1) the contemplated terms of a potential new contract pursuant to which SPSA would provide limited waste-disposal services to a non-member/third-party customer and (2) updates with respect to the potential arrangement between the City of Portsmouth and SPSA related to the development of a new transfer station

within Portsmouth, in each case in accordance with (a) Virginia Code Section 2.2 3711(A)(7) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel and/or (b) Virginia Code Section 2.2 3711(A)(29) for the purpose of considering modifications to the terms of existing contracts and/or negotiation and award of new contracts where competition and bargaining are involved and where discussion in open session would adversely affect the bargaining position or negotiating strategy of the public body.

Mr. Popovich (IW) moved, seconded by Mr. McCoy (PO) to approve the certification as read. The vote of the motion was unanimous.

4. ACTIONS ARISING FROM CLOSED SESSION

Immediately upon completion of the closed meeting, the following certification was read by Chairman Woodall (CH).

The Board of Directors of the Southeastern Public Service Authority of Virginia hereby certifies that, to the best of each member's knowledge: (a) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification applies; and (b) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.

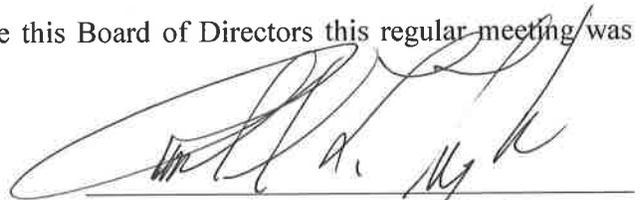
Mr. Popovich (IW) moved, seconded by Mr. Sorrentino (VB) to approve the certification as read. The vote of the motion was unanimous.

5. OLD/NEW BUSINESS

There was no old/new business to discuss.

6. ADJOURN MEETING

There being no further business to come before this Board of Directors this regular meeting was adjourned at 10:42 a.m.



Rowland L. Taylor
Executive Director

Submitted by: Blanche Christian
Secretary, SPSA Board of Directors