

SPSA

BOARD OF DIRECTORS

REGULAR MEETING AGENDA

May 22, 2019

Start Time: 9:30 a.m.

Location:

Regional Board Room
SPSA/Regional Building
723 Woodlake Drive
Chesapeake, VA 23320

1. INFORMAL ITEMS: DISCUSSION ONLY

- A. MONTHLY REPORT ON WTE OPERATIONS Clint Stratton
- April 2019 (pg. 2-5)

- B. EXECUTIVE DIRECTOR UPDATES Liesl DeVary
 - 1. Landfill Operational Summary (pg. 7-8)
 - 2. Construction Status Report (pg. 9)
 - 3. Executive Committee Minutes – 3/21/19 (pg. 10-11)

- C. CHAIRMAN’S COMMENTS. Chairman Keifer
- Nominating Committee

2. ACTION AGENDA

- A. MINUTES OF BOARD MEETING Chairman Keifer
- April 24, 2019 (pg. 13-29)

- B. FINANCIAL MATTERS Liesl DeVary
 - 1. Financial Reports (pg. 30-39)
 - 2. Contracts
 - A. Contract Awards
 - 1. Replacement of Roof at Chesapeake Transfer Station (pg. 40)
 - B. Contract Renewal
 - 1. Grounds Maintenance (pg. 41)

3. OLD/NEW BUSINESS

4. ADJOURN MEETING

LUNCH **WILL NOT** BE SERVED WITH THIS MEETING

Agenda

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA BOARD OF DIRECTORS Regular Meeting

WEDNESDAY, MAY 22, 2019

REGIONAL BOARD ROOM, SPSA REGIONAL BUILDING
723 WOODLAKE DRIVE, CHESAPEAKE, VIRGINIA
9:30 A.M.

CALL MEETING TO ORDER CHAIRMAN KEIFER
PLEDGE OF ALLEGIANCE
ROLL CALL

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.)

1. INFORMAL ITEMS: DISCUSSION ONLY

A. MONTHLY REPORT ON WTE OPERATIONS Clint Stratton

Mr. Clint Stratton will present the monthly Wheelabrator Reports for April 2019.

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

MONTH	SPSA					RDW WASTE					ASH DELIVERED		MW SOLD TO	
	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	DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	TO LANDFILL (TONS)	THE GRID (MWhr)
JAN	43,639.86	8,796.40	671.02	-	53,107.28	83,072	53,107.28	4,342.25	-	-	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			44,976.79	47,129.38	11,545.49	15,084
APR	48,293.43	8,246.30	853.98		57,393.71	48,051.60	57,393.71	4,485.86			52,907.85	50,643.08	14,102.74	17,654
MAY														
JUN														
JUL														
AUG														
SEP														
OCT														
NOV														
DEC														
YTD TOTAL														
12 MO														

* 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						
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
YTD TOTAL	91%	798.90	227.40	94%	300.00	302.40

Wheelabrator Portsmouth Inc.

Monthly Report for the Month of April 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 NOV's, proceedings, orders or investigations are pending, for the subject period.

Tests Completed:

Monthly Industrial Discharge Samples
Fuel Oil Sample
Quarterly GHG Test

Tests Planned:

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

Inspections:

HRSD Inspection RDF

Air Quality Violations:

None

Safety Issues:

OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	0
Lost Time Accidents this period:	0
Lost Time Accidents YTD:	0

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

WHEELABRATOR PORTSMOUTH INC

SUPPLEMENTAL INFORMATION

April 2019

Total Waste received by SPSA:	48,293 tons	
Waste delivered to RDF:	57,394 tons	
Total RDF processed:	50,643 tons	
Ash sent to landfill:	14,103 tons*	
Electric power sold:	17,654 MW	
Steam sold to Navy:	48,052 K-LBS	
Overall Boiler availability:	86%	
Overall Generator availability:	98%	
Environmental Incidents	0	
OSHA Recordable Accidents this period:	0	
OSHA Recordable Accidents YTD:	0	

General Notes:

* This total includes 13,755.19 tons of non-qualifying residue delivered to the landfill this period.

Outage completed #1 boiler to include Superheater replacement, bottom ash rebuilds, apron and RDF inspections, RDF feed screw and furnace overlay.

- B. EXECUTIVE DIRECTOR UPDATES Liesl DeVary
1. Landfill Operational Summary
 2. Construction Status Report
 3. Executive Committee Minutes – 3/21/19

KEY:

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		1st Quarter sampling for outfall 903 completed, laboratory results are in compliance. 1st Quarter eDMR for 903 submitted on time. First half sampling due by June 31st. Permit renewal application has begun by HDR's engineers. Application due July, 4th 2019.
1.2.4	Financial Assurance	Compliance	In compliance		
1.2.5	Wetlands	Compliance	In Compliance		
1.2.6	Groundwater	Compliance	In Compliance		2nd Quarter groundwater event completed. Awaiting results to determine if resampling will be needed for the quarter.
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	31,731		
2.2	No. staff	16.5	13.5		3 - 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	6,395		
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.
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.		Scada system is operational on all vaults and is tracking leachate volumes.
4.2	SCADA system operational during period	100 % Operational	Fully operational		SCADA is fully operational, a few punch list items remain to be completed.

Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
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	381,675		From 4/1 to 4/30
4.5.1.1	Cell V, Sumps 1-4	x gallons	505,843		From 4/1 to 4/30
4.5.1.2	Cell VI, Sumps 5-8	x gallons	507,914		From 4/1 to 4/30
4.5.2	Quantity of leachate hauled for disposal during period	x gallons	1,221,970		From 4/1 to 4/30
4.5.3	Disposal costs in period: \$		\$ 18,752		From 4/1 to 4/30
4.5.4	Any issues relative to leachate quality and acceptance at WWTPs?	No constraints	No constraints		
5	Landfill Gas Management	Compliance	In compliance		1st Quarter Gas Monitoring and Surface Emissions sampling are complete, no issues to report. 2nd Quarter sampling to start in May.
6	Odor Complaints	No complaints	No complaints		From 4/1 to 4/30
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

Construction Project Update For April 1, 2019 through April 30, 2019

	Original Contract	Cumulative Change Orders	Change Orders This Month	Total Contract Value	% of Original Contract in CO's	Scheduled Completion Date	Current Completion Date	Percent Complete
SCADA Upgrade	\$1,473,470	\$56,312	\$0	\$1,529,782	3.80%	8/30/2018	12/11/2018	100%
Leachate Loadout Project	\$1,276,600	\$178,174	\$0	\$1,454,765	14% *	8/30/2018	5/25/2019	99.5%

Individual Change Orders for SCADA Project

Description	Amount
CO-1 Switch from black iron to stainless steel discharge piping to eliminate corrosion from leachate.	\$12,850
CO-2 Replace corroded 480 volt underground feeder cables feeding vaults 2 and 3	\$19,646
CO-3 Remote Access which allows staff 24 hour access to SCADA from anywhere using handheld device	\$18,696
CO-4 Install power monitors to provide SCADA with electrical data from pumps and other devices to be trended	\$5,120

Individual Change Orders for Leachate Loadout Project

Description	Amount
CO-1 Correct drainage elevation and install Drop Inlet and Pipe	\$12,849
CO -2 Additional Time Request Granted Due to weather, permit delays and material availability	\$0
CO-3 Switch to Low Flow Pumps to allow pumping to HRSD SWIFT Plant (funded by HRSD)	\$76,554
CO-4 Replace Underground Feeder Cables to vaults 5,6,7 and 8 in Cells V and VI	\$88,771

* \$76,554 will be reimbursed from HRSD for low flow pumps

Engineering Task Orders

	Engineering Firm	Value	Invoiced To Date	Balance
SCADA Design and Construction Management	HDR	\$175,000	\$157,979.86	\$17,020.14
Leachate Loadout Design and Construction Management	HDR	\$253,164	\$237,150.17	\$16,013.83

**MINUTES OF THE
EXECUTIVE COMMITTEE
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA
March 21, 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 February 21, 2019 meeting. All were in favor.

2. Executive Director Reports / February Board Meeting Agenda

A new Virginia Beach alternate has been appointed, Bobby Wheeler is the Operations Support Administrator at the Public Works director's office.

New legislation General Assembly assigned a committee to monitor the SWIFT program. Bob Crum from HRPDC is a member. It may be beneficial to have a SPSA representative on this committee.

Fire inspection in Suffolk at the regional Landfill went really well, we had no discrepancies. Fire code requires us to test exit signs and lighting once a month and to be able to provide emergency lighting for 30 minutes.

Wheelabrator will leasing a screener which should be in by mid-April. The vendor will allow Wheelabrator to interchange different screen sizes to see what will work best for getting the ash to the desired ADC level.

A "live" SCADA presentation will be provided at the board meeting.

The fiscal year 2020 budget will be presented at the board meeting. The total budget is \$43.3 million, a 4.2% increase or \$1.75 million. The MSW tip fee will be \$57 per ton. The projected MSW tons are 445,000 an increase of 28,451 or 7%. The contract waste rate will increase from \$49 to \$51. The contract waste tons are 138,500 an increase of 34,500 or 33%. The non-contract waste rate will increase from \$75 to \$76. Non-contract waste is 32,000 tons an increase of 2,000 tons or 7%. A projected \$2.9 million surplus in the current fiscal year.

Operating expenses increased approximately \$3 million. Salary and benefits increased approximately \$380,000. It includes a 2.5% COLA, -2% cost for health insurance. Other operating expenses increased \$464,000. The WDSA will increase \$1.7 million due to the increase in tons. The WHDA will increase \$489,000 due to the 3% contractual increase. The

capital budget is \$3.5 million. The budget plans to set \$4.3 million aside for landfill closure and expansion. The budget does not include funding to visually record board meetings. Staff researched cost estimates to have an individual record the meeting since we do not have the necessary equipment. The costs were approximately \$1,400 for two hours. Minutes are recorded and rough copies from our stenographer are available following the meeting if requested.

A pay plan adjustment is included in the budget. The rates for heavy equipment operators, transfer vehicle operators and equipment mechanics are low and we are having a hard time filling those positions. Of our 139 employees 79 hold these positions.

The financial policies have been updated to remove the reference to debt, clarification of the Executive Directors authority in regards to budget transfers and changes to the employee policy manual. It is included in the budget document and will be reviewed at the board meeting.

One contract will be presented at the board meeting. It's for our data and telecommunications provider. We experienced an extreme outage with our current provider, Windstream. We do have one option year remaining, but we don't intend to renew. We reached out to Cox Communications, and they have proposed a one-year contract. This contract will also increase our bandwidth at the regional office building and the transfer stations. The contract will not go into effect until July 1, 2019.

3. Adjournment

There being no further business to come before the Executive Committee, the meeting was adjourned at 11:50 a.m.

- C. CHAIRMAN’S COMMENTS. Chairman Keifer
- Nominating Committee

2. **ACTION AGENDA**

- A. MINUTES OF BOARD MEETING Chairman Keifer

The minutes of the April 24, 2019 Board meeting are attached for your review and approval.

RECOMMENDED ACTION: Approve the minutes as presented.

MOTION: Do I hear a motion that the April 24, 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**

April 24, 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 <i>(absent)</i>	(FR)
Mr. Dale Baugh absent	(IW)	Mr. Randy Keaton <i>(absent)</i>	(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	(SH)
Mr. David Arnold	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(VB)	Mr. John Barnes <i>(absent)</i>	(VB)

* Indicates Late Arrival

** Indicates Early Departure

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included the Alternate Ex-Officio Members, Ms. Erin Trimyer (PO), Mr. Hart Council (SH), Mr. Bobby Wheeler (VB) and the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Blanche Christian, Administrative Coordinator and Secretary, and Warren Tisdale, General Counsel.

