

SOUTHEASTERN PUBLIC SERVICE AUTHORITY

Board of Directors ~ Regular Meeting
Regional Board Room
723 Woodlake Drive, Chesapeake, Virginia

Wednesday, July 24, 2019 at 9:30 a.m.

1. Call Meeting to Order	1
Pledge of Allegiance	1
Roll Call.....	1
2. Public Comment Period	1
3. Election of Officers	1
4. Appointment of Committees	1
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1. Call Meeting to Order

Pledge of Allegiance
Roll Call

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. Election of Officers

At the June 26, 2019 Board of Director's meeting, the Nomination Committee offered the following slate of officers for the fiscal year beginning July 1, 2019:

Chairman: Mr. John Keifer (NO)
Vice-Chairman: Mr. Luke McCoy (PO)
Treasurer: Ms. Liesl R. DeVary, Executive Director
Secretary: Ms. Sandra Schreiber, Accounting Manager

In connection with the vote for Chair and Vice-Chair, a vote for the current Chair and Vice-Chair shall be deemed an approval for them to serve a third consecutive term, in accordance with Section 3 of Article IV of the Bylaws.

Are there any nominations from the floor?

4. Appointment of Committees**5. Chairman's Comments****6. Approval of Minutes**

The minutes of the June 26, 2019 Board meeting are included below for your review and approval.

RECOMMENDED ACTION: Approve the minutes as presented.

MOTION: Do I hear a motion that the June 26, 2019 minutes of the SPSA Board of Directors meeting be approved as presented.

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

June 26, 2019

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. John Maxwell	(CH)	Mr. Steven Jenkins	(CH)
Ms. Sheryl Raulston	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Solomon Ashby	(PO)
Mr. Mark Hodges	(SH)	Ms. Lynette Lowe <i>(absent)</i>	(SH)
Mr. David Arnold	(SU)	Mr. Patrick Roberts**	(SU)
Mr. William Sorrentino <i>(absent)</i>	(VB)	Mr. John Barnes	(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, Ms. Erin Trimyer (PO), Mr. Scott Mills (SU), Mr. Eric Martin (CH), Mr. Michael Etheridge (SU), Mr. Hart Council (SH), and the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Sandy Schreiber, Accounting Manager and Secretary and Warren Tisdale, General Counsel.

1. CALL MEETING TO ORDER

Mr. Keifer (NO), Chairman of the Board, began by explaining that Blanche Christian moved to another position in Fleet Maintenance and that Sandy Schreiber, SPSA Accounting Manager would be appointed Board Secretary until the Executive Assistant Position is filled.

Mr. Jenkins (CH) moved, seconded by Mr. Ashby (PO) to approve the appointment. The vote of the motion was unanimous.

2. PUBLIC COMMENT – No public comments received.

3. CHAIRMAN'S COMMENTS

Mr. Keifer (NO) asked for a report from the Chairman of the Nominating Committee. Mr. Maxwell (CH) named the candidates recommended to the Board: Mr. John Keifer (NO); Chair, Mr. Luke McCoy (PO); Vice Chair, Ms. Liesl DeVary; Treasurer, and Ms. Sandy

Schreiber; Secretary. Mr. Keifer (NO) stated the board will entertain other nominations and vote at the July meeting.

4. APPROVAL OF MINUTES

The minutes of the May 22, 2019 Board meeting have been distributed. Mr. Keifer (NO) asked if there were any additions or changes.

Mr. Taylor Williams (FR) moved, seconded by Mr. Richard Broad (NO) to approve the May 22, 2019 minutes of the SPSA board as presented. The vote of the motion was unanimous.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary began by stating that SPSA staff continue to keep operations running smoothly. She, Chairman Keifer, Bill Sorrentino, and Mr. Bagley met with the Corp of Engineers earlier in June at the Norfolk office to kick off the permitting process for Cells VIII and IX. Ms. DeVary stated she thinks the meeting went very well. She wanted to ensure they understand what this project is about and why we need it. The next stakeholders meeting regarding the flyover at the Suffolk Landfill will be held on July 2, 2019.

SPSA received the HRSD Gold Award for 2018. This is in recognition of outstanding environmental compliance for the last 12 months. Ms. DeVary recognized and commended Environmental staff in attendance including Mike Kelley and Brittany Collins. She explained that these staff members, as well as Randy Roberts, are responsible for our environmental compliance, and they ensure that all of our sampling is done properly.

Ms. DeVary commented that she made the final presentation to Suffolk City Council on June 5th. She has made this presentation to all eight communities.

Ms. DeVary asked Mr. Bagley to provide the operations report.

Mr. Bagley stated that for the reporting period, the landfill received 29,264 tons of material. The landfill saw a decrease of 2,467 tons as compared to the previous month. Wheelabrator delivered 14,715 tons of residue to the landfill. 82% of that (12,119 tons) was reclassified as nonqualifying. The total leachate hauled was 725,471 gallons. The total leachate pumped to HRSD was 714,242 gallons, for a total of 1,439,659 gallons. That is a decrease of 163,986 gallons from the previous reporting period. There are multiple reasons why that fluctuates each month; mainly this month it was because we didn't have a lot of rain.

The compaction and grading control system that the board approved two meetings ago will be in operation by the end of June and testing will be conducted the first week in July.

There were no odor complaints for the reporting period.

Mr. Bagley stated that an e-mail was sent by Ms. DeVary to the board members regarding a fire at Wheelabrator on Friday, June 21st. Wheelabrator will discuss during their presentation but Mr. Bagley wanted to make the board aware that we are diverting our daytime waste loads to the landfill at this time. Night loads are still going to Wheelabrator because we do not have the capability of operating safely at the landfill at night. On Friday, June 21st, we diverted 273 tons. Yesterday (June 25th), we diverted 297 tons and we diverting through the end of the week.

Mr. McCoy (PO) stated he is concerned about Wheelabrator's plan to get the operation up and running. Last update from staff was that we had only one line running. I'm sure you're doing as much as you can, but you're not burning as much trash as we're bringing in.

Mr. Maxwell (CH) asked if the 82% of ash reclassified was high? Mr. Bagley answered that it is high and we are reclassifying it and charging a higher rate. Wheelabrator began screening ash but there is inconsistency in their ability to maintain a constant flow of quality ash. Wheelabrator has given reasons why, but the majority of the ash we are receiving is still not good ash for us to use as cover. When we reclassify the ash, it goes directly into the landfill and gets billed back to Wheelabrator at a higher rate and Suffolk receives a host fee for that waste. Yes, that number is extremely high, but there are some things we're working on to try to get that number down because it really has an impact on our operations because we don't have ash to use as cover, and we're having to bring in dirt from the borrow pit and there are costs incurred for hauling that dirt. Mr. Maxwell (CH) requested a follow-up report at the next meeting.

Mr. McCoy (PO) expressed concern and asked that we go back to the first statement of the Executive Directors report. "SPSA staff continues to keep operations running smoothly." Mr. McCoy (PO) commented that we are running as smoothly as we can under the circumstances, but from his understanding and involvement in this system since inception, what we have at the present time is not acceptable, and either we need to get serious or Wheelabrator needs to get serious about what is being done.

6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Stratton began the Wheelabrator operational report for May 2019 by explaining the June 21st fire. He stated the fire that occurred last Thursday into Friday morning started in the shredder. It affected the discharge belt being that it is rubber, and the internal motor windings were damaged. Contractors are repairing the belt, rollers, and skirting today. We've had two electrical contractors around the clock pulling in new wiring for the motor that was damaged. I do not have an estimated time of return on that motor. It is a 30-year-old housing. These shredders are 30 years old – we cannot call the manufacturer and receive a new housing. You have to make it. The motor is a 35-week lead time. The stock motor that Wheelabrator has on the shelf right now is still the old SPSA spare motor, which does not fit the application anymore. I will have a report from the machine shop today about C line and hopefully have the second line up by the end of the week.

As far as other customers having priority to dump over SPSA, that is certainly not the case. We pushed out all direct haulers to our facility. There are only two trucks that we accepted this morning, which had to be incinerated. The purpose of that is you are our largest customer, and we have to sustain you through the night shift at the very least, and thank you, Liesl and Dennis, for the efforts they've taken and to the board as well, on moving these day shift tons out to the landfill.


Mr. Stratton replied I have faith in Liesl and Dennis. I think we have a good relationship. It's open and honest. Liesl doesn't have a hard time telling me what she needs, when she needs it, and we accommodate however we can and it works both ways as the situation is right now. You guys are assisting us, accommodating, moving tons out during the daytime, and I do think it is a partnership. I mean, you are our biggest customer.

Mr. Barnes (VB) asked for confirmation that Wheelabrator has 3 total lines and one was being overhauled at the time of the fire. Mr. Stratton confirmed that C line was being overhauled. Mr. Barnes (VB) asked what is the date that the C line overhaul should be completed. Mr. Stratton responded that it should have been done two weeks ago, but the housing has been in and out of the machine shop with a bearing failure on start up. The C line should have already been up, but we had issues on the startup of the machine.

Mr. Barnes (VB) asked if Wheelabrator is able to process some material through line A. Mr. Stratton answered that they can do about 1600 to 1700 tons a day on a single processing line. It depends on how fast and how tight the hammers are on that machine. Right now, we're running about 7 and ½ feed on the incoming line of the machine. We'll get about 600 tons a day through that and that is why it was important to push commercial haulers out and you are moving the day shift tons to the landfill so we can accept the loads at night and keep up on the floor.

Mr. Stratton presented the May 2019 operational report for Wheelabrator Portsmouth:

Wheelabrator Portsmouth May 2019
Operational Data



51,532 Tons	60,177 Tons	55,458 Tons	14,714 Tons	20,809 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
32,175 K-LBS	96%	99%	0	0
Steam sold to U.S. Navy	Overall boiler availability	Overall generator availability	Environmental incidents and OSHA recordable accidents	OSHA recordable accidents YTD

2

Mr. Stratton commented that the ash screener had issues with feeding and there was a breakdown in the machine. We rented the machine for two months and have extended the rental another two months. The biggest part of June was spent having to manufacture a ramp that was tall enough so the loader could get high enough to feed the machine. We

have a 972 loader with an extended reach, and it still wasn't tall enough. We had a ramp manufactured to feed the machine.

Mr. Stratton responded to a question asked by Mr. Maxwell (CH) stating he would like to see the non-qualifying ash level at 10% and he thinks this can be done.

Chairman Keifer (NO) commented that there are a couple significant issues and Liesl has been involved in some continuous discussions with Wheelabrator and will continue to do that. One question I would like answered is why wouldn't you just burn the material longer?

Mr. Stratton answered that the grates move at 20 feet per hour. That is the max at 100% speed. If you slow down the grate too much, you will pile the grade up so your grate will get thicker. The boilers are only designed with an 18" discharge zone and we run the grates typically around 80%. So, we are running them slower than 20 feet an hour equates to about 17 ½ an hour. The design of the boiler has an 18" discharge for the grate to roll off. It's already 8 to 10 inches, if we slow it down more, we're going to back up and seal off the front of the boiler and the incoming waste will contact that pile, and we'll block the shoot, plug the shoot up.

Chairman Keifer (NO) asked if there is another boiler that can be used to alleviate some of that? Mr. Stratton responded no. These are CBU40 boilers. These are combustion designed with 18" discharge. We can look at possibly raising the discharge, but that comes into contact with the structure. We'd have to get engineering involved with that. Chairman Keifer (NO) stated that he encourages Wheelabrator to look into that.

Mr. McCoy (PO) noted that Mr. Stratton said earlier that capacity is 1600 tons on the A line. Under the circumstances, how long will it take to get caught up? Mr. Stratton responded that as of this morning we have 1400 tons in the pit at the power plant and I have just as much on the RDF tipping floor. I'm thinking about securing one of the boilers because I could keep up with the 1600 tons with 3 boilers. Mr. Stratton responded that he can process over 2,000 tons a day on the boiler at present time.

7. FINANCIAL REPORT

Ms. DeVary began by stating for the month ending May 31, 2019 total revenues exceeded total expenses by approximately \$6.9 million as compared to \$3.3 million in the previous fiscal year. Tipping fees reflect an increase of 2.9% or approximately \$1.13 million compared to this time last year. Municipal waste tons are up approximately 14% or 48,947 for May. Total municipal tonnages as of May 31, 2019 fiscal year to date were 410,122 tons compared to 361,175 tons a year ago. Total expenses as of May 31st were approximately \$37.5 million as compared to \$37.7 million in the prior fiscal year. Cash balances total \$31.2 million and are designated as follows: \$8.5 million in the operating fund, a little over \$100,000 for rolled purchase orders, \$3.3 million in the undesignated fund balance, \$2.4 million for capital projects and \$16.9 million in the landfill closure.

Mr. Keaton (IW) asked what was the budgeted volume of waste in FY 2019. Ms. DeVary responded 416,000 tons. Mr. Keaton (IW) noted we are significantly above and asked what is driving the large increase in tons. Ms. DeVary answered that it is municipal waste collections.

Mr. Jenkins (CH) moved, seconded by Ms. Raulston (FR) to approve the SPSA financial report subject to audit as presented. The vote of the motion was unanimous.

8. CONTRACTS

Ms. DeVary introduced a contract for the purchase of eight (8) road tractors. The purchase of road tractors has been part of the capital project plan. This will be the third consecutive year that we are purchasing eight (8) new road tractors. The contract is based on a Sourcewell Cooperative Procurement Contract for Peterbilt 567 tractors. Total cost is \$1,184,464. One million was budgeted and the remaining \$184,464 can be transferred from the undesignated capital balance. Mr. Jenkins (CH) asked if the capacity is the same as the tractors being replaced. Mr. Bagley responded yes.

Mr. Arnold (SU) moved, seconded by Mr. Jenkins (CH) to award the contract for eight (8) road tractors to Peterbilt as presented. The vote of the motion was unanimous.

Ms. DeVary continued with the next contract for Laboratory Analysis Services. SPSA would be exercising option year 3 of 4 with Air, Water and Soil Laboratories. This service provides the lab analysis in support of SPSA's environmental monitoring program. Costs are based on usage, but the unit rates have not changed and the total estimated annual cost is \$100,000.


Ms. Raulston (FR) moved, seconded by Mr. Williams (FR) to renew the contract for laboratory analysis services with Air, Water and Soil Laboratories as presented. The vote of the motion was unanimous.