1. PUBLIC HEARING FOR FEES & CHARGES SCHEDULE

Chairman Keifer (NO) opened the public hearing relating to the preliminary Schedule of Fees and Charges as adopted at the March 27, 2019 Board meeting. To open the public hearing the following statement was read for the record by Chairman Keifer (NO).

“This public hearing is being held in accordance with Section 15.2-5136 of the Virginia Water and Waste Authorities Act. Its purpose is to take public comment on the proposed Schedule of Fees and Charges adopted in preliminary form by the Board of Directors of the Southeastern Public Service Authority of Virginia on March 27, 2019.

The notice of public hearing was published in The Virginian Pilot on April 2nd and April 9th as required by law. After conclusion of the public hearing, the Board of Directors will consider comments offered here today and will proceed to adopt a final schedule to become effective July 1, 2019, and to continue in effect until such time as modified by the Board of Directors in accordance with the procedures set forth in the Virginia Water and Waste Authorities Act.

If you wish to submit a written statement, please provide a copy to Blanche Christian. I would also appreciate your registering your attendance at this public hearing with Blanche Christian, if you have not already done so.”

Chairman Keifer (NO) asked if there were any speakers. There being no individuals wishing to speak during the public hearing on the preliminary tipping fee schedule, the public hearing was then closed.

2. INFORMAL ITEMS: DISCUSSION ONLY
A. MONTHLY REPORT ON WTE OPERATIONS

Mr. Stratton began the operational report for the month of March 2019 for Wheelabrator Portsmouth. Electrical power sold was 15,084 megawatts, which was slightly under budget due to the Norfolk Naval Shipyard TP breaker transmission wiring repairs. The ash screen was supposed to be on site on April 22, but I just received another e-mail this morning that it may not be here until Friday. I'm communicating with him daily on this screen so that we can try to improve the ash quality.

Wheelabrator Portsmouth March 2019



Operational Data

41,971 Tons	49,044 Tons	47,129 Tons	11,545 Tons	15,084 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
74,327 K-LBS	92%	96%	0	0
Steam sold to U.S. Navy	Overall boiler availability	Overall generator availability	Environmental incidents and OSHA recordable accidents	OSHA recordable accidents YTD

B. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary commented SPSA staff continue to keep the operations running smoothly. If you recall, the HRSD is planning on building a new force main for SPSA. They met with Henry Strickland and have done a preliminary siting of where the new force main will be located.

HRPDC has received a proposed scope of work for the flyover project. There will be a stakeholder meeting in the next couple of weeks.

Mr. Tisdale is very pleased to report that the amendment to the Articles of Incorporation are finally complete. If you recall, last July the General Assembly made a change so that the ex-officio members will no longer have a term limit.

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

Mr. Bagley stated that for the month of March, 24,523 tons of material were placed in the landfill. That was an increase of 945 tons from the previous month. Wheelabrator delivered 11,545 tons of residue to the landfill of which 8,874 tons or about 76% was reclassified to non-qualifying ash. We are looking forward to the screener coming in. The total leachate hauled for the period was 800,574 gallons, and the total leachate pumped to the HRSD force main to the Nansemond plant was 788,056 gallons. That was a total increase from the previous month of 382,726 gallons. If you recall, the Nansemond plant closed the SWIFT portion of the plant for a period back in February and March, and they allowed us to pump rather than haul directly to the SWIFT plant. The pumps were wide open which is one of the reasons why we pumped so much during that month. Now we're back to 15 gallons per minute, which started out on the 15th of April. We finished all of our first quarter environmental inspections of the transfer stations and buildings and the landfill with no deficiencies. We have had no odor complaints for the reporting period.

Mr. Sorrentino (VB) commented that you said there were several retirements, which seems like a problem. What is the Human Resource plan to backfill?

Ms. DeVary responded it is a concern. We're hoping that the Board is going to adopt the new pay plan so that we can adjust the pay and bring in new hires. If we don't have any filled by July 1st we will have nine vacancies in truck drivers. We are minimally staffed at our transfer stations and transportation. We also advertise for part-time truck drivers. We have had a little bit of an advantage hiring two part-time individuals to fill one full-time position. Any position we budget for is one that is critically needed.

Mr. Maxwell (CH) asked is the 382,720 gallons increase unusual.

Mr. Bagley responded it is an unusual amount. When we're not pumping, we have to haul all of that material, but the settling pond and the aeration pond still tend to elevate. While we were able to pump, we continue to pump to bring that pond down because we're going to be cleaning the leachate ponds in the upcoming year, which means those levels have to be down. We took advantage of that and that is why that number was higher. The other issue was we had a tremendous amount of rain. The working face is open, that leachate number is going to increase when you have a lot of rain.

Ms. DeVary commented the landfill operational summary report, the construction status report and the executive committee minutes from February are also in your agenda.

C. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) commented that each year we need to elect new officers of the Board, and we'll be appointing a Nominating Committee in May. I'm looking for anybody who might be interested in being on that voluntarily. We appoint a committee in May, they come up with a recommended slate of officers in June, and we vote on the officers and they take office in July. If anybody is interested in that, please let me know.

3. ACTION AGENDA

A. MINUTES OF BAORD MEETING

Chairman Keifer (NO) moved to the action agenda. The minutes of the March 27, 2019 Board meeting have been distributed. He asked if there were any additions or changes.

Mr. Sorrentino (VB) moved, seconded by Mr. Broad (NO) to approve the March 27, 2019 minutes of the SPSA board as presented. The vote of the motion was unanimous.