9. PRESENTATION ON LANDFILL EXPANSION AND THE PERMITTING PROCESS

Ms. DeVary introduced Jeff Murray, SPSA's engineer and advisor with HDR Engineering. Mr. Murray, along with Megan O'Reilly, who leads the Strategic Communications team will provide a presentation on the Landfill Expansion and Permitting Process. Ms. DeVary noted that a copy of the presentation was provided to each of the board members.



SPSA Regional Landfill Cells VIII and IX Expansion Permitting Update to Board of Directors
June 26, 2019



HDR's Environmental Program

We deliver **high-performance built environments** that value the economic, human, and natural environments.



1,000+ Professionals working in the environmental arena

No.3 ranking by ENR magazine in Environmental Science in 2019



Contributed to the conservation of globally important ecosystems

- Great Lakes
- Everglades
- Mekong River
- Arabian Sea


IN THE LAST FIVE YEARS, WE HAVE COMPLETED:

<p>NEPA/IMPACT ASSESSMENT</p> <p>200+ EISs and thousands of EA and EISs for all major federal agencies and many states and municipalities</p> <p>AIR QUALITY</p> <p>Clean Air Act compliance</p> <ul style="list-style-type: none"> • Dozens of specialists cover all U.S. geographical areas and numerous counties • Streamlined permitting and environmental review 	<p>CULTURAL RESOURCES</p> <p>Ethnographic survey/ interview coverage area: 4.59M acres</p> <p>Architectural properties/districts surveyed, evaluated and documented: 5,000</p> <p>Archaeological survey and 1100 miles of survey: 500,000 acres</p> <p>Tribal communities consulted: 650</p>	<p>ECOLOGICAL RESTORATION</p> <p>334,000 Linear feet of stream channels designed</p> <p>200+ stream and wetland mitigation projects completed</p> <p>3,100+ acres of restored and enhanced wetlands</p>
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<p>BIOLOGICAL AND ECOLOGICAL SCIENCES</p> <p>Wetland surveys/ delineations: 850,000 acres</p> <p>Natural resources management planning: 1,38M acres</p> <p>Military lands: Hundreds threatened and endangered species surveys</p>	<p>COMPLIANCE MONITORING</p> <p>500+ miles of pipelines, transmission lines, and roadways monitored during construction</p> <ul style="list-style-type: none"> • Natural and cultural resource protection • Best management practice (BMP) compliance • Air quality, stormwater and spill prevention inspection 	<p>ENVIRONMENTAL PERMITTING</p> <p>Successfully negotiated thousands of permits with U.S. agencies:</p> <ul style="list-style-type: none"> • Army Corps of Engineers • Coast Guard • National Marine Fisheries Service • Environmental Protection Agency • Fish and Wildlife Service
<p>ENVIRONMENTAL COMPLIANCE</p> <p>500 environmental and safety compliance audits</p> <p>20,000 client personnel trained on environmental compliance and occupational safety regulations</p> <p>Managed the safe disposal of 100,000 lbs of hazardous waste for federal clients</p>	<p>ACOUSTICS</p> <p>Thousands of field data collection hours</p> <p>Award-winning research, including research for the National Academy of Science</p> <p>Architectural, Environmental, Industrial, Occupational, Underwater acoustics, and noise/vibration models and studies</p>	<p>MARINE SCIENCES</p> <p>Thousands of miles of conducting annual surveys</p> <p>Thousands of hours conducting vessel surveys</p> <p>Tens of thousands of miles of marine mammals observed</p> <p>3,000+ acres of coastal digital geospatial mapping</p>

Local Environmental Practice

- Virginia Department of Transportation, Route 460 Project Management Contract, Route 460 Corridor Improvements Project, Prince George, Sussex, Surry, Southampton, Isle of Wight, and Suffolk, VA. Provided environmental services to VDOT for the Supplemental EIS for this 55 mile roadway project, including Joint Permit Application, wetland delineations, stream assessments, and field surveys of natural resources. Assisted with the preparation of the Supplemental EIS. Additionally, HDR performed Threatened and Endangered habitat surveys and conducted species presence surveys for endangered salamanders and frogs.




- 01** Need for Expansion
- 02** Solid Waste Permitting
- 03** Wetland Permitting
- 04** Work Milestones
- 05** Strategic Communications
- 06** Board Action Items



01 Need for Expansion

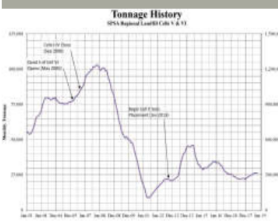
SPSA Suffolk Landfill Expansion History

- Part A Amendment for Cell VII Issued in April 2009 for 56 Acre Expansion and 10.8M CY Disposal
- Part B Amendment for Cell VII Issued June 2011
- Suffolk CUP for Cell VII expired
- New CUP for Cell VII and Borrow/Compost Operations in Cell VIII and IX Issued August 2017
- Cell VII still being used for borrow material for Cell VI, until Cell VII is constructed



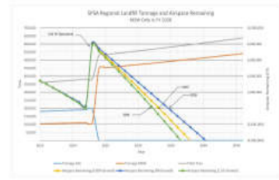
Airspace Consumption

- January 24, 2018 MSW from Western Communities Disposed at Regional Landfill
 - 9,000 tons per month, 33% of Waste Stream
 - Impacts to Operational Density Anticipated
 - Likely to Approach 1600 lbs/CY
- 3.4M CY Airspace Remaining Anticipated end of FY 2019
 - Remaining Life Dependent on Contract Renewal with Wheelabrator (Late 2027-2029)
- Need Long-term Disposal Option




Airspace Consumption

- Cell VII = 8.6 M CY
- If Wheelabrator Contract not extended
 - 0.85% Growth
 - Cell VIII Needed in 2037
 - 1.5% Growth
 - Cell VIII Needed in 2036



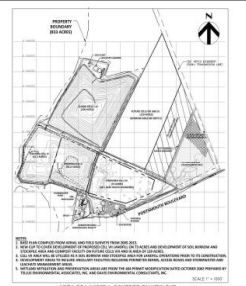
Demonstration of Need

- SWMP Being Updated for Long-Term Capacity and Need for Cells VIII and IX
- < 20 Years Permitted Capacity Remaining
- Special Consideration of Time Required for 401/404 Permitting
- Desire to have Cell VIII Permitted for Borrow/Stockpile Operations For Cell VII Construction (2025)



Planned Expansion


- Amendment to Part A Permit Required for 129 Acre Expansion of Waste Boundary for Cells VIII and IX.
 - Cell VIII – 46.8 Acres, Cell IX 45.8 Acres
 - 16M CY of Disposal Capacity
 - Standalone, no Piggyback onto Cells I-IV
 - Inward Gradient Design




02 Solid Waste Permitting

Part A Permit Amendment

- Site Location Criteria
- VDOT Adequacy Report
 - Flyover
- Demonstration of Need
- Public Participation
 - Citizens Advisory Committee
 - Public Hearing



Part A Permit Amendment


- Notice of Intent – December 2019
 - Site Location and Description
 - Disclosure Statements
 - Record of Public Participation
 - Host Agreement
- Part A Application – Fall 2020
 - Once Technically Adequate – 90 Day review period




03 Wetland Permitting

Milestones


- Part A Notice of Intent – 12/19
 - Citizens Group – 8/1/19 – 11/30/19
 - Public Meeting – 12/19
- Part A Submittal - 10/1/20
- EIS Notice of Intent
- 3rd Party Analysis
- Draft EIS Public Comment
- JPA for Wetland Impacts after Draft EIS
- Final EIS
- Record of Decision
 - USACE anticipates 2+/- Year Timeframe from NOI




05 Proposed Strategic Communications


Public Outreach

- Communications Plan
 - Planned Outreach
 - Messaging
- Identify Stakeholders with SPSA
 - Municipal Contacts
 - Non-Profits, Civic and Community Associations, Neighbors
 - Environmental Groups
 - Database and Management



Public Outreach

- Social Media and Website Support
- Citizens Advisory Committee
 - Capture long-term disposal needs
 - 3 Meetings
 - On-line Meetings/Content
- Public Hearings
 - Informational Boards
 - Handouts
 - Meeting Summary
 - Part A and EIS Scoping



Board Action

- Motion to Create Citizens Advisory Committee
- Motion to Approve Task Order for Strategic Communications
- Resolution for Issuance of RFP for EIS 3rd Party

Mr. Murray confirmed that a conditional use permit (CUP) would be required for Cells VIII and IX. You still need a site plan permit and an erosion and sediment control permit from the City of Suffolk before constructing Cell VII.

Chairman Keifer (NO) inquired if there are facilities that run through a potential overlap area between cells VIII and IX. Mr. Murray responded that the force main runs through that area. When the SCADA project was done, we intended to route all communication lines west so those wouldn't be impacted with full construction, but the force mains would have to be relocated.

Ms. DeVary noted the Code of Virginia requires a citizen advisory committee (CAC) be appointed to review SPSA's waste disposal options. A similar committee was formed in 2006. The CAC serves in an advisory capacity only, and to make recommendations regarding preferred waste disposal options for the future. The CAC meetings will be facilitated by HDR. A copy of the 2006 CAC members was provided and a recommended motion for establishment of the committee.

Mr. Arnold (SU) commented that he was not in attendance at the previous meeting and may have missed it, but this appears out of left field to him. I have had no advance notice of the establishment of any citizens advisory committee. I don't understand and haven't had time to digest the necessity of this. The motion presented puts no time limitations on the existence of this committee, which makes me uncomfortable. I am going to oppose any motion to establish this month without having at least 30 days to understand this better and perhaps discuss it with some other board members. He stated this is too big a step and creation of committees like these are a big deal. This is not something I can take lightheartedly.

Ms. DeVary responded that at your place is a paper outlining the role of the CAC, suggested guidelines to be utilized in making appointments to the CAC and suggesting the committee meet approximately three meetings over a four-month period of time. She confirmed that this has not been brought up in a previous meeting although Mr. Murray made a similar presentation to the Executive Committee. This is a requirement in the Code of Virginia. Before we can submit the Part A application, we must have input from a citizens advisory committee.

Mr. Arnold (SU) replied that it is good information that it is required by code. The motion is still unsatisfactory because it's not tight enough; it doesn't have enough parameters or direction. These committees can take on a life of their own, especially when there aren't carefully crafted parameters.

Mr. Murray added that there is really no strong guidance and regulations on what the committee needs to do. It's up to the board to say what they want the committee to review because the alternatives the CAC discuss and any recommendation has to be defensible. It's part of the process and demonstration of need. It's not as time sensitive; if the board needs to delay for additional discussion, the critical path is the wetland permitting for all intents and purposes. The Part A can wait. We have a year's worth of hydrogeologic work to do to support the site location criteria. The citizen advisory committee is a piece of that but as far as time frame not as critical that it be formed immediately. It can wait if desired.

Mr. Arnold (SU) responded that he appreciates what Mr. Murray is saying, and if the Virginia Code doesn't provide guidance, then he asks the board or the Executive Committee give us guidance on the purpose and parameters of that committee. And it is worth waiting 30 days for it.

Chairman Keifer (NO) responded that Mr. Arnold (SU) has provided good comments. The board can take this up at next month's meeting.

Mr. Jenkins (CH) commented the one-month timeline on counsel making an appointment is not enough time. He suggested a two-month timeline for appointments.

Mr. Murray added that we fully anticipate this committee to help facilitate discussion because there may be questions from the members regarding viable alternatives and what other communities are doing. He reiterated that delaying the committee would only delay

the submittal of the notice of intent to DEQ that we plan to submit the Part A application. It's a two-step process; you tell them you're going to send one, and then you submit it. The CAC and the public hearing all have to be done before you send your notice of intent. It does not delay the project time frame.

Ms. DeVary commented on the process and issuance of a request for proposal (RFP) for a third-party vendor to prepare the required Environmental Impact Statement (EIS). The proposals received in response to the RFP will be ranked and we will submit 3 of the responses to the Corps. The Corps will decide which of the three companies the contract will be awarded to. We will then ask the board to award a contract based on the Corps direction.

Mr. Murray added the Corps process is to provide an independent review/analysis of the impact. HDR's role is to provide technical support throughout the process as questions and comments come from the third-party vendor and as public comments are received on the draft EIS.

Mr. Barnes (VB) asked if there will be mitigation required as a result of permitting Cells VIII and IX. Mr. Murray answered absolutely.

Mr. Murray discussed that when the permitting of Cell VII was done, there was more flexibility with respect to mitigation options. There were 12 acres of disturbance and the ratio of wetlands that were preserved or enhanced was over 10 – eight to one ratio. The Corps now is operating under a technical memorandum that lists wetland banking as the highest priority. So, you start with bank credit for offset mitigation and typically a 2:1 ratio is applied with respect to the number of credits that you need to acquire. That can vary based on the quality of wetland you're impacting. If bank credits are not available, there are other alternatives including owner development or personally developed wetland banking, or other types of preservation work. But if the credits are available, we would expect the direction from the Corps will be that you buy the credits from the bank. If there aren't credits available now to compensate for the impacts, there will be when we're done with this. Those credits don't need to be taken until you actually need a disturbance for Cell VIII. If this permitting process were only to take two to three years, we won't need to get the bank credits until Cell VIII needs to be disturbed. Wetland bank credits aren't cheap. There is a lot of development in this area so the demand is high so therefore the price is high. There will be mitigation and it will likely be through the banking system.

Mr. Barnes (VB) asked if we go the banking route, then the 130 acres wouldn't be further impacted with loss to the mitigation area. Mr. Murray answered correct. We don't believe on-site preservation is going to be an alternative; there are other options that would come first.

Mr. Maxwell (CH) inquired about the cost of the process. Ms. DeVary responded that the total cost for constructing Cell VII, permitting Cell VIII and IX is approximately \$42 million between now and 2027 assuming a 3% annual inflation factor.

Ms. DeVary added that these are the numbers she used to project the annual set aside in the budget. Ms. DeVary confirmed that there is no plan to borrow funds. This is fully cash funded; which is why we started setting aside money in the current fiscal year.

Mr. Murray commented that the cost is about four or five dollars a ton capital cost. In the grand scheme it's a large number, but for the capacity for construction and disposal it is not.

Mr. Barnes (VB) asked for clarification that this provides closure for cells V and VI, development of cell VII, and the permitting for Cells VIII and IX. Ms. DeVary responded yes, the money we are putting away does include closure for V and VI.

Mr. Roberts (SU) commented that he has questions to make sure he fully understands before he starts talking to Suffolk City Council and others. He expects to be met in Suffolk and in the region with concerns about the appearance that we're moving too quickly with the permitting process for Cells VIII and IX when the construction for Cell VII doesn't start for another 7 years. We intend to use cell VIII and IX to move dirt from Cell VII. What is the total acreage of VIII and IX? Mr. Murray answered the cells themselves is a little over 90 acres. Mr. Roberts (SU) asked of that 90 acres, how much is wetlands? Mr. Murray responded all of it.

Mr. Roberts (SU) asked when we start to construct Cell VII and we want to put the dirt on Cell VIII and IX, we need to have full approval from the federal government for the wetland's impacts associated with that. Mr. Murray confirmed this is correct.

Mr. Roberts (SU) responded that how long Cell VII lasts is irrelevant because you need the wetlands impacts of Cells VIII and IX when you start construction of Cell VII. Mr. Murray confirmed that is correct.

Mr. Roberts stated that if we fail in getting approval to impact the wetlands of Cells VIII and IX, we have to devise another method to dispose of the material from Cell VII, for example send it off site, sell it if it's marketable material but that would not be in the long term financial or operational interests of SPSA. Mr. Murray added that it is a game changer from an operational perspective to not have soil available on site. You have ash for daily cover, but you need soil for blending and cover.

Mr. Roberts reiterated that if we don't get the wetlands approval for VIII and IX, it makes the construction of Cell VII much less technically and financially feasible.

Ms. DeVary added the landfill master plan is illustrated on page 88 of the budget document.

Mr. Murray interjected that it is more efficient from a hydrogeologic monitoring and from a permitting perspective to pursue permitting for Cell VIII and IX together. It's more efficient. SPSA does not have to mitigate the wetlands impact until we need it.

Mr. Barnes (VB) pointed out that if VIII and IX don't get permitted, that dramatically changes the game for long-term disposal for the region. This definitely sharpens the pencil in terms of that timeline. This is not a luxury timeline. If the answer is no, we need to know almost today. So, we really don't have a lot of time.

Chairman Keifer (NO) stated that we are pursuing two things. One is to get DEQ approval for the landfill expansion, and the second one is the Corps of Engineers for impacting wetlands.

Mr. Murray reviewed the proposed HDR task order for strategic communications. Mr. Murray added that this is a good opportunity to let the public know who SPSA is. Many people don't know where their trash goes after they put it on the curb or what SPSA does for the region and how operations have changed with some of the advancements we've taken over the last several years. All of those are good stories to tell and we need to share that information as we proceed down the line with this pretty significant permitting process. Chairman Keifer (NO) added that with respect to the proposed HDR task order it would be better to get that in place sooner rather than later so that they can help with the process.

Chairman Keifer (NO) asked if the CAC is only meeting over three to four months and this process might go on for 7 years, is there a possibility that we might be drawing that CAC back in many years from now? Mr. Murray responded that the CAC could be used as a sounding board if they're interested in serving that role. It's not required but could be favorable to SPSA. It's a tool you could use to provide feedback or to champion this as a need for the region.

Mr. Roberts (SU) asked if hypothetically five years from now, after a lot of expense, meetings, discussion, federal lobbying, etc. we find out we are not able to obtain permits for wetlands impacts for Cells VIII and IX, then we are in 2024 and we're closer to needing to build Cell VII just for our own municipal solid waste disposal becomes a more urgent issue.

Chairman Keifer (NO) answered we would have to do whatever the alternative is, and we have to start planning for approvals, which could take 10 years but we won't have 10 years.

Mr. Roberts (SU) added that at that point we'd have to make a decision about Cell VII, where to stockpile the material. The costs of constructing Cell VII would be very different. Mr. Murray agreed and during construction would afford us time to look at issuing RFP's for alternative disposal locations. It's just that the construction and the use of the soil is different that what's been going on to date from the construction respect.

Mr. Arnold (SU) stated this is an enormous comprehensive initiative with a lot at stake. It feels like it came out of left field. There are big issues. In previous minutes there was only a reference to the Executive Committee having a special meeting immediately following a board meeting to review the permitting process for Cells VIII and IX. There was a reference on today's agenda and we were told this was going to be a lengthy presentation

and it has contained a lot of information and it appears that there were 3 proposed motions attached at the end of this one, one of which I think the Executive Committee has agreed to table but there's two more coming. I'm concerned we're putting the cart before the horse. A year ago, we were fighting over whether Cell VII was going to be built and there was the issue of the use and support agreement, and now we fast forwarded to VIII and IX and learn that perhaps it doesn't get built unless VIII and IX proceed. I want the board to know that I'd like some time to digest this.

Chairman Keifer (NO) apologized for lack of information. Liesl has had this in some presentations of future actions and we knew this was coming. The executive committee had a briefing in May after the board meeting and the intention has been all along to bring it to the board. It is a big deal and this is the kick off.

Mr. Murray commented HDR has been under contract since October to assist with the permitting process. They have done a fair amount of work already with respect to getting the conceptual hydrogeologic locations approved by DEQ and if not for the government shut down, we already would have installed. The government shut down delayed us for four months in getting the permits for the wells.

Chairman Keifer (NO) added that the Executive Committee got this briefing in May and met with the Army Corps of Engineers a couple weeks ago to understand more about the process. They felt confident bringing it to the board to lay it all out, but it is a big process, it's going to take a long time.

Mr. Jenkins (CH) said this discussion seems to indicate there's a huge risk in that our assumptions are not valid. If this is not approved, then we can't wait four to five years or however long it takes for the Army Corps of Engineers to approve in order to figure out what Plan B is. He suggests we also look at other options in case this is not successful.

Chairman Keifer (NO) agreed and added that the citizens advisory committee will talk about some of those alternatives. He noted that if these cells are not approved, Plan B has to go through this same process. We are looking at plan A, B and C at the same time.

Ms. DeVary stated our contract with Wheelabrator expires June 30, 2027 but we have the option to extend if the price is mutually agreeable. Cost will be a determining factor and we need to have a backup plan if you want to keep operating as cost efficient as possible.

Mr. Murray stated that regardless of the decision made at that time we will need spot for soil; either on site or off site. If the contract is extended, it only extends the life of Cell V and VI one to one and a half years. Cell VII is going to be needed by 2026 for operations on both existing landfill and new. It will be a dual operation; that's why we're looking at a 2025 construction time frame because you'll need to have some overlap in operations. Yes, there is an impact to construction costs and operation costs if Cells VIII and IX aren't available for storage materials.

Ms. DeVary stated we may never get to the point where you actually construct VIII and IX for use as a landfill, but we cannot get a permit to impact wetlands for a borrow area.

Mr. McCoy (PO) added that Liesl is trying to lay out a time frame. The intent is to start to lay out a process. Whether it's this month or the next, I think we need to move forward. I think we're really trying to be as transparent as we can be, and for once we are laying out a plan for the next 5, 10, 25 years.

Mr. Arnold (SU) responded by thanking Mr. McCoy (PO) and applauded the committee for being transparent. He stated his problem is we are talking about an enormous initiative. Has the board given approval to proceed? Has the board approved extensions to cells VIII and IX? If they haven't, then all your motions seem premature. Has the board taken action to disturb that piece of property in its most simple form?

Mr. Tisdale responded that over time, the plans have shown it's always been contemplated that there would be development. It's just been a matter of a timetable. I don't think there was a specific vote. That's what this is leading up to. You have to start the process somewhere.

Mr. Arnold (SU) stated that it is like saying the comprehensive plan envisions this plot of land being developed. You still have to go through the permitting process, has to be approved, and this being such a large and comprehensive initiative, it seems like the first thing we should be doing is saying we're going to expand into Cell VIII and IX. I think you have to get the vote there, or absent that, a motion to use that property as a borrow pit or use it in some form other than it's currently used. That's where my discomfort is coming from; now I see there is a motion to approve a task order for strategic communications, a resolution for issuance of a RFP, which is absolutely premature in my opinion unless the board has addressed this more fundamental issue.

Ms. DeVary responded that the board did approve the task order in October for HDR to be moving forward with the permitting process. Mr. Murray stated the task order was for the full Part A permit application and getting the EIS to a point where the Army Corps issues the notice of intent. That is the current contract. Even going back to 2016 with the conditional use permit, the master plan was submitted and approved by the City of Suffolk. I'm unsure what board action was taken at that point to recognize Cells VIII and IX and the permitting because that was part of the discussion with the city at that time. We will obtain a conditional use permit for the borrow operation, but it was fully intended with the master plan at that time. Ms. DeVary agreed that the Cell VII conditional use permit was approved by the board with all the background information.

Chairman Keifer suggested passing a motion to expand into Cell VII and VIII, however we don't know yet if that's the best alternative or not. It would seem if we say Cells VIII and IX are the best choice before we appoint a CAC to advise us, then we prejudged it. I see your point, but on the other hand, we haven't made a decision until actually submit the notice of intent.

Mr. Arnold (SU) agreed that we need the CAC and believes the Board has agreed to defer. He asked when did the board agree to go on Cells VIII and IX. If they haven't said go, maybe what you're saying is it is not time to say go yet because we're still thinking about it.

Mr. Murray stated that we don't know if the footprint we identified for VIII and IX can support the landfill. We believe so, but we still have to go through that scientific and engineering analysis to say yes, this can support a landfill site. This is supportive of the construction of the site from a technical standpoint.

Mr. Arnold (SU) asked what is the task order for strategic communications? Is an RFP needed unless we decide to proceed?

Mr. Keaton (IW) stated that in 2016 when he first joined the board, we were in the middle of the Repower discussion. His thought was that once that contract ended, that started the process for this expansion because the Repower contract would have had very little waste going to the landfill. Once the Repower contract was cancelled, we would begin filling the landfill faster and need the expansion into Cell VII and VIII and IX. When we said go was in 2016 when the motion was to vote down Repower. That triggered the whole process and going back to October last year, we started the process to begin developing VII and then ultimately VIII and IX.

Mr. Jenkins (CH) commented that even if we had used Repower, approximately 30% of the waste generated would still come to the landfill. The percentage of ash we receive is probably similar to what Repower would have generated.

Ms. DeVary stated that if we proceed with another contract with Wheelabrator, we will need future cells to support operations for the disposal of ash and some trash.

Mr. Murray stated that it would be in the 2036-time frame when Cell VII will be out of capacity if it is only accepting MSW. If Cell VII is accepting primarily ash, it would be 2045- or 2050-time frame before Cell VII will be out of capacity. Again, absent having VIII available for borrow, it does change the dynamics for Cell VII construction. We still need to plan for what you know now and Cell VIII and IX will still be needed at some point for the long term.

Chairman Keifer (NO) stated that the briefing today has demonstrated the need for additional landfill capacity and asked Mr. Arnold (SU) if he would feel comfortable if we had a motion to authorize proceeding with landfill expansion including possibly Cells VIII and IX. Mr. Arnold (SU) agreed.

Ms. DeVary continued by saying it is our responsibility to our member communities that we provide for 20 years of disposal capacity. Currently, we do not have a firm 20-year disposal capacity. We have possible contract renewals, but again, if we have a mutually agreed price.

Chairman Keifer (NO) suggested a motion that authorizes the Executive Director to proceed with actions to expand the landfill capacity including possible expansions to cells VIII and IX with consideration of alternatives.

Mr. Arnold (SU) continued that we have a responsibility to the host community which is the citizens of Suffolk, Virginia, to give them notice of expansion beyond Cell VII, to have a solid recommendation and the grounds upon which that recommendation is made, to have mature consideration of an expansion, and then a vote. And I don't think you do that in the course of one meeting.

Ms. DeVary commented I met with the City of Suffolk earlier this month because I wanted to make sure the City of Suffolk was aware of what was going on as we proceeded.

Chairman Keifer (NO) replied regarding the comments of having a full plan – I don't know that we can say that until we go through this EIS process. There may be a better alternative. But the recommendation is – it appears Cell VII and VIII are the best idea and the recommendation is to pursue that, but going through this process there could be something else that comes out of it.

Mr. Barnes (VB) stated from a different perspective – from a schedule standpoint, the presentation today was certainly comprehensive, and was helpful. In October, we approved a substantial task order that I didn't fully understand. I have a much better appreciation for where \$450,000 is going to and I'm sure this is just a piece of what that scope of work includes. I think it's helpful to catch up on what we've already approved for the scope of work what needs to happen. We're getting a thorough presentation today of what those steps include and what's involved and what some of the risks are. I guess that delay and the idea of needing us to approve other things does seem odd but overall, the steps are the prudent and responsible steps to take. VIII and IX have always been in the planning horizon. The time frame we have to work with is not the time frame it would seem for how long it takes. This is comprehensive, it is a lot of stuff. Maybe having this sooner in the process and making sure this is an ongoing discussion in terms of milestones, and if not monthly, quarterly updates on where we are would be prudent. He asked if the resolutions proposed today are time sensitive considering we have talked about deferring at least one of them.

Mr. Murray responded that the deferment of the CAC is not as impactful. He would argue that the strategic communications could have started a year ago. With respect to public outreach, SPSA does not have a PIO that serves that role. With today's public meeting and work that's going to proceed it would be helpful to have that group supporting SPSA with the processes and some of the outreach and development on the true communication plan. Regarding the issue of the RFP, the third party, that is somewhat time sensitive because nothing can get done on the EIS until that's done.

Mr. Murray continued that in October, the initial discussions with the permitting agencies were about possibly not needing an EIS and now we've got to do the full new EIS and hire a third party. All of that came into development over the last couple months with respect

to them finalizing what they needed assurance from and what that scope was going to look like. Our task order is fine because we were getting SPSA to that starting point, whatever that EIS work was going to be. A third-party requirement came with the full development over the last two months. Initially it was believed that HDR could do the alternatives analysis and the Corps would review it, but as they reviewed and looked at the impact, they ultimately said it has to go through the full EIS process.

Chairman Keifer (NO) asked Mr. Arnold (SU) how he believes we should proceed. Mr. Arnold (SU) responded by saying we should defer any vote for 30 days. Liesl may have met with some representatives with the City of Suffolk but there are 92,000 citizens there and they don't all know about this. Even a very proper motion to proceed is just too fast.