- B. FINANCIAL MATTERS
 - 1. Financial Reports

Ms. DeVary began by stating for the month ending March 31, 2019 total revenues exceeded expenses by approximately \$4.7 million as compared to \$2.5 million in the previous fiscal year. Our tipping fees fiscal year-to-date reflect a decrease of 1% or approximately \$310,000 as compared to fiscal year 2018, and that's primarily due to the reduction in the municipal tipping fee. Municipal waste tons are up approximately 13% or 35,940 due to bulk waste deliveries, weight of residential waste and an increase in municipal waste. Total municipal tonnages through March were 323,945 compared to 288,005 tons a year ago. Total expenses as of March 31, 2019 were approximately \$30.6 million as compared to \$31.2 million in the prior year. The salaries and benefits show an increase from the prior month because there were actually three paydays in March versus the normal two. Cash balances are at \$29.7 million, and they're designated with \$6.8 million in the operating, approximately \$300,000 for fiscal year '18, rolled purchase orders, \$3.3 million in the undesignated fund balance, \$2.4 million in the capital budget, and \$16.9 million for landfill closure. The numbers in the undesignated fund balance and the landfill closure haven't changed because I only update those once a year. That's why you don't see a change month to month but we are contributing to the landfill closure fund through the budget each month.

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

- A. Contract Awards
 - 1. GPS Compaction/Grade Control

Ms. DeVary commented there are several contracts for your consideration. The first one is for a GPS compaction/grade control system for use at the regional landfill. The system will equip the compactor and the dozer at the landfill with GPS guided compaction. It also includes the purchase of a drone that will be used to have more frequent analysis of airspace utilization. This contract is based on a Sourcewell Cooperative Procurement contract with Carter Machinery. The one-time equipment costs are \$147,643 with an annual licensing cost of \$12,776 per year. The grand total cost for this first year is \$160,419. Dennis is here to speak more specifically on it, but I was very impressed with the presentation I received on the equipment.

Mr. Bagley commented we have been working on this for a year now to make sure that we were buying what we'd be able to use and what would benefit us the most. The system will be set up on both the machines at the landfill. Currently our operators are depending on their experience and what they see when they put a lift in and start compacting it, when they think it's compacted to the level it's supposed to be, they move on. This system will provide the operator a computer in the cab of the

bulldozer and the compactor. When the screen turns green, that means the area is fully compacted. It uses GPS coordinates through satellite imagery and it is constantly tracking its elevation. By knowing the weight of the compactor, they can use the elevation weight of the compactor and the amount of trash that's there and determine exactly what your compaction rate is. Long-term it increases our landfill space that's available because we know what we're putting in the landfill and it decreases operating costs. Typically, when these systems have been put in at landfills they see an 18% decrease in the cost of operating the dozer. I think this is something that's going to benefit the landfill for years to come because we'll be able to better manage what's coming in and make sure we're utilizing airspace. We've shared our airspace report with you and we're doing well, but this is going to only improve on that. Currently there are two landfills in Virginia that are using it, so we've seen this in operation. The only pieces we've not seen operational is the drone technology which eliminates our need for constant surveying of the landfill. HDR has used that technology before and they have a very positive response.

Mr. Sorrentino (VB) moved, seconded by Mr. Jenkins (CH) to award the contract to Carter Machinery in the amount of \$160,419 as presented. All were in favor with the exception of Mr. McCoy (PO) who abstained from the vote.

2. Uniform Rental

Ms. DeVary continued, we provide some employees with weekly uniform service. The new contract includes high visibility uniforms so in the summer months employees don't have to wear both their uniform and their safety vest. We did upgrade the uniforms to a better quality of material. We were receiving several complaints of how uncomfortable they were. This is also based on a Sourcewell Cooperative Procurement Contract. The vendor is UniFirst and it is a five-year contract beginning July 1, 2019 and it's based on unit prices. The estimated annual cost is \$50,394, which has been included in your budget.

Mr. McCoy (PO) moved, seconded by Ms. Raulston (FR) to award the contract for employee uniforms to UniFirst Corp. as presented. The vote of the motion was unanimous.

B. Contract Renewals

1. Annual Independent Audit Services

Ms. DeVary stated the next set of contracts are annual contracts that we renew each year. The first one is for the annual audit services. It's with Brown Edwards, and we're exercising option year four of four. The annual amount is \$53,220 and it represents a 1.5% increase from the prior year, which is based on a CPI.

2. FY2020 Property, Liability & Worker's Compensation Insurance

Our property, liability and worker's compensation insurance is with VML Insurance Program, (VMLIP). There isn't a set term and it is not required to be bid out since it's a pooled insurance program. The amount is \$344,484 and it represents a 2% increase, but that is primarily due to the increase in the values of the property as well as we purchased new tractors that increased the value.

3. Regional Landfill Security Services

Under our permit we're required to have security at the landfill when we are not there. The current contract is with United American Security. This would be exercising option year one of four. The annual amount is approximately \$81,728, and there is no change in the hourly rate.

4. Household Hazardous Waste Disposal Services

Household hazardous waste disposal is with MXI Environmental Services. This is exercising option year one of four. The annual cost is estimated at \$55,000, which is based on unit prices and there was no change in rates.

5. Service & OEM Caterpillar Replacement Parts

Service and OEM Caterpillar replacement parts is with Carter Machinery. This is exercising option year two of four. The annual amount is based on unit prices, we average anywhere from \$275,000 to \$300,000 a year.

6. Truck Tire Management Program

The truck tire management program is with Colony Tire. It exercises option year three of four, and the amount is approximately \$150,000 and there were no changes in the unit prices.

7. Loader Tire Services

The loader tires renewal is with Colony Tire. It's exercising option year two of four. The annual amount is \$512,582.20 and there is no change in the amount.

Chairman Keifer (NO) commented we can consider all of these together as one motion unless somebody would like one of them to be pulled out individually for discussion.

Mr. Sorrentino (VB) suggested that Warren take a look at that liability, property, workers' compensation insurance policy and make sure it's what we want because we don't want to find out the hard way that we don't have the right insurance.

Ms. DeVary commented that this insurance is a pooled program that is only for local governments, and we share in the risk of that. The larger localities are self-insured, but the smaller ones go through VML or VACO.

Mr. Sorrentino (VB) asked if everybody has the same terms and conditions?

Ms. DeVary responded there are different options within it, but for property coverages, it includes replacement cost and liability. I can send the information to Warren for him to look at, but it's really comprehensive and is to our benefit not to the insured company's benefit, but we can certainly confirm that.

Mr. McCoy (PO) wished to abstain from the contract to Carter Machinery. My son-in-law works there and although he doesn't deal with SPSA I want to make sure there is no conflict of interest.

Chairman Keifer (NO) commented we will pull that renewal out separately.

Ms. Lowe (SH) moved, seconded by Mr. Broad (NO) to approve the contract renewals for the Annual Audit Services to Brown Edwards, the Property, Liability and Worker's Comp insurance to VMLIP, the Regional Landfill security to the United American Security, HHW Disposal Environment Services to MXI Environmental Services, Truck tire management program to Colony Tire and the Loader Tires Services to Colony Tire. All were in favor of the motion with the exception of Mr. Arnold (SU) who abstained from the vote.

Mr. Jenkins (CH) moved, seconded by Mr. Sorrentino (VB) to approve the contract renewal for Service and OEM Caterpillar replacement parts to Carter Machinery. All were in favor with the exception of Mr. McCoy who abstained from the vote.

C. BUDGET ADOPTION

Ms. DeVary began the presentation on the FY2020 proposed operating and capital budgets. Total revenues equal expenses for a total of \$43,347,212. The budget has increased by \$30,000 from what was introduced last month for the Household Hazardous Waste (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. We will be collecting HHW two days a week at the Norfolk Transfer Station, and then that gets sent to the regional landfill. We bulk it and we properly dispose of it through our contract. For ease of things, we know that our expense side is going to increase about \$30,000 so the revenue for HHW increased a similar amount even though we know the revenue is probably going to be more than that. Each time a resident visits and disposes of HHW the city is charged \$36 per trip. This budget represents a 4.2% increase from fiscal year 19 or approximately \$1.75 million. We are recommending to reduce the municipal tipping fee to \$57 per ton from the current \$62 per ton. Municipal tonnages are projected at 445,000 tons, which represents an increase of 28,510 tons or 7%.

FY 2020 Revenues

3

- Total Tipping Fees are projected at \$41.6 million an increase of \$3.9 million or 10% and consist of:
 - ✓ Municipal Tip Fees ~ \$25.4 million, 445,000 tons
 - ✓ Navy Waste ~ \$1.1 million, 25,500 tons
 - ✓ Contract Waste (at transfer stations) ~ \$7 million, 138,500 tons
 - ✓ Non-Contract Waste ~ \$2.4 million, 32,000 tons
 - ✓ Other Waste ~ \$5.5 million, includes CDD, Norfolk Sludge, ash disposal and other waste disposed at the landfill

FY 2020 Revenues Continued

4

- Charges for Environmental Services are \$855,000
 - ✓ Tire disposal ~ \$515,000, an increase of \$183,200 due to increase in tire disposal
 - ✓ Household hazardous waste ~ \$300,000 (was \$275,000)
 - ✓ White goods ~ \$35,000
- Landfill Gas Royalties are \$312,000 reflect a slight decrease due to reduction in methane gas
- Miscellaneous Income/Interest Earnings are projected at \$548,775

The previous budget for Household hazardous waste was \$275,000, but as I mentioned I increased it to \$300,000.

Tip Fee Schedule – Recommended Changes

5

Waste Type	Current Rate	Proposed Rate
Municipal Solid Waste	\$62.00 / ton	\$57.00 / ton
Contract Non-Municipal Waste	\$49.00 / ton	\$51.00 / ton
Non Contract Non-Municipal Waste	\$75.00 / ton	\$76.00 / Ton

- ### FY 2020 Expenses ~ Summary of Changes
- 6
- Total Expenses reflect a **net increase** of 4.2% or \$1.75 million and is reflected in the following areas:
 - ✓ Operating Expenses **increase** ~ \$3 million to \$35.5 million
 - ✓ Capital **decreases** \$2.2 million to \$3.5 million
 - ✓ Reserves for Landfill Expansion **increase** ~ \$928,000 to \$4.3 million

- ### FY 2020 Operating Expenses
- 7
- Increase in Operating Expenses include the following:
 - Total personnel costs increase \$343,300 and include:
 - ✓ A pay plan adjustment **OR** A 2.5% COLA
 - ✓ A 2% decrease in health insurance
 - ✓ A net increase of 2.25 FTE positions:
 - +2.0 transfer vehicle operators
 - +.25 scale attendants

- ### FY 2020 Operating Expenses Continued
- 8
- Professional/contracted services reflect a net **increase** of \$193,000 for employee uniforms, building and site maintenance and HHW disposal costs.
 - Other Operating Expenses **increase** \$224,000 for increased cost of leachate treatment, employee training and road tolls.
 - Materials & Supplies **increase** \$108,000 primarily for fuel and other operating supplies.
 - Contracted Waste Disposal Services **increase** \$2.2 million due to increase in tons and a 3% contractual increase for the WHDA.

Total personnel costs increased \$343,300. Previously, I showed an increase of \$400,000, but we had some additional retirements, as well as the worker's compensation insurance was \$30,000 lower than what was originally budgeted. This does include a pay plan adjustment or a 2.5% cost of living adjustment. An employee would not receive both.