Chairman Keifer (NO) agreed that absent objection, we can delay this until next month. He noted that the strategic communications plan is to help provide information to the citizens and until we have it, we have limited capacity to do that. Mr. Arnold (SU) responded fair enough.

Mr. Williams (FR) agreed that the citizens of Franklin also don't know about this but if at some point SPSA doesn't have anywhere to put our trash, it would only be a matter of weeks before everybody notices the trash is still in front of the house and we don't have anywhere to put it. If we put the motions that have been presented before the board today and they pass, then we go forward. That's the process. If the motions don't pass, then we'll back up and figure out what it is we have to do. The citizens of Suffolk aren't going to know much more about this process next month than what is available today. Mr. Williams (FR) stated he is ready to go forward with the motions.

Chairman Keifer (NO) concurred and stated the resolution authorizing the issuance of the RFP talks about the development of Cells VIII and IX, but it really starts the process of working through the Corps. It does not pre-determine what the outcome is going to be. This is a process that was started in October and it's just moving forward to that final step and this is the beginning of the final step. It's not the end of the process.

Ms. DeVary added that we would also be coming back to the board with monthly updates and to get approvals to submit other items. Before signing or submitting anything, the board has to approve.

Mr. McCoy (PO) stated that he went with Liesl to all eight communities including Suffolk and SPSA was well received by every community. City council asked a lot of questions and they were well received and they were pleased with the answers. If the board votes to delay 30 days, I don't know if 30 days is going to make a difference. I believe in the process and you're an important part-you represent Suffolk, but I can support moving forward.

Chairman Keifer (NO) stated he does not have a problem delaying it for 30 days unless someone wants to make a motion to take action on any of these, then we will consider that.

Mr. Williams (FR) made a motion to establish the CAC to serve in an advisory capacity and make recommendations regarding preferred landfill options including the possible sighting of a new landfill in order to meet SPSA's disposal needs for the next 20 to 30 years, is to that end I also move that the board authorize and direct each board member appointed by the member locality request that his or her mayor or chair as the case may be, appoint two residents of the member locality to serve on the CAC. Two, to make all reasonable efforts to provide the names of the appointees to the executive director prior to July 31, 2019 and three, make all reasonable efforts to confirm that each appointee meets the requirements set forth in the description of the CAC provided to the board at this meeting. Furthermore, that the board authorize and direct the Executive Director to set the meeting schedule and agendas for the CAC and at the conclusion of deliberations to assist with the committee's report to the board on its conclusion.

Mr. Keaton (IW) recommended we change the date from July 31 to August 31 because it could be challenging to get the names by July 31st. Mr. Williams (FR) agreed on an amendment to the motion to change the date to August 31st. Chairman Keifer (NO) asked if this was agreeable to Mr. Jenkins since he seconded the motion. Chairman Keifer (NO) requested a roll call.

Mr. Williams (FR) moved, seconded by Mr. Jenkins (CH) to approve the CAC motion.

ROLL CALL:

Mr. Maxwell (CH)	Yes	Mr. McCoy (PO)	Yes
Mr. Jenkins (CH)	Yes	Mr. Ashby (PO)	Yes
Ms. Raulston (FR)	Yes	Mr. Hodges (SO)	Yes
Mr. Williams (FR)	Yes	Mr. Council (SO)	Yes
Mr. Baugh (IW)	Yes	Mr. Arnold (SU)	No
Mr. Keaton (IW)	Yes	Mr. Mills (SU)	No
Mr. Keifer (NO)	Yes	Mr. Barnes (VB)	Yes
Mr. Broad (NO)	Yes		

Ms. Raultson (FR) stated that we should go ahead with the motion to approve the task order for the strategic communications, especially if we think there is going to be issues with the public. We have the expertise here that can help us with talking points and a communication plan. Why would we delay?

Mr. Barnes (VB) commented that he is concerned if there are other things hanging or envisioned that are going to come before the board.

Mr. Murray responded that the HDR task order was to get the Part A application complete and submit it and respond to comments, and then from the wetlands permitting side it was to get to the point that the Army Corps was going to take action with the draft notice of intent. There will be some requirements for the technical support to SPSA during the EIS process but a lot of that is going to depend on what scope of work the third party is actually completing. Until that scope of work gets prepared, both on duration and content, we don't

have a task order to address that technical assistance. From my perspective that is the only additional cost that will need to be defined at some point.

Mr. Barnes responded he agreed we need to move ahead with communications, but we also need total projected estimates of costs for the project. That is going to help us in terms of planning projections, making sure we have enough money but also avoiding surprises.

Mr. Murray explained strategic communications is getting us through the draft EIS process. All public information and response to responds. That's a key component of that work. Receipt of comments from the third party, getting those cataloged and making sure we respond.

Mr. Ashby (PO) stated that it is ironic to vote on efforts on strategic communications when as Mr. Arnold (SU) represents part of his jurisdiction, it appears that we haven't communicated clearly with the City of Suffolk. He continued; I understand that communication with staff doesn't equate to communication with the governing body and/or the general public. So where we might garner some assurances that the jurisdiction will have those discussions and understand that the contingencies being considering by this board is to move this process forward, which will involve VIII and IX, on a number of levels as a consideration, I do not believe we should start this process without allowing them 30 days to convey that information throughout at least the City Council. I make that point in advance of my vote.

Chairman Keifer (NO) asked Ms. DeVary if this was mentioned in her briefing to Suffolk City Council. Ms. DeVary replied that it was mentioned that we would be proceeding with cells VIII and IX permitting process.

Ms. Raulston (FR) moved, seconded by Mr. Broad (NO) to approve the HDR task order for Strategic Communications as presented. The motion passed 12-3.

ROLL CALL:

Mr. Maxwell (CH)	Yes	Mr. McCoy (PO)	Yes
Mr. Jenkins (CH)	Yes	Mr. Ashby (PO)	No
Ms. Raulston (FR)	Yes	Mr. Hodges (SO)	Yes
Mr. Williams (FR)	Yes	Mr. Council (SO)	Yes
Mr. Baugh (IW)	Yes	Mr. Arnold (SU)	No
Mr. Keaton (IW)	Yes	Mr. Mills (SU)	No
Mr. Keifer (NO)	Yes	Mr. Barnes (VB)	Yes
Mr. Broad (NO)	Yes		

Mr. Keaton (IW) made a motion, seconded by Mr. Williams (FR) to adopt a resolution authorizing issuance of a request for proposal to prepare an environmental impact statement. The motion passed 13-2.

ROLL CALL:

Mr. Maxwell (CH)	Yes	Mr. McCoy (PO)	Yes
Mr. Jenkins (CH)	Yes	Mr. Ashby (PO)	Yes
Ms. Raulston (FR)	Yes	Mr. Hodges (SO)	Yes
Mr. Williams (FR)	Yes	Mr. Council (SO)	Yes
Mr. Baugh (IW)	Yes	Mr. Arnold (SU)	No
Mr. Keaton (IW)	Yes	Mr. Mills (SU)	No
Mr. Keifer (NO)	Yes	Mr. Barnes (VB)	Yes
Mr. Broad (NO)	Yes		

**RESOLUTION AUTHORIZING THE ISSUANCE OF A
REQUEST FOR PROPOSAL FOR
PREPARING AN ENVIRONMENTAL IMPACT STATEMENT**

WHEREAS, the Board of Directors (the “Board”) of the Southeastern Public Service Authority of Virginia (“SPSA”) desires to solicit proposals to establish a contract for the preparation of an Environmental Impact Statement (“EIS”) in accordance with the direction of the U.S. Army Corps of Engineers (the “Corps”) that SPSA engage a third party contractor selected from SPSA’s preferred list by the Corps (but paid for by SPSA) to prepare the EIS, with respect to the filing by SPSA of an application for a permit under Section 404 of the Clean Water Act required for the development of Cells VIII and IX of the Landfill; and

WHEREAS, following due consideration of a presentation prepared by SPSA’s Executive Staff and advisors, the Board has determined that it is in the best interests of SPSA and its member communities to (a) authorize the issuance of a request for proposal for preparation of the EIS, including any addenda thereto, and (b) conduct such procurement by competitive negotiation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director of SPSA is hereby authorized and directed to (a) proceed with the issuance of a request for proposal for preparation of the EIS including the issuance of any addenda thereto, (b) conduct such procurement by competitive negotiation in accordance with the Virginia Public Procurement Act and SPSA’s purchasing policies and procedures, and (c) do all such acts and things that the Executive Director of SPSA may deem necessary or desirable to carry out the intent and purposes of each and all of the foregoing resolutions; provided, the selection of offeror(s) for negotiation, and the award of a contract, if any, shall be subject to approval of the Board in accordance with the applicable procurement laws, policies and procedures.

Chairman Keifer (NO) made a motion, seconded by Mr. Williams (FR) to authorize the Executive Director to proceed with action to expand landfill capacity beyond cell VII to include possible expansion to Cells VIII and IX and consideration of alternatives. The motion passed 13-2.

ROLL CALL:

Mr. Maxwell (CH)	Yes	Mr. McCoy (PO)	Yes
Mr. Jenkins (CH)	Yes	Mr. Ashby (PO)	Yes
Ms. Raulston (FR)	Yes	Mr. Hodges (SO)	Yes
Mr. Williams (FR)	Yes	Mr. Council (SO)	Yes
Mr. Baugh (IW)	Yes	Mr. Arnold (SU)	No
Mr. Keaton (IW)	Yes	Mr. Mills (SU)	No
Mr. Keifer (NO)	Yes	Mr. Barnes (VB)	Yes
Mr. Broad (NO)	Yes		

Mr. Arnold (SU) commented that although he was voting against this, he is not necessarily opposed to it being the end result.

10. OTHER BUSINESS ~ No other business was considered.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors the regular meeting was adjourned at 12:04 p.m.

Liesl R. DeVary
Executive Director

Submitted by: Sandy Schreiber, Secretary, SPSA Board of Directors

7. Executive Director Updates

Attachments:

- Landfill Operational Summary
- Executive Committee Minutes – April 22, 2019

Landfill Operational Summary

SPSA Regional Landfill Operational Summary		KEY:			
Period	June 1st, 2019 to June 30th, 2019		Change Since Last Report		
			All Is Well		
			Working On		
			Noted Issue		
Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
1	Regulatory Compliance				
1.1	Notice of Violations	None	In Compliance		
1.2	Environmental compliance and reporting	Compliance	All submissions made.		
1.2.1	Solid waste operations	Compliance	In Compliance		No issues during the reporting period.
1.2.2	Title V	Compliance	In Compliance		Annual Emissions Report and Title V Reporting submitted to VDEQ for re-issuance of Title V Permit on 05/16/2017. Spoke with DEQ on 9/12/18 and was advised that they still have not performed the technical review or administrative review. They are short handed and we should not expect feedback for another six months to one year.
1.2.3	VPDES	Compliance	In Compliance		Permit submitted on time. Extension given for some samples that required waiting for qualifying rain events.
1.2.4	Financial Assurance	Compliance	In compliance		
1.2.5	Wetlands	Compliance	In Compliance		
1.2.6	Groundwater	Compliance	In Compliance		2nd Quarter Resampling completed. 2nd Quarter exceedance letter sent to DEQ on time for Cobalt and Cadmium at a few wells. These wells have been showing exceedances regularly and are assumed to be naturally occurring metals in the soil gradient. No further action required on this event.
1.2.7	Storm water system operating and in compliance with VPDES permit	Systems operational and in good order	In Compliance		In compliance.
2	Landfilling Operations				
2.1	Tonnage Landfilled	Actual Tons			38,437.00
2.2	No. staff	16.5	12.5		4 - Vacancies (HEOs)
2.2	Equipment Utilization	Key equipment fully operational and deployed	All equipment operating and deployed with appropriate spares		Several pieces are down for routine maintenance and repair but appropriate spares are operating.
3	Cover Operations				
3.1	Total Cover Material Received	Actual Tons			12,474.00
3.2	Date of last aerial survey	12/17/2018			
3.3	December 2018 Operational In-Place Density (lbs./cy)	1,600-1,800lbs/cy	1,788 lbs./cy or AUF = 0.894		AUF within range of expected operational airspace consumption. Changing waste stream with MSW from western communities will impact Operational AUF. Need to continue to monitor to ensure we stay within range to maintain life expectancy of Cell VI
3.4	December 2018 Effective In-Place Density (lbs./cy)	1,600 lbs./cy	2005 lbs./cy or AUF = 1.00		Still well above targeted long term airspace utilization.

Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
4	Leachate Management				
4.1	Pump stations operational during period	100 % Operational	All pump stations are operational, pump performance is being monitored, and repairs/replacements made as necessary.		Vault 8 had a fault with a transducer on June 23rd. Other maintenance was performed while the vault was being repaired. All was back to fully operational within the week.
4.2	SCADA system operational during period	100 % Operational	Fully operational		SCADA is fully operational.
4.3	Flow meter system functional during period	100 % Operational	All 8 Cell V/VI Pump Stations are now operational		Flow Meters can now be logged to history in Scada system and reviewed as needed.
4.4	Leachate Levels	In compliance	In compliance.		1. In compliance at all 8 pump station locations. 2. Flow generation remain < 40,000 GPD typically.
4.5	Leachate Disposal	In compliance			Reserve capacity of leachate lagoons are measured and recorded each day. Calculations are performed daily on the volume hauled, volume produced and storage capacity to determine the quantity of leachate that needs to be hauled each day. April 15th, SPSA began discharging through the force main to HRSD at a low flow rate for 24-hr intervals. This has been successful for both SPSA and HRSD's SWIFT Program thus far. SPSA will continue to utilize this method until further notice. SPSA continues to utilize pump and haul operations at smaller rates, as well.
4.5.1	Quantity of leachate pumped to HRSD during period	x gallons	997,431		From 6/1 to 6/30
4.5.1.1	Cell V, Sumps 1-4	x gallons	413,659		From 6/1 to 6/30
4.5.1.2	Cell VI, Sumps 5-8	x gallons	403,682		From 6/1 to 6/30
4.5.2	Quantity of leachate hauled for disposal during period	x gallons	431,914		From 6/1 to 6/30
4.5.3	Disposal costs in period: \$		\$ 25,573		From 6/1 to 6/30
4.5.4	Any issues relative to leachate quality and acceptance at WWTPs?	No constraints	No constraints		
5	Landfill Gas Management	Compliance	In compliance		2nd Quarter sampling completed with no exceedances.
6	Odor Complaints	No complaints	No complaints		From 6/1 to 6/30
7	HRSD Force Main	Contract Schedule	None provided to date.		Still only have (unofficial) tentative date of completion to be in 2022

Acronym Definitions

ACOE- Army Core Of Engineers **AUF**- Airspace Utilization Factor **BOD**- Biological Oxygen Demand **CAP**- Corrective Action Plan
COD- Chemical Oxygen Demand **CSCE**- Comprehensive Site Compliance Evaluation **DMR**- Discharge Monitoring Report
GPS- Groundwater Protection Standards **LCL**- Lower Confidence Limit **NOV**- Notice Of Violation **SCADA**- Supervisory Control And Data Acquisition
SWIFT- Sustainable Water Initiative For Tomorrow **SWPPP**- Storm Water Pollution Prevention Plan **VPDES**- Va. Pollution Discharge Elimination System
WWTP- Waste Water Treatment Plant **PLC**- Programmable Logic Controller **GPM**- Gallons Per Minute **GPD**- Gallons Per Day

EXECUTIVE COMMITTEE MINUTES
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA
April 22, 2019

A meeting of the Executive Committee was held at 9:00 a.m. in the second-floor conference room of the SPSA Regional Building in Chesapeake, Virginia, and was called to order by Chairman John Keifer. The other Committee Members present at this meeting were Mr. Luke McCoy, Mr. Randy Keaton and Mr. Bill Sorrentino. Also, in attendance were Executive Director, Liesl R. DeVary, Deputy Executive Director, Dennis Bagley, Blanche Christian and General Counsel Warren Tisdale.

Items for Discussion:

1. Review and approve Executive Committee Minutes

Mr. Sorrentino (VB) moved, seconded by Mr. Keaton (IW) to approve the Executive Committee minutes of the March 21, 2019 meeting. All were in favor.

2. Executive Director Reports / April Board Meeting Agenda

A letter was received from HRSD in regards to the location of the new force main. They will be setting up a preliminary meeting with Henry at the Suffolk landfill.

The amended Articles of Incorporation have been completed. Last July the General Assembly made a change so that the ex-officio members will no longer have a term limit.

The City of Virginia Beach has requested the Oceana Transfer Station we remain open Saturday and Sunday, 6-3, for the Something in the Water festival. The City of Virginia Beach will be reimbursing SPSA.

The first item for the board meeting will be the public hearing on the Tip Fee Schedule.

A recap of the fiscal year 2020 budget will be presented at the board meeting. The only change is that the budget increased \$30,000 for the HHW program. We are going to start handling HHW for the City of Norfolk on July 1, 2019. They've been handling their own program up until now. The Norfolk transfer station will collect HHW on Tuesday and Saturday.

Two contracts and seven contract renewals will be presented at the board meeting. The 2 contract awards are GPS Compaction equipment for use on landfill equipment. The equipment helps with grading and uses satellite imagery. It also includes the purchase of a drone to be used in landfill surveying. The second contract is for employee uniforms.

The annual contracts being presented are: Annual Audit Services with Brown Edwards, Property, Liability and Worker's Comp insurance with VMLIP, Regional Landfill security with the United American Security, HHW Disposal Environment Services with MXI Environmental Services, Truck tire management program with Colony Tire, Loader Tires Services with Colony Tire and Service & OEM Caterpillar replacement parts with Carter Machinery.

3. Closed Session

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussion regarding the delivery of ash by Wheelabrator Portsmouth, Inc. to SPSA under the Waste Disposal and Services Agreement between Wheelabrator and SPSA with commencement date February 1, 2019, in accordance with Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Motion to Approve Certification after Closed Meeting.

The Committee 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.

4. Future Board Meeting Items

Working on getting the Investment Committee together for a future board meeting. In regards to the landfill expansion we are looking at getting Jeff Murray to provide a presentation to the Executive Committee following next month's board meeting.

5. Adjournment

There being no further business to come before the Executive Committee, the meeting was adjourned at 11:00 a.m.

8. Wheelabrator Portsmouth Monthly Report

July 12, 2019

Liesl R. DeVary
Southeastern Public Service Authority
723 Woodlake Drive
Chesapeake, VA 23320

Dear Ms. DeVary:

Please find attached the Monthly Report for Wheelabrator Portsmouth Inc. facility required by Schedule 15 of the Service Agreement. Should you have any questions on any of the items covered herein please do not hesitate to contact me.

Sincerely,

Clint Stratton
Plant Manager, Wheelabrator Portsmouth

enclosure

**WHEELABRATOR PORTSMOUTH INC
 TONNAGES REPORT
 CALENDAR YEAR 2019**

MONTH	SPSA ACCEPTABLE WASTE (TONS)	THIRD PARTY ACCEPTABLE WASTE (TONS)	OUT-OF-STATE WASTE (TONS) *	OUTSIDE-AREA WASTE (TONS)	TOTAL TONNAGE	NAVY STEAM DELIVERED (K- LBS)	ALL WASTE ACCEPTED AT RDF (TONS)	NP REMOVED FROM RDF (TONS)	PROHIBITED WASTE	RDF WASTE DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	ASH DELIVERED TO LANDFILL (TONS)	MW SOLD TO THE GRID (MWHr)
JAN	43,639.86	8,796.40	671.02	-	53,107.28	83,072	53,107.28	4,342.25	-	1,023.16	48,765.03	50,095.33	14,823.46	15,841
FEB	35,824.65	9,937.79	825.26	-	46,587.70	69,621	46,587.70	4,075.29	-	-	42,512.41	39,891.88	9,649.18	12,567
MAR	41,971.42	6,163.44	909.63	-	49,044.49	74,327	49,044.49	4,067.70	-	228.28	44,976.79	47,129.38	11,545.49	15,084
APR	48,293.43	8,246.30	853.98	-	57,393.71	48,052	57,393.71	4,485.86	-	1,074.83	52,907.85	50,643.08	14,102.74	17,654
MAY	51,531.79	7,850.32	794.43	-	60,176.54	32,175	60,176.54	4,138.34	-	3,275.50	56,038.20	55,457.50	14,714.38	20,809
JUN	45,159.95	6,450.03	1,014.33	-	52,624.31	29,459	52,624.31	4,614.81	-	4,505.09	48,009.50	51,305.24	14,377.54	18,570
JUL														
AUG														
SEP														
OCT														
NOV														
DEC														
YTD TOTAL	266,421.10	47,444.28	5,068.65	-	318,934.03	336,705.60	318,934.03	25,724.25	-	10,106.86	293,209.78	294,522.41	79,212.79	100,525.00

* NOTE: This is material brought in from the nearby counties in NC provided for under the Service Agreement.

**WHEELABRATOR PORTSMOUTH INC
AVAILABILITY
CALENDAR YEAR 2019**

MONTH	BOILER AVAILABILITY (%)	BOILER PLANNED OUTAGES (HRS)	BOILER UNPLANNED OUTAGES (HRS)	TURBINE AVAILABILITY	TURBINE PLANNED OUTAGES (HRS)	TURBINE UNPLANNED OUTAGES (HRS)
JAN	92%	166.90	67.40	90%	81.00	241.40
FEB	94%	149.00	10.00	93%	148.00	1.00
MAR	92%	192.00	42.00	96%	71.00	10.00
APR	86%	291.00	108.00	98%	-	50.00
MAY	96%	-	126.00	99%	-	14.00
JUN	90%	144.00	145.00	100%	-	-
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
YTD TOTAL	92%	942.90	498.40	96%	300.00	316.40

WHEELABRATOR PORTSMOUTH INC

SUPPLEMENTAL INFORMATION

June 2019

Total Waste received by SPSA:	45,160 tons
Waste delivered to RDF:	52,624 tons
Total RDF processed:	51,305 tons
Ash sent to landfill:	14,378 tons*
Electric power sold:	18,570 MW
Steam sold to Navy:	29,459 K-LBS
Overall Boiler availability:	90%
Overall Generator availability:	100%
Environmental Incidents	0

OSHA Recordable Accidents this period: 1

OSHA Recordable Accidents YTD: 1

General Notes:

* This total includes 8,421.33 tons of non-qualifying residue delivered to the landfill this period.

Screen in service and percentage improving. Working through issues with rental company with vibrating screens and regeneration issues on the diesel motor.

Wheelabrator Portsmouth Inc.

Monthly Report for the Month of June 2019

This report is submitted in accordance with the Waste Disposal & Services Agreement, section 3.17.1.

Environmental Issues:

Contractor has not received any notices in violation (NOV) or orders, and no such NOVs, proceedings, orders or investigations are pending, for the subject period.

Tests Completed:

Monthly Industrial Discharge Samples
Fuel Oil Sample
Storm water Sample(s)
Annual Stack Tests
Quarterly GHG Test
Quarterly Ash Test

Tests Planned:

Monthly Industrial Discharge Samples
Fuel Oil Sample(s)
Storm Water Sample
Quarterly GHG Test

Inspections:

Air Inspection

Air Quality Violations:

None

Safety Issues:

OSHA Recordable Accidents this period:	1
OSHA Recordable Accidents YTD:	1
Lost Time Accidents this period:	1
Lost Time Accidents YTD:	1

Op Stats: see attached spreadsheet

Upcoming Planned Outages:

2019 Outages

Jan 20-25	Boiler 2
Feb 17-24	Boiler 3
March 17-24	Boiler 4
April 14-21	Boiler 1
May	No outage
June 9-14	Boiler 2
July 14-19	Boiler 3
August 11-16	Boiler 4
September 15-20	Boiler 1
October	No outage
November 10-16	Boiler 2
December 15-20	Boiler 3

9. Financial Report

Statement of Revenue and Expenses – Budget to Actual Comparison

Based on a preliminary analysis for fiscal year 2019, total revenues exceeded total expenses by approximately \$6.9 million as compared to \$3.3 million in the previous year.

Tipping fee revenue received FYTD reflects an increase of 3.3% or approximately \$1.42 million as compared to fiscal year 2018. Municipal waste tons are up approximately 13% or 50,963 tons as compared to fiscal year 2018. The increase is due to an increase in the municipal waste stream and the receipt of bulk waste from all communities.

For the month ending June 30, 2019, total expenses were approximately \$43.2 million as compared to \$41.6 million incurred in the previous fiscal year.

Monthly Expense Line Items

This report provides the actual expenses by month by the type of expense. The majority of the line items vary in amounts from month to month because they are either: (1) dependent on usage, or (2) timing of payment and/or check date.

Monthly Comparison of Revenues and Expenses

This report illustrates the monthly revenues and expenses. An explanation is included under each graph if there is a sizeable variance. The straight line in each graph represents the fiscal year 2019 budget on a straight-lined basis and the line graph represents the prior fiscal year for comparison.

Waste Stream Report

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. For the fiscal year ending June 30, 2019, municipal waste tonnages reflect an increase of 13% or approximately 50,963 tons as compared to fiscal year 2018.

Treasurer's Report of Cash Balances

This report captures the monthly activity in each of the depository accounts grouped as either unrestricted and designated funds or trust funds. As of June 30, 2019, operating cash balances were approximately \$33.6 million representing approximately \$4.7 million in the operating account, \$5.9 million in undesignated fund balance, \$954,000 for FY 2019 Rolled Purchase Orders, \$2.5 million reserved for the HRSD force main and \$19.5 million designated for landfill expansion/closure.

Motion: Do I hear a motion that the SPSA Monthly Financial Reports, subject to audit, be approved as presented?

Southeastern Public Service Authority
Statement of Revenue and Expenses - Budget to Actual Comparison
For the Period Ending June 30, 2019 ~ Preliminary

	June 2019				June 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
REVENUES								
Tipping Fees	\$ 37,720,239	\$ 3,880,858	\$ 44,177,849	117.1%	\$ 42,407,666	\$ 3,594,655	\$ 42,757,239	100.8%
Tire program	332,000	37,074	571,879	172.3%	292,000	43,651	427,104	146.3%
Household Hazardous Waste Revenue	250,000	20,261	256,047	102.4%	225,000	23,304	263,551	117.1%
White Goods Program	40,000	3,174	43,555	108.9%	40,000	2,479	34,865	87.2%
Landfill Gas Recovery	335,000	13,470	294,167	87.8%	335,000	21,394	327,931	97.9%
Miscellaneous Income	214,950	10,609	521,822	242.8%	639,390	98,106	792,613	124.0%
Interest Earnings	180,000	169,284	592,149	329.0%	180,000	89,966	293,913	163.3%
A Fund Balance / Capital / Rolled PO's	2,173,044	143,138	2,173,044	100.0%	351,971	-	-	0.0%
Fund Balance / Contingency	2,500,000	585,139	711,217	28.4%	592,448	-	-	0.0%
TOTAL REVENUES	\$ 43,745,233	\$ 4,863,007	\$ 49,341,730	112.8%	\$ 45,063,475	\$ 3,873,554	\$ 44,897,215	99.6%
OPERATING EXPENSES								
Administration								
Salaries / Wages	\$ 882,617	\$ 85,130	\$ 722,606	81.9%	\$ 773,361	\$ 88,528	\$ 637,172	82.4%
Employee Benefits	227,468	16,171	174,911	76.9%	213,478	10,836	157,646	73.8%
A Professional / Contracted Services	645,915	73,390	518,906	80.3%	609,426	92,584	810,995	133.1%
Other Operating Expenses	208,900	15,703	185,932	89.0%	152,580	25,666	176,021	115.4%
Materials / Supplies	15,498	4,330	8,944	57.7%	16,515	2,449	19,791	119.8%
Total Administration	\$ 1,980,398	\$ 194,724	\$ 1,611,299	81.4%	\$ 1,765,360	\$ 220,063	\$ 1,801,624	102.1%
Environmental Management								
Salaries / Wages	\$ 284,161	\$ 43,676	\$ 294,108	103.5%	\$ 281,909	\$ 37,528	\$ 276,297	98.0%
Employee Benefits	96,980	11,126	102,832	106.0%	96,178	4,266	91,611	95.3%
A Professional / Contracted Services	43,160	1,965	35,045	81.2%	43,100	10,878	29,717	68.9%
Other Operating Expenses	7,168	987	6,413	89.5%	6,915	577	4,830	69.8%
Materials / Supplies	20,620	7,624	25,246	122.4%	20,680	1,991	10,317	49.9%
Total Environmental Management	\$ 452,089	\$ 65,378	\$ 463,644	102.6%	\$ 448,782	\$ 55,240	\$ 412,771	92.0%
Operations								
Salaries / Wages	\$ 5,539,339	\$ 687,915	\$ 5,426,241	98.0%	\$ 5,788,014	\$ 645,665	\$ 5,509,307	95.2%
Employee Benefits	1,924,879	166,897	1,812,101	94.1%	2,043,058	75,323	1,911,934	93.6%
A Professional / Contracted Services	2,868,719	353,447	2,681,843	93.5%	2,975,818	384,162	2,740,900	92.1%
Other Operating Expenses	864,252	79,485	762,906	88.3%	1,049,253	105,864	867,633	82.7%
Materials / Supplies	1,776,064	211,480	1,514,402	85.3%	1,728,439	148,028	1,407,762	81.4%
Total Operations	\$ 12,973,253	\$ 1,499,225	\$ 12,197,493	94.0%	\$ 13,584,582	\$ 1,359,043	\$ 12,437,535	91.6%
TOTAL OPERATING EXPENSES	\$ 15,405,740	\$ 1,759,327	\$ 14,272,436	92.6%	\$ 15,798,724	\$ 1,634,346	\$ 14,651,930	92.7%
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT								
A RLF - Pump House Rebuild	\$ 26,854	\$ -	\$ 26,854	100.0%				
A RLF - SCADA System Leachate System	378,985	11,770	378,985	100.0%				
A Leachate System Improvements	19,622	17,749	19,622	100.0%				
A NTS - Tip Floor/Drain Repairs	304,240	-	304,240	100.0%				
A Permanent Pump/Haul Loadout	1,191,486	149,154	1,183,736	99.3%				
A RLF - Site Maintenance	11,000	-	8,750	79.5%				
A HHW Facility Improvements	212,212	-	212,212	100.0%				
A HHW Trailers	13,891	-	13,126	94.5%				
HHW Relocation	124,172	98,145	124,172	100.0%				
GPS Rover Grade/Compaction	150,000	147,643	147,643	98.4%				
HRSD Force Main	1,788,783	-	-	0.0%				
Four-Post Lift (RLF Shop)	26,729	-	26,729	100.0%				
Shop Doors (RLF Shop)	39,325	-	39,325	100.0%				
Electric Forklift (OPC Shop)	28,454	-	28,454	100.0%				
MSW Tractors	976,399	225	976,399	100.0%				
BKNS - Compactor & 2 Boxes	75,039	-	75,039	100.0%				
CTS -Roof Repairs	96,828	69,713	69,713	72.0%				
CTS - Wheeled Excavator	260,904	260,904	260,904	100.0%				
CTS - Tip Floor Repairs	39,000	-	-	0.0%				
CTS - Asphalt/Concrete Repairs	28,215	-	28,215	100.0%				
LTS - Replace A/C Units	48,475	28,803	28,803	59.4%				
LTS - Pressure Wash/Paint	30,734	-	30,734	100.0%				
LTS - Replace Scale In/Outbound	185,485	-	185,485	100.0%				
NTS - Inbound Scale	90,839	-	90,839	100.0%				
STS - Wheeled Excavator	260,904	260,904	260,904	100.0%				

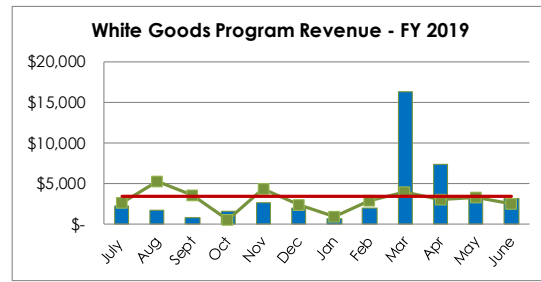
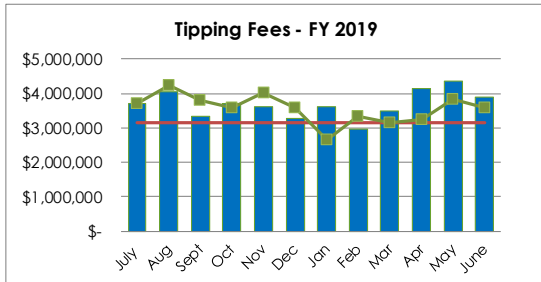
	June 2019				June 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT ~ CONT'D		\$ -						
MUNIS Upgrade/Servers	15,999	-	15,999	100.0%				
Scalehouse Server	8,399	-	8,399	100.0%				
Computer Desktop Replacements	58,187	-	58,186	100.0%				
Scalehouse Software	161,517	18,988	161,267	99.8%				
TPF - Wheeled Loader	216,992	216,992	216,992	100.0%				
Cell 8/9 Permitting	711,217	585,139	711,217	100.0%				
FTS - Drainage Improvements	24,766	-	24,766	100.0%				
IT - Executime Software	64,805	63,413	63,413	97.9%				
RLF - Tractor	59,428	-	59,428	100.0%				
Access Control System	17,674	-	17,674	100.0%				
IOW - Concrete Landing Pads	7,950	-	7,950	100.0%				
System Domain Servers	51,215	46,950	46,950	91.7%				
Gator for HHW	15,000	14,792	14,792	98.6%				
Total Capital/Equipment Replacement	\$ 7,821,724	\$ 1,991,284	\$ 5,927,915	75.8%	\$ 7,040,114	\$ 559,862	\$ 4,948,023	70.3%
DEBT SERVICE								
Principal (transfers to trustee)	\$ -	\$ -	\$ -	N/A	\$ 2,473,750	\$ -	\$ 2,473,750	100.0%
Interest (transfers to trustee)	-	-	-	N/A	85,527	-	85,527	100.0%
Total Debt Service	\$ -	\$ -	\$ -	N/A	\$ 2,559,277	\$ -	\$ 2,559,277	100.0%
Service Fee to Wheelabrator								
Annual Fee Paid over 12 Months	\$ -	\$ -	\$ -	N/A	\$ 14,677,421	\$ -	\$ 14,677,419	100.0%
Less: Steam Energy Revenue	-	-	-	N/A	(592,360)	-	(540,177)	91.2%
Less: SPSA Hauling Fee	-	-	-	N/A	(1,694,381)	-	(1,695,361)	100.1%
Less: Loading Fee	-	-	-	N/A	(171,888)	-	(167,805)	97.6%
Less: Proprietary Waste Revenue	-	-	-	N/A	(55,983)	-	(71,206)	127.2%
Less: Fuel Surcharge	-	-	-	N/A	(55,611)	-	(85,549)	153.8%
Less: Overtime Per Addendum 4	-	-	-	N/A	(30,303)	-	(30,473)	100.6%
Less: Cost for Ash Disposal	-	-	-	N/A	(447,310)	-	(507,266)	113.4%
Less: Diverted Waste Disposed by SP	-	-	-	N/A	-	-	(10,736)	N/A
Net Fee to Wheelabrator	\$ -	\$ -	\$ -	N/A	\$ 11,629,585	\$ -	\$ 11,568,847	99.5%
Contracted Waste Disposal	\$ 17,106,830	\$ 1,574,642	\$ 19,548,312	114.3%	\$ 8,030,775	\$ 1,668,536	\$ 7,861,605	97.9%
Virginia Beach Environmental Trust Fund	-	-	-	N/A	-	-	-	N/A
Suffolk Environmental Trust Fund	5,000	5,000	5,000	100.0%	5,000	5,000	5,000	100.0%
Reserves for Landfill Expansion/Closure	3,405,939	283,831	3,405,939	100.0%	-	-	-	N/A
Total Other Uses	\$ 20,517,769	\$ 1,863,473	\$ 22,959,251	111.9%	\$ 19,665,360	\$ 1,673,536	\$ 19,435,452	98.8%
GRAND TOTAL EXPENSES	\$ 43,745,233	\$ 5,614,083	\$ 43,159,602	98.7%	\$ 45,063,475	\$ 3,867,745	\$ 41,594,682	92.3%
NET REVENUES / (EXPENSES)	\$ -	\$ (751,076)	\$ 6,182,128		\$ -	\$ 5,809	\$ 3,302,534	

A Budget has been adjusted by \$2,173,044 for purchase orders rolled over from FY 2018.

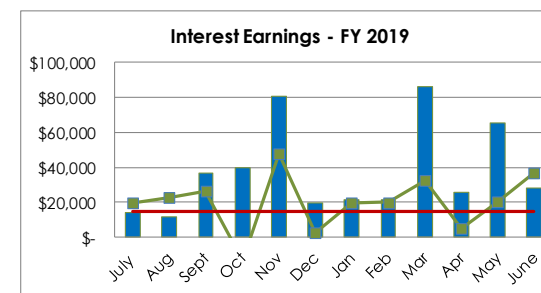
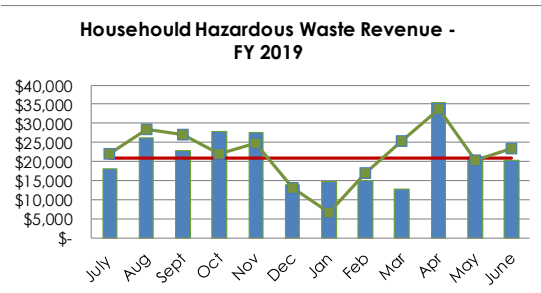
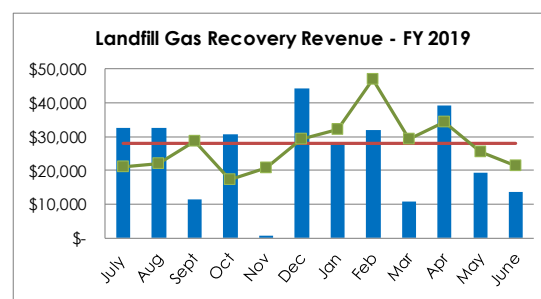
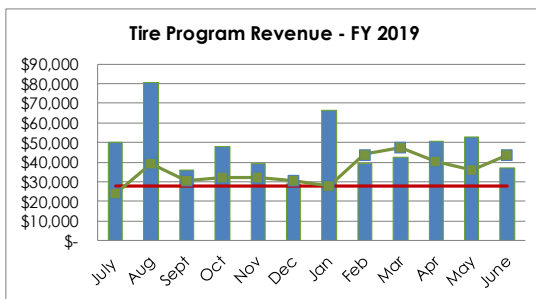
Southeastern Public Service Authority							
Monthly Expense Line Items ~ Preliminary							
Description	FY 2019 Budget	Apr-19	May-19	Jun-19	FYTD	From Previous Month	
						\$ Change	% Change
Salaries Exempt	\$ 1,971,248	\$ 138,117	\$ 135,217	\$ 234,058	\$ 1,821,927	\$ 98,842	73.1%
Salaries Non-Exempt	4,512,794	305,577	295,181	496,161	4,159,578	200,980	68.1%
Overtime	222,075	57,454	63,236	86,503	461,450	23,266	36.8%
Fica / Medicare Tax	513,017	36,711	36,211	60,366	469,644	24,155	66.7%
VRS Retirement	37,470	2,782	2,657	2,730	33,287	73	2.8%
Health Insurance	1,403,597	106,618	106,088	110,342	1,328,758	4,253	4.0%
Vrs Group Life Insurance	81,766	6,102	5,797	5,842	74,286	45	0.8%
Unemployment Insurance	9,853	138	86	72	5,741	(13)	-15.6%
Workers Compensation	203,624	14,844	14,844	14,844	178,128	-	0.0%
Medical Fees	12,200	657	495	2,274	7,721	1,779	359.4%
Security Service	81,504	7,929	3,177	14,344	81,075	11,167	351.5%
Professional Services	173,944	398	654	14,567	85,685	13,913	2126.1%
Engineering Services	300,000	12,530	10,177	114,452	282,558	104,275	1024.7%
Landfill Survey	15,000	-	-	17,233	18,733	17,233	N/A
Legal Fees	325,000	10,144	7,090	17,227	237,936	10,137	143.0%
Environmental Testing	103,400	448	895	21,449	88,888	20,554	2296.5%
Fire Protection	7,000	1,183	-	654	5,448	654	N/A
Temporary Employment Services	0	-	-	720	720	720	N/A
Uniform Rental	30,693	1,526	2,376	-	20,512	(2,376)	-100.0%
Maintenance Service Agreements	140,173	1,882	3,189	1,951	118,279	(1,238)	-38.8%
Grounds Maintenance	108,007	8,076	4,512	7,771	61,355	3,259	72.2%
Hazardous Waste Disp/Cleanup	27,000	6,335	-	19,527	46,415	19,527	N/A
Equipment Maintenance	973,823	78,798	63,686	13,143	796,734	(50,543)	-79.4%
Building / Site Maintenance	536,589	27,805	52,459	30,236	488,985	(22,223)	-42.4%
Leachate Pumping Station Maint	50,000	-	8,117	75,188	111,276	67,071	826.3%
Pump & Haul Leachate	4,999	-	-	1,135	6,034	1,135	N/A
Printing	300	-	-	-	-	-	N/A
Advertising	13,700	762	3,211	295	7,101	(2,916)	-90.8%
Trustee Fees	0	1,000	-	-	1,000	-	N/A
Permit Fees	74,462	-	-	-	66,877	-	N/A
Suffolk Host Fee	580,000	99,800	95,848	81,180	707,008	(14,668)	-15.3%
Electricity	218,275	24,696	10,281	26,374	206,385	16,093	156.5%
Heating/Gas/Propane	14,700	2,029	218	50	13,182	(168)	-77.1%
Water / Sewer	48,442	10,120	867	2,857	40,230	1,990	229.4%
Leachate Treatment	255,001	13,399	43,402	21,527	164,178	(21,875)	-50.4%
Telephone	108,000	7,865	7,872	7,772	88,383	(100)	-1.3%
Postage	2,460	33	116	197	1,753	81	69.8%
Radio Communication & Repair	11,200	805	-	-	7,003	-	N/A
Insurance & Bonding	185,364	15,447	15,447	15,442	185,859	(5)	0.0%
Equipment Rental	39,500	644	458	416	32,222	(42)	-9.1%
Land Lease Payment	3,500	292	292	292	3,500	-	0.0%
Tire De-Rimming Service	10,000	-	-	2,500	6,350	2,500	N/A
Travel And Training	13,270	880	831	150	11,428	(681)	-81.9%
Road Tolls	121,675	11,809	15,087	12,712	139,934	(2,374)	-15.7%
Membership & Professional Dues	3,933	50	-	491	2,610	491	N/A
Bank Fees	35,000	3,409	3,796	3,617	40,445	(179)	-4.7%
Awards Programs	9,000	575	142	-	9,075	(142)	-100.0%
EMS Support Program	1,000	-	-	-	935	-	N/A
Office Supplies	13,680	413	417	12,934	22,142	12,517	3003.3%
Dues & Subscriptions	1,750	827	197	129	1,598	(68)	-34.5%
Computer Software	0	-	-	11,064	11,064	11,064	N/A
Other Operating Supplies	92,210	2,945	6,928	50,708	112,273	43,779	631.9%
Vehicle / Equipment Fuel	871,024	56,643	62,001	105,263	739,855	43,262	69.8%
Vehicle / Equipment Tires	772,300	50,470	24,403	15,539	582,951	(8,864)	-36.3%
Safety Apparel & Equipment	27,750	1,473	1,655	16,843	32,371	15,188	917.6%
Small Equipment	23,668	3,032	3,722	6,806	40,464	3,084	82.9%
Computer Hardware	9,800	172	24	1,383	3,107	1,359	5667.8%
Total Operating Expenses	\$ 15,405,740	\$ 1,135,643	\$ 1,113,357	\$ 1,759,327	\$ 14,272,436	\$ 645,970	58.0%
Capital Projects/Equip Replacement	\$ 7,821,724	172,290	461,663	1,991,284	5,927,915	1,529,621	331.3%
Contracted Waste Disposal	17,106,830	1,672,587	1,776,782	1,574,642	19,548,312	(202,140)	-11.4%
Suffolk Environmental Trust Fund	5,000	-	-	5,000	5,000	5,000	N/A
Reserves for Landfill Expansion/Closure	3,405,939	283,828	283,828	283,831	3,405,939	3	0.0%
Total Expenses	\$ 43,745,233	\$ 3,264,349	\$ 3,635,630	\$ 5,614,083	\$ 43,159,602	\$ 1,978,454	54.4%

**Southeastern Public Service Authority
Monthly Comparison of Revenues and Expenses**

FY 2019 (bar)
FY 2018
FY 2019 Budget

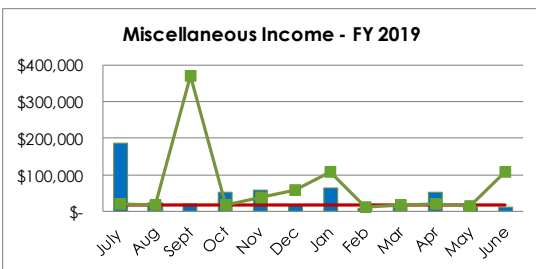


* Monthly revenue is dependent on users.



* Monthly revenue is dependent on users.

Interest payments vary based on investment date and maturity date.

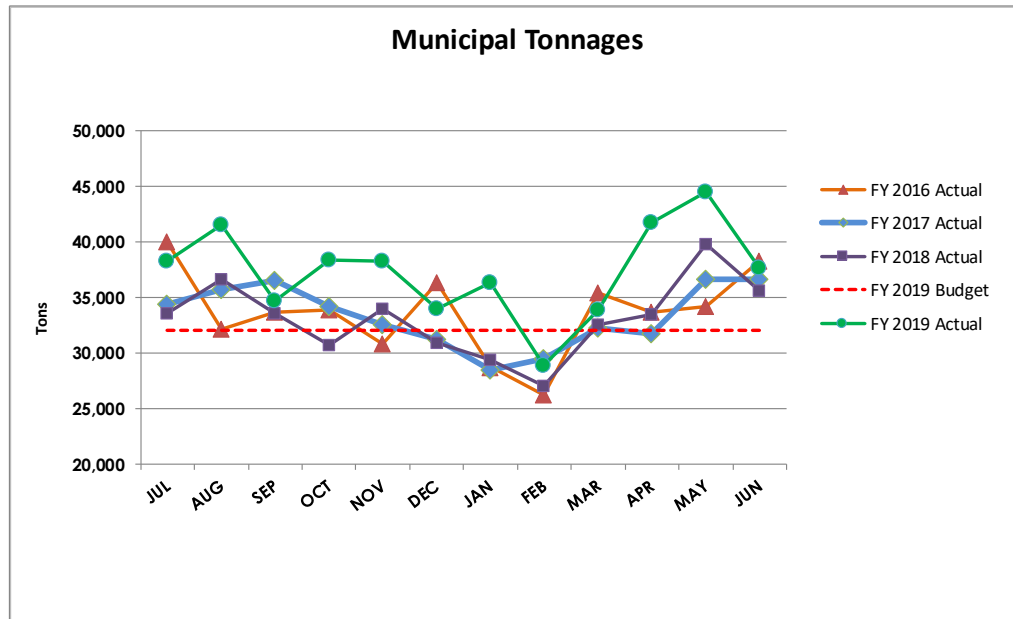




**Southeastern Public Service Authority (SPSA)
Waste Stream**

Waste Category	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	
	Actual (Tons)	Actual (Tons)	Actual (Tons)	Actual (Tons)	Budget	Actual (Tons) as of 6/30/2019	% of Budget
Waste Stream Budgeted under Tipping Fees							
Municipal Waste							
Chesapeake	92,072	94,981	90,926	90,896	92,987	105,353	113.3%
Franklin	2,524	2,592	2,690	2,698	2,915	2,955	101.4%
Isle of Wight	16,070	16,513	15,180	16,883	16,331	17,265	105.7%
Norfolk	62,296	66,240	64,575	62,587	80,746	90,129	111.6%
Portsmouth	28,439	29,089	30,023	32,769	35,231	40,222	114.2%
Southampton	8,107	8,385	8,593	8,910	8,726	10,675	122.3%
Suffolk	43,337	40,068	45,645	40,847	41,571	42,325	101.8%
Virginia Beach	133,304	134,285	130,645	127,483	137,983	138,823	100.6%
Residential (Free of Charge)	9,331	10,096	11,223	13,711	-	-	N/A
Total Municipal Waste	395,480	402,249	399,500	396,784	416,490	447,747	107.5%
Sludge - Norfolk	5,866	4,611	4,782	5,586	4,900	6,040	123.3%
Navy Waste	25,357	24,725	24,500	26,653	4,083	26,265	643.3%
SPSA Contracted Waste	-	-	26,437	65,936	104,000	146,442	140.8%
Construction & Demolition Debris	10,066	11,486	14,252	14,850	15,000	9,808	65.4%
Non-Contract Waste	-	-	-	15,469	30,000	36,682	122.3%
Total Other Waste	41,289	40,822	69,971	128,494	157,983	225,237	142.6%
Total Waste Stream	436,769	443,071	469,471	525,278	574,473	672,984	117.1%

Note: Effective July 1, 2018 residential waste tons is included with municipal waste tons.



Regional Landfill Waste Stream																	
					July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Types of Waste (tons)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019	FY 2019
Construction and Demolition Debris	10,066	11,485	14,252	14,850	906	1,353	863	839	531	683	822	664	729	923	800	694	9,807
Water Treatment Plant Sludge	7,198	5,314	4,927	5,717	649	636	391	511	613	461	493	417	364	440	561	503	6,039
Industrial Waste	1,552	874	846	379	60	23	19	25	28	14	7	9	15	35	48	12	295
Soils for Use as Alternate Daily Cover	34,168	66,380	18,935	9,990	670	725	716	990	774	809	1,158	499	531	681	611	466	8,630
Clean Fill	56,311	92,732	25,369	26,396	-	90	-	-	-	-	110	-	68	-	-	5,672	5,940
Peanut Residue/Hulls	2,894	3,202	5,650	9,366	223	234	194	357	350	293	358	300	383	387	683	261	4,023
Non-Processible Municipal Solid Waste	6,189	1,788	5,765	3,791	61	62	59	60	85	62	73	51	63	79	114	98	867
Navy Waste ²	36	88	150	154	19	10	6	60	71	1	20	29	25	35	32	51	359
Non-Processible Commercial Waste ²	4,265	5,096	4,518	2,631	40	88	58	64	46	45	64	50	24	31	39	49	598
Fluff from BiMetals	5,708	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Concrete/Asphalt	3,832	416	3	-	-	-	-	-	133	-	-	-	-	-	-	-	133
Shredded Tires	2,587	3,052	3,289	4,586	86	872	421	514	473	391	64	435	552	585	620	381	5,394
Ash	192,754	177,493	174,420	179,361	14,872	17,651	13,592	14,551	13,984	11,871	11,180	4,706	2,672	348	2,596	5,956	113,979
Non-Qualifying Ash	-	-	-	-	-	-	-	-	681	561	3,644	4,943	8,874	13,755	12,119	8,421	52,998
MSW from FTS, IWTS, STS	-	-	-	46,011	9,020	9,286	7,519	8,869	8,590	7,806	8,464	7,090	8,108	9,614	9,797	8,539	102,702
Clean Fill - Clearfield	33,899	32,400	28,226	31,709	3,345	4,328	5,802	6,180	-	11,718	2,892	4,328	1,966	4,782	794	5,405	51,540
Residual Waste - Clearfield	2,973	4,857	9,771	5,585	38	123	38	9	-	-	-	57	-	38	57	76	436
Diverted Processible Waste (from 1st Station)	22,402	1,780	11,337	201	-	-	-	-	-	120	-	-	151	-	395	1,852	2,518
Total	386,833	406,957	307,458	340,727	29,989	35,481	29,678	33,029	26,359	34,835	29,349	23,578	24,525	31,733	29,266	38,436	366,258

¹ Prior to January 25, 2018, Represents CDD from the City of Suffolk and City of Suffolk's Contractors
² Boats, Flour, Frozen Foods, Other items too large for Suffolk Transfer Station

Southeastern Public Service Authority Treasurer's Report of Cash Balances For the Month Ending June 30, 2019						
Fund Type	Beginning Balance	Deposits / Transfers In	Interest Earnings	Payables / Transfers Out	Payroll	Ending Balance
Unrestricted and Designated Funds (see footnote below):						
Townebank Operating	\$ 2,062,591.38	\$ 4,181,414.73		\$ 2,422,738.07	\$ 523,683.12	\$ 3,297,584.92
Townebank Money Market	660,993.48		187.64			661,181.12
Townebank CD	6,070,872.97					6,070,872.97
Virginia Investment Pool (VIP)	12,438,988.49	950,000.00	26,301.04			13,415,289.53
Raymond James & Associates Investments	9,938,898.71		197,334.39			10,136,233.10
Total Unrestricted and Designated Funds	\$ 31,172,345.03	\$ 5,131,414.73	\$ 223,823.07	\$ 2,422,738.07	\$ 523,683.12	\$ 33,581,161.64
Trust Funds:						
Environmental / Va. Beach Landfill	\$ 464,090.02		862.25			464,952.27
Environmental / Regional Landfill	449,613.51	5,000.00	835.38			455,448.89
Total Trust Funds	\$ 913,703.53	\$ 5,000.00	\$ 1,697.63	\$ -	\$ -	\$ 920,401.16
GRAND TOTAL	\$ 32,086,048.56	\$ 5,136,414.73	\$ 225,520.70	\$ 2,422,738.07	\$ 523,683.12	\$ 34,501,562.80
Cash Balances Designated as follows:						
Operating Funds	\$ 1,103,541.67					
Undesignated (Fund Balance June 30, 2019)	9,476,481.25	<i>Preliminary</i>				
Reserved for FY 2018 Rolled Purchase Orders	-					
Reserved for FY 2019 Rolled Purchase Order	\$954,008.72	<i>Preliminary</i>				
Reserved for HRSD Forcemain	\$2,500,000.00					
Landfill Expansion / Closure (June 30, 2019)	19,547,130.00					
Total Designated Funds	<u>\$ 33,581,161.64</u>					

Southeastern Public Service Authority Budget Transfer Activity For the Month Ending June 30, 2019				
Department	Object	Description	Transfer In	Transfer Out
Landfill	56410	Small Equipment	\$ 2,000.00	
Landfill	53400	Equipment Maintenance		\$ 2,000.00
Environmental	55810	Membership & Professional Dues	\$ 18.00	
Environmental	56140	Other Operating Supplies		\$ 18.00
Regional Office Building	53410	Building/Site Maintenance	\$ 200.00	
Regional Office Building	56100	Office Supplies		\$ 200.00
Landfill	56410	Small Equipment	\$ 538.42	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 538.42
Landfill	56410	Small Equipment	\$ 802.00	
Landfill	53400	Equipment Maintenance		\$ 802.00
Landfill	53410	Building/Site Maintenance	\$ 350.00	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 350.00
Landfill	56140	Other Operating Supplies	\$ 2,000.00	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 2,000.00
Fleet	56410	Small Equipment	\$ 3,711.00	
Fleet	53400	Equipment Maintenance		\$ 3,711.00
Operations	53410	Small Equipment	\$ 1,275.00	
Operations	56140	Other Operating Supplies		\$ 1,275.00
Transportation	56300	Safety Apparel & Equipment	\$ 575.00	
Transportation	56220	Vehicle Equipment/Tires		\$ 575.00
Landfill	53410	Small Equipment	\$ 1,000.00	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 1,000.00
Safety	56110	Dues & Subscriptions	\$ 98.42	
Safety	55700	Toll Roads		\$ 98.42
Human Resources	55820	Awards Programs	\$ 75.02	
Human Resources	55510	Travel and Training		\$ 75.02
Capital-Undesignated	61932	System Domain Servers/Software	\$ 15,200.00	
Capital-Undesignated	61933	MS Exchange Server/Software		\$ 15,200.00
IT	53130	Professional Services	\$ 240.00	
IT	53310	Maintenance Service Agreements		\$ 240.00
Landfill	56410	Small Equipment	\$ 3,500.00	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 3,500.00
Capital-Undesignated	61901	HHW Relocation & Improvements	\$ 9,172.00	
Capital-Undesignated	61911	CTS - Roof Replacement		\$ 9,172.00