- ### Capital Improvements/Equipment Replacement
- 9
- Capital Improvements /Equipment Replacement decreased by \$2.2 million to \$3.5 million
 - The goal is to maintain a level budget of \$3.5 million for capital improvements and equipment replacement. Funds not used in one fiscal year will revert to a Capital Budget Reserve to be used in future years to offset any increase in projected expenses.
 - Landfill ~ \$1.6 million for cleaning the leachate pond, asphalt the parking lot and tire shredder areas, a dump truck replacement and the purchase of a hydro seeder.
 - Equipment Replacement at transfer stations~ \$300,000
 - Transportation ~ \$1.03 million for 8 new tractors and a SUV replacement
 - Fleet Maintenance ~ \$160,000 to replace a field service truck
 - Regional Office Building ~ \$50,000 to sealcoat and repaint parking lot

- ### Budget Recap
- 10
- Total Budget = \$43,347,212
 - Municipal tonnages are projected at 445,000
 - Municipal tip fee decreases to \$57 per ton
 - Includes a pay plan adjustment **OR** a 2.5% COLA in employee wages
 - **Recommendation:** Adopt the July 1, 2019 - June 30, 2020 Operating & Capital Budgets as presented

To recap, the total budget is \$43,347,212. Municipal tonnages are projected at 445,000 tons, the municipal tip fee decreases to \$57 per ton, and it includes a pay plan adjustment or a 2.5% cost of living adjustment in employee wages. The pay plan adjustment is only for truck drivers, equipment mechanics, and heavy equipment operators. Those are the only positions that we're in desperate need of and have the most vacancies in. We need to bump the starting pay for those and in doing so, we've got to adjust the other people that are currently in those positions so you don't end up with compression and upset employees. Our recommendation is to adopt the July 1, 2019, through June 30, 2020 operating and capital budgets as presented.

Mr. Ashby (PO) commented that in regards to the pay plan when municipalities have these kind of issues, they end up trying to phase them in, especially if you got an issue with regard to looking at COLAs. My concern last budget cycle was we gave an across-the-board COLA. My concern is that if this were structured differently, perhaps we could better stabilize our tipping fee for a couple years and give the municipalities a chance to really take advantage in terms of plotting and planning. I can appreciate the discussion and the materials that Liesl has provided me, but moving a pay plan and pay scale at the top and the bottom appears to be a bit aggressive.

Ms. DeVary responded if we would phase it in, I don't think we would get the same benefit from it because unless I can bump those minimums up, I'm not going to have the ability to be hiring new staff. I know all of you know that if you hire new staff and they're making higher amount of money than existing employees there's going to be quite a bit of discontent. On the pay plan adjustment, there is a maximum; they get adjusted in their new pay plan under the years of service. The maximum increase any employee could have is \$5,000. I think if it would be aggressive or considered aggressive if we would fully implement this and not have any cap. I strongly feel that this is needed. The pay plan has not been updated since January of 2014.

Chairman Keifer (NO) commented there's three pieces of this. You're raising the top of the pay plan by 2.5%, to accommodate employees who have been topped out for a couple years, you're raising the bottom of the pay plan just for those three positions that and then you're making pay adjustments for people in those positions.

Mr. Jenkins (CH) commented that if we did not cap it at five thousand, the cost would be significantly more. In effect you are phasing this pay plan adjustment.

Mr. McCoy (PO) commented we're down nine positions. The trash has got to be hauled and that means you have to take other drivers and work them overtime at time and a half. We don't have extra positions or overtime budgeted. It's not unusual that city managers find themselves in a compression situation where they have to compete with other cities for the same positions. Right or wrong, it's probably something that all city managers are going to have to look at if not in this budget, in future budgets trying to keep your operations going. We can't lose sight of what our responsibilities are.

Chairman Keifer (NO) commented that last month you shared information that showed the starting salaries of these positions were not competitive compared to other communities.

Ms. DeVary responded yes, we're hoping that raising the minimum pay for a truck driver to \$19 is going to help, but they're making \$20-\$22, in private business. Something else you have to keep in

mind with truck drivers is they have to have a resting period. That's always my concern with the people out in the field. Certainly, a lot of them enjoy overtime, but my concern is safety. Working somebody without a break increases the odds for accidents and that is also something I want to make sure we prevent.

Mr. Sorrentino (VB) asked what makes you think you're going to get people coming to work at SPSA at \$19 if other companies are offering \$20-\$22.

Ms. DeVary responded the other benefits offered; we have a great health insurance plan as well as the Virginia Retirement System (VRS). Our VRS plan has been overfunded for a number of years. Our rate for VRS is less than a half of a percent, whereas I believe other localities are double digits. I believe the total compensation package makes it equal.

Mr. Ashby (PO) commented I understand the issue with CDL drivers. I'm just saying nine years of across the board, 2.5-3% COLAs for everyone and addressing the issues with regard to heavy truck operators in the same year is a pattern that is unusual in my estimation. I suspect all of us in municipalities have had to make those choices where we can address a compression issue for some of our employees. Some localities may not have that kind of issue and pressure, but I've spoken to my locality and we think trying to do both across the board with a nine-year cycle is aggressive, especially when ultimately that dollar amount get passed down to us. We would like to be able to budget a two-year tip fee stabilization at \$57 per ton. What does that equate to on the tipping fee?

Ms. DeVary responded to keep it at \$57 it should be less than a dollar.

Mr. Ashby (PO) commented as I recall from the last presentation, the estimation was the tipping fee was going to go up from this year to next year in the budget cycle.

Ms. DeVary responded sixty-five cents is what was projected, but that's assuming that your annual tonnages increase.

Mr. Ashby (PO) commented that my purpose for that comment is we would be better able to adjust and budget on a two-year basis if we staggered these changes. If you have an issue with heavy equipment operators, you may need to address that, but the across-the-board COLA is a bit much.

Mr. Wheeler commented we're having a hard time recruiting CDLs. We've looked at incentive programs, we increased the drivers' pay by 5% in the last year, and we're looking at other operations as well. As far as what Mr. Ashby is saying, we don't give a COLA, we provide merit increases and we stagger those. It is based on the midpoint of salary. I don't know if you've thought about those options. That helps reduce some of your costs and maybe maintain a rate for two years because we're struggling with our rate increases and fees.