Department	Object	Description	Transfer In	Transfer Out
HHW	53110	Medical Fees	\$ 293.04	
HHW	53160	Environmental Testing		\$ 293.04
Capital-Undesignated	61934	Gator for HHW	\$ 15,000.00	
Capital-Undesignated	61911	CTS - Roof Replacement		\$ 15,000.00
Safety	56410	Small Equipment	\$ 221.50	
Safety	55810	Membership & Professional Dues		\$ 221.50
Transportation	53400	Equipment Maintenance	\$ 5,000.00	
Transportation	56220	Vehicle/Equipment Tires		\$ 5,000.00
Tire Shredder	53400	Equipment Maintenance	\$ 2,650.00	
Tire Shredder	55430	Tire De-Rimming Service		\$ 2,650.00
Landfill	53200	Temporary Employment Services	\$ 720.00	
Landfill	51110	Salaries Non-Exempt		\$ 720.00
Capital-Undesignated	61926	Cell 8/9 Permitting	\$ 144,837.00	
Capital-Undesignated	61904	HRSD Force Main RLF		\$ 144,837.00
Isle of Wight TS	56100	Office Supplies	\$ 25.00	
Isle of Wight TS	55510	Travel and Training		\$ 25.00
Operations	53410	Building/Site Maintenance	\$ 859.51	
Operations	55120	Heating/Gas/Propane		\$ 859.51
Landfill	55510	Travel and Training	\$ 809.12	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 809.12
Landfill	56140	Other Operating Supplies	\$ 612.43	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 612.43
Landfill	53410	Building/Site Maintenance	\$ 1,228.41	
Landfill	53420	Leachate Pumping Station Maintenance		\$ 1,228.41
Transportation	56300	Safety Apparel & Equipment	\$ 70.00	
Transportation	56220	Vehicle/Equipment Tires		\$ 70.00
Transportation	55700	Toll Roads	\$ 2,825.00	
Transportation	56220	Vehicle/Equipment Tires		\$ 2,825.00
Total Budget Transfers, June 2019			\$ 215,905.87	\$ 215,905.87

10. Contracts

Bulldozer for Landfill

This request is for the purchase of a D8T 21A LGP Bulldozer with full landfill package. The existing D8T Bulldozer is currently scheduled for replacement in FY-2021; however, due to the age of the machine, maintenance cost on the D8 is well above average. In addition, our latest undercarriage inspection report from Caterpillar indicates the machine is in run out and we will need to replace the undercarriage this fiscal year at a cost of \$100,000, however, the re-sale value is only estimated at \$75,000.

Staff believes that re-prioritizing the replacement schedule on the D8 Bulldozer is a prudent decision because it avoids the cost of the undercarriage replacement and provides for the best re-sale option of the machine. The off-road dump truck scheduled for replacement in 2020 would be pushed back to 2021 under the re-prioritization allowing that money to be used toward the purchase of the D8. The off-road dump truck would then be purchased in FY 2021 with the funds earmarked for the purchase of the D8. In addition, the purchase of a new D8 would provide much greater reliability and will allow staff to downsize from four bulldozers to three bulldozers. The sale of the two bulldozers will net approximately \$135,000 which will be used towards the new D8 purchase.

Downsizing to three bulldozers would also provide significant savings in operation and maintenance of our fleet of bulldozers at the Regional Landfill. The remaining \$264,000 needed for the purchase would be borrowed from the capital project "Asphalt Replacement" and would be re-paid in 2021 when the D8 was originally scheduled to be replaced. Staff recommends the approval of a contract to purchase one Caterpillar D8T LGP Bulldozer from Carter Machinery in the amount of \$899,000 utilizing Sourcewell Contract # 023515-CAT.

Budget:	\$500,000
Sale of Existing Bulldozers	\$135,000 (need to amend budget)
Transfer From Other Capital Fund:	<u>\$264,000</u>
Total Budgeted:	\$899,000
Total Price:	\$899,000

RECOMMENDATION: Award the contract for a bulldozer to Carter Machinery in the amount of \$899,999 as presented.

MOTION: Do I hear a motion to award the contract for a bulldozer to Carter Machinery as presented.

MOTION: Do I hear a motion to amend the FY2020 Operating & Capital Budget by \$135,000?

Contracts Continued**Willcox & Savage Engagement Letter**

Willcox & Savage has served as general counsel to SPSA since its inception. Mr. Warren Tisdale is the primary point of contact with Willcox & Savage. SPSA is billed based on an hourly rate. Mr. Tisdale's proposed hourly rate for FY 2020 is unchanged at \$400 per hour. Hourly rates for other lawyers at the firm range from \$220 - \$535 per hour for very senior partners. A copy of the engagement letter is attached.

Total cost for legal services in FY 2019: \$237,936.28 of which \$129,030.84 was for Willcox & Savage and \$108,905.44 was for William Mullens, Special Counsel

FY 2020 Budget for legal services: \$325,000

RECOMMENDATION: Authorize the Executive Director to execute the engagement letter with Willcox & Savage.

MOTION: Do I hear a motion to authorize the Executive Director to execute the engagement letter with Willcox & Savage as presented?

Warren L. Tisdale
(757) 628-5556
wtisdale@wilsav.com

83720.000

July 25, 2018

Ms. Liesl DeVary
Executive Director
Southeastern Public Service Authority of
Virginia
723 Woodlake Drive
Chesapeake, Virginia 23320

Re: Engagement Terms

Dear Liesl:

Willcox & Savage, P.C. has been pleased to serve as general outside counsel to the Southeastern Public Service Authority of Virginia ("SPSA") since its inception. At your request, we are providing this letter and the Standard Terms of Representation attached as Exhibit A to memorialize the terms on which our firm will continue to provide legal services to SPSA.

SPSA will be our client. You, or any successor Executive Director, will be the primary point of contact at SPSA, and I, or a successor mutually agreeable to SPSA and our firm, will be the primary point of contact at the firm.

We will represent SPSA with respect to matters referred to us. To date, this has included, among other things, advising SPSA on environmental laws and regulations, assisting with appointment of board members by the Governor, interpretation of enabling legislation and applicable statutes, assistance with bylaws and governance matters, preparation for and participation in public meetings of committees and the SPSA Board, drafting and negotiating contracts with vendors, service providers and member localities, advice on public procurement and Conflict of Interest Act issues, responding to Freedom of Information Act requests, assisting with the drafting of requests for proposals and subsequent negotiations, and advice on employment matters.

Under our engagement, SPSA is responsible to pay our fees for services and to reimburse us for all costs and expenses incurred in connection with our representation. The basis for computing our fees will be the amount of time spent on the matter by various lawyers and legal assistants multiplied by their individual hourly billing rates. Currently, our hourly billing rates for lawyers range from \$215 per hour for new associates to \$525 per hour for very senior

Reply to Norfolk Office

440 MONTICELLO AVENUE SUITE 2200 NORFOLK, VA 23510 757.628.5500 FACSIMILE 757.628.5566
222 CENTRAL PARK AVENUE SUITE 1500 VIRGINIA BEACH, VIRGINIA 23462 757.628.5600 FACSIMILE 757.628.5659

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Willcox & Savage

Ms. Liesl DeVary
July 25, 2018
Page 2

partners. My rate for the 2018 calendar year for services to SPSA is \$400. We endeavor to perform the work in an efficient and cost-effective manner. Additional information regarding fees, costs and expenses, conflicts of interest, and other important matters appears in the attached Standard Terms of Representation.

This engagement is terminable at will by SPSA, and also is terminable at will by us, although our right is limited by applicable rules of professional conduct, all as described under Termination in the attached Standard Terms of Representation. In addition to and not in derogation of its right to terminate, SPSA may evaluate formally the services we provide once each year, producing a written report to be presented to the Board at its annual meeting, so that the Board can review the report and decide what, if any, action it desires to take with regard to continuation of this engagement. Prior to preparing the written report, SPSA may schedule up to two meetings with the Executive Committee of the Board (or another designated committee) and us to discuss any concerns or problems. We will be entitled to review the written report at least one week prior to its presentation to the Board so that we can be prepared to address any concerns or questions raised by the Board. Either party may waive its rights with regard to an annual evaluation and the associated written report, without waiving its rights regarding the evaluation and report in the future.

Please countersign this letter and return a copy to me to confirm that the terms of our engagement, set forth herein and in the Standard Terms of Representation, continue to be acceptable. With best regards, I remain

Very truly yours,

Warren L. Tisdale

WLT:cas

AGREED AND ACCEPTED:

SOUTHEASTERN PUBLIC SERVICE
AUTHORITY OF VIRGINIA

By: _____
Liesl DeVary,
Executive Director

Date: _____

Exhibit A

Willcox & Savage, P.C.

Standard Terms of Representation

This document sets forth the standard terms related to the engagement of Willcox & Savage, P.C. (the "Firm") by the Southeastern Public Service Authority of Virginia ("Client"). Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement. Therefore, we ask that this document be reviewed carefully and that we be contacted promptly if there are any questions.

The Scope of Our Work

We will provide legal services with respect to matters that Client refers to us. Our representation does not include representation of Client in any other matter. We are providing strictly legal services in connection with this engagement. Client is not relying on us for, and we are not providing, any business, investment, insurance, or accounting advice.

The entity that we represent is the entity that is identified as the Client in our engagement letter and does not include any affiliates of such entity (*i.e.*, the engagement would not be with any employees, officers, directors, or member localities of the Client, or the member localities' employees, officers or directors). Accordingly, for conflict of interest purposes, it is agreed that we may represent another client with interests adverse to any such affiliate without obtaining consent from Client. Similarly, we may freely represent such affiliate in connection with matters not involving SPSA, without the consent of SPSA.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal lawyer contact. Subject to the supervisory role of the principal lawyer, Client's work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation will be with the approval of the Client, and will be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis.

Client Responsibilities

Client agrees to pay our statements for services and expenses as provided below. In addition, Client agrees to be candid and cooperative with us and will keep us informed with complete and accurate factual information, documents and other communications relevant to the subject matter of our representation or otherwise reasonably requested by us. If Client affiliates with, acquires, is acquired by, or merges with another entity, we will be provided with sufficient notice to permit us to withdraw as Client's lawyer if we determine that such affiliation, acquisition, or merger creates a conflict of interest between any of our Clients and the other party to such affiliation, acquisition, or merger.

Advice About Possible Outcomes

Either at the commencement or during the course of our representation, we may express opinions or beliefs concerning various courses of action that might be taken and/or the results that might be anticipated. Any such statement made by any lawyer of our firm is intended to be an expression of opinion only, based on information available to us at the time, and should not be construed as a promise or guarantee.

How Fees Will Be Set

The basis for computing our fees for the legal services we provide will be the amount of time spent on the matter by various lawyers and legal assistants multiplied by their individual hourly billing rates for this engagement.

The hourly rates of our lawyers and legal assistants are adjusted annually to reflect current levels of legal experience, changes in overhead costs, and other factors. We will keep records of the time we devote to Client's work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on Client's behalf, and other related matters. We record our time in units of tenths of an hour.

The fees and costs necessary to perform the work referred to us are not predictable. Any estimate of fees and costs that we may provide you from time to time, including, without limitation, any estimate that we provide Client to facilitate Client's creation of a fiscal year budget, is only an estimate and not a commitment to a fixed price or cap.

Additional Charges

In addition to our legal fees, we will charge for costs and expenses that we incur in the course of representation. Examples include such matters as long-distance telephone charges, special postage, delivery charges, photocopy charges and related expenses, travel expenses, and use of other service providers, such as printers or experts. In litigation matters, such expenses also may include filing fees, deposition costs, process servers, court reporters, and witness fees. We separately bill for computerized legal research and related expenses. Except for specialized word processing services, we normally do not make a separate charge for secretarial work unless there is a situation that requires overtime staff work.

While our charges for these services are measured by use, they may not, in all instances, reflect our exact out-of-pocket costs. For many of these items, the precise cost of providing the service is difficult to establish. We would be pleased to discuss the specific schedule of charges for these additional services and to answer any questions that may arise.

Billing Arrangements and Terms of Payment

We will bill on a monthly basis, for both fees and disbursements recorded on our books during the previous month. Client agrees to make payments within 30 days of receiving our statement.

If there is a delinquency and satisfactory payment terms are not arranged, we also may withdraw from the representation and pursue collection of the account. Client agrees to pay the costs of collecting the debt, including court costs, filing fees, and actual attorney's fees, plus a late charge of 5% of the delinquent balance. We also reserve the right to charge interest on delinquent accounts at the rate of 12% per annum. (For clarification, no interest will be charged on amounts outstanding as of the date of our engagement letter.)

Responses to Auditors' Inquiries

We are frequently asked to provide information to auditing firms regarding legal matters of our clients. We respond to those inquiries with the same level of care and professionalism that we use to handle Client's other legal work and will charge for these services at our customary hourly rates. When an auditing firm requests information on Client's behalf, that request will be deemed to be Client's request for us to disclose that information to that firm.

Termination

Client may terminate our services and representation at any time upon written notice to us. Such termination shall not, however, relieve Client of the obligation to pay for all services already rendered, including work in progress and remaining incomplete at the time of termination, and to pay for all expenses incurred on Client's behalf through the date of termination.

We reserve the right to withdraw from our representation as required or permitted by the applicable rules of professional conduct upon written notice to Client. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect Client's interests in the specified matter, and Client agrees to take all steps necessary to free us of any obligation to perform further, including the execution of any documents necessary to perfect our withdrawal. Client agrees to pay us for all services rendered and costs or expenses incurred on Client's behalf through the date of withdrawal.

Unless previously terminated, our representation in the specified matters will terminate upon our sending our final statement for services rendered.

Conclusion of Representation; Retention and Disposition of Documents

Following termination of our services, if Client so requests, all original, Client-furnished documents, legal instruments, official documents (corporate minutes, etc.), and copies of other documents prepared or collected for Client during the course of the representation will be returned to Client within a reasonable time. Otherwise, the Firm will retain those documents.

The Firm will retain its own records pertaining to the matter. All materials retained by the Firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of storage expenses, we reserve the right to destroy or otherwise dispose of any materials retained by us within a reasonable time after the termination of the engagement.

After the conclusion of our representation, changes may occur in the applicable laws or regulations that could have an impact upon Client's future rights and liabilities. The Firm has no continuing obligation to advise Client with respect to future legal developments.

11. Other Business

12. Adjourn Meeting