Ms. DeVary stated that 79 of our 139 positions are in those 3 positions.

Mr. Roberts (SU) stated I do support the budget and after some discussion, I hope we're able to approve it. I do specifically support the pay increases that are proposed in the plan that Liesl has laid out. My concern initially was that we would approve it without a lot of discussion, and the perception

might be publicly that we did so without giving it a lot of careful thought. I think all of us have given it quite a bit of thought. David Arnold made several comments last year that resonated with me about the approach to employee compensation and how we do that in the context of other public employees and private employers in the region. I can agree with just about all of what has been said particularly the observation of how consistently we have applied COLAs or general wage increases the last several years. If we had to revisit some of those decisions that were made years ago, we might scrutinize some of them. I take into account that no employer can arbitrarily set an expectation that employees should receive some general wage increases every year. I approached my decision in putting together the City of Suffolk's budget very carefully this year, and I approached my observations about the SPSA budget and I look at a few factors. We are at what we can refer to as full employment. It's a seller's market right now. Employees with any set of marketable skills a good track record and who can pass a drug test are selling their services, they can command full price. All those factors put pressure on hiring managers to keep positions filled, and so what we're experiencing here at SPSA is not unlike what's going on in the other communities That could change drastically between now and next year. We just need to pay people fairly in the context of what we believe is going to happen in the next fiscal year, and for all those reasons, I support the proposal that Liesl has laid out.

Mr. Broad (NO) commented Harvey started an inhouse training program at Norfolk. It is a good program, but the only problem is there are no real guarantees when you train them. There are no strings attached. It's kind of a risky proposition to do it, but we felt like overall it was a good thing.

Chairman Keifer (NO) commented Solomon makes very good points The one thing I would say is SPSA has had some really great success in that we've driven down costs considerably and the employees have had a role in that. To me, it only seems fair to share some of that with the employees this time since we reduced the tipping fee considerably. If we get in a situation where it increases or staying the same, that's a different situation. The other comment is the budget increasing by 4.2% concerns me a bit, but a lot of the items are going to be adjusted and won't be repeated in the future. Hopefully the future increase will not be as great.

Mr. Jenkins (CH) moved, seconded by Ms. Lowe (SH) to adopt the July 1, 2019 – June 30, 2020 Operating and Capital budgets as presented.

Roll call

Mr. Maxwell (CH):	Yes
Mr. Jenkins (CH):	Yes
Ms. Raulston (FR):	Yes
Mr. Baugh (FR):	Yes
Mr. Etheridge (FR)	Yes
Mr. Keifer (NO):	Yes
Mr. Broad (NO):	Yes
Mr. McCoy (PO):	Yes
Mr. Ashby (PO):	No
Mr. Hodges (SH):	Yes
Ms. Lowe (SH):	Yes
Mr. Arnold (SU):	Yes

Mr. Roberts (SU): Yes
Mr. Sorrentino (VB): Yes
Mr. Wheeler (VB): Yes

The motion to adopt the July 1, 2019 – June 30, 2020 Operating and Capital budgets as presented passes 14-1. All were in favor with the exception of Mr. Ashby (PO).

D. ADOPTION OF FEES AND CHARGES SCHEDULE

Ms. DeVary continued since you have adopted that budget, we also need to adopt the changes in the tip fee schedule as they were presented and advertised.

Mr. Broad (NO) moved, seconded by Ms. Raulston (FR) to adopt the Schedule of Fees and Charges with an effective date of July 1, 2019 as advertised.

Roll call

Mr. Maxwell (CH): Yes
Mr. Jenkins (CH): Yes
Ms. Raulston (FR): Yes
Mr. Baugh (FR): Yes
Mr. Etheridge (FR) Yes
Mr. Keifer (NO): Yes
Mr. Broad (NO): Yes
Mr. McCoy (PO): Yes
Mr. Ashby (PO): Yes
Mr. Hodges (SH): Yes
Ms. Lowe (SH): Yes
Mr. Arnold (SU): Yes
Mr. Roberts (SU): Yes
Mr. Sorrentino (VB): Yes
Mr. Wheeler (VB): Yes

The motion to adopt the Schedule of Fees and Charges with an effective date of July 1, 2019 as advertised passes. The vote of the motion was unanimous.

E. RESOLUTION FOR AMENDMENT TO SOP

Ms. DeVary continued to the changes to the Strategic Operating Plan (SOP). The section on the Regional Landfill planning horizon was updated in the documents to reflect the most recent airspace report and conceptual plan. The section pertaining to the annual budget was updated to coincide with changes to the Financial Policies, and SPSA's role in a storm event was updated to reflect that VDEM now serves as the points of contact. Our recommendation would be to adopt a resolution approving the changes.

The Resolution was read as follows:

**RESOLUTION APPROVING REVISIONS TO THE STRATEGIC OPERATING PLAN –
APRIL 24, 2019**

WHEREAS, the Southeastern Public Service Authority of Virginia (“SPSA”) was created in 1976 by concurrent resolution of the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton (the “SPSA Members”);

WHEREAS, between 1983 and 1984, the SPSA Members entered into individual Use and Support Agreements with SPSA (such agreements, as originally entered into and subsequently amended, are the “Legacy Use & Support Agreements”) which provided, among other things, that each SPSA Member would deliver to SPSA substantially all of the disposable solid waste generated or collected by or within or under the control of such member;

WHEREAS, all of the Legacy Use & Support Agreements expired on January 24, 2018;

WHEREAS, in anticipation of the expiration of the Legacy Use & Support Agreements, a series of comprehensive studies were performed and discussions conducted in order to assess regional solid waste management planning and related issues;

WHEREAS, based on such studies, discussions and other factors, the SPSA Members generally determined that a cooperative approach to the continuation of a regional system of municipal solid waste management, effected through SPSA, is in the best interests of the SPSA Members individually and the region as a whole;

WHEREAS, in light of such determination, a Use & Support Committee of the Board of Directors of SPSA was established to develop, prepare and submit to the SPSA Members a form Use & Support Agreement that would be used to create identical new agreements between SPSA and each SPSA Member to replace their respective Legacy Use & Support Agreements, with effect as of January 25, 2018, to provide for the SPSA Members continuing delivery of municipal solid waste to SPSA and for SPSA’s continuing management and disposal of such waste;

WHEREAS, after many months of study and consideration by SPSA Executive Staff, legal counsel, the Use and Support Board Committee, the Board and the SPSA Members, the Cities of Chesapeake, Franklin, Norfolk, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton each approved, executed and delivered to SPSA the Use & Support Agreement, including a Strategic Operating Plan to be attached thereto as Schedule I and incorporated therein by reference (the agreements, as executed and delivered by each of the foregoing SPSA Members in identical form, are collectively the “Post-2018 Use & Support Agreements”); and

WHEREAS, the Board on May 25, 2016, authorized the execution, delivery and performance of the Post-2018 Use & Support Agreements with each of the SPSA Members, further to the continuation of a regional system of municipal solid waste management to be effected through SPSA;

WHEREAS, pursuant to the Post-2018 Use & Support Agreements, the Strategic Operating Plan attached as Schedule I to the Post-2018 Use & Support Agreements, shall be reviewed by the Board on at least an annual basis in connection with the Board’s review and consideration of the

annual operating budget of SPSA, and at such other times as the Board may deem necessary or appropriate;

WHEREAS, pursuant to the Post-2018 Use & Support Agreements, if deemed necessary or appropriate after review, the Strategic Operating Plan may be updated or modified by a resolution approved by at least seventy-five percent (75%) of the Board, and any such updated and/or modified Strategic Operating Plan shall be appended to the Post-2018 Use & Support Agreements as new Schedule I thereto, in replacement of all prior Strategic Operating Plans.

WHEREAS, SPSA Executive Staff with the assistance and advice of legal counsel has reviewed the Strategic Operating Plan, and has recommended to the Board that certain updates and modifications be made to the Strategic Operating Plan;

WHEREAS, the Board after review and consideration has deemed it necessary and appropriate to make the recommended changes to the Strategic Operating Plan.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of SPSA as follows:

1. The Strategic Operating Plan shall be updated and modified as shown on the Strategic Operating Plan attached to this resolution, the updated and modified Strategic Operating Plan shall replace the version of the Strategic Operating Plan approved by the Board on January 24, 2018, which was effective January 25, 2018, and the updated and modified Strategic Operating Plan be deemed to be appended as Schedule I to the Post-2018 Use & Support Agreements, and duly incorporated therein.

2. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, each in the name of and on behalf of SPSA, that she may deem necessary or desirable to carry out the intent and purposes of the foregoing resolution.

3. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to take any and all steps and to do all things that she may deem necessary or advisable in order to effect the purposes of each and all of the foregoing resolutions.

Mr. Tisdale commented that the SOP is attached to your Use and Support Agreement. When you refer to your Use and Support Agreement in the future, it will not be the SOP dated January 25, 2018, it will be dated April 24, 2019.

Mr. Maxwell (CH) moved, seconded by Ms. Raulston (FR) to adopt the resolution approving the changes to the SOP. The vote of the motion was unanimous.

F. FINANCIAL AND PERSONNEL POLICIES

Ms. DeVary reported on the changes to the financial and personnel policies.

Changes to Financial Policies

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- References to bond resolutions have been removed
- Amended to reflect Executive Director's authority:
 - ✓ Make budget transfers within cost centers (departments), however Budget transfers between cost centers are limited to \$50,000 without Board approval.
 - ✓ May make position adjustments throughout budget year but cannot exceed the budgeted FTEs or budget amounts.
 - ✓ Make changes to the Employee Policy Manual without Board approval except for sections pertaining to compensation and benefits.

Changes to Financial Policies

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- Fund Balance Policy
 - ✓ SPSA intends to maintain an undesignated fund balance equivalent to 2 months operating expenses
- Debt Policy
 - ✓ SPSA does not intend to issue any debt
- Sale of Surplus Equipment section removed
- Credit and Collection Policy
 - ✓ Updated to reflect identical terminology in SOP

Recommendation: Approve the Financial and Personnel Policies as presented.

Chairman Keifer (NO) commented that some of this is new, but each of our communities have limits on what their managers can do in terms of adjusting positions and making budget transfers. We think this is important to specifically state what the Executive Director's authority is.

Mr. Maxwell (CH) commented on the fund balance policy, the word intends should be mandated. I think it is the fiduciary responsibility of the Board. At a minimum, it should be two months' operating expenses.

Ms. DeVary commented that in discussions with the Executive Committee, they thought it was best to give us some flexibility there so that we if you didn't maintain it, you wouldn't be in violation of your policies.

Mr. Ashby (PO) commented I think the term "intend" is a little loose.

Ms. DeVary commented that the two months operating funds based on fiscal year '20 budget is \$5.9 million, we will be slightly over that. I am perfectly fine with it saying shall.

Chairman Keifer (NO) commented I was the one that changed this. This is there for emergencies, and if it says shall, then you can't use it for emergencies if we run into a cash flow problem or something like that. The intention is not we're going to try to do it; we intend to do it.

Ms. DeVary stated there's another section in the policy that also says the unrestricted fund balance may be replenished over one to three fiscal years depending on amount. So that piece does give the Board flexibility on the replenishment of it.

Mr. Roberts (SU) commented as a matter of procedure and transparency. If for some reason there was an emergency or expense in order to transfer the funds from the undesignated fund balance to the operating budget, that would require action of the Board by roll call vote. It would be a conscious, deliberate decision for us to deviate from this policy, and I would think that that would be done with a lot of attention and a lot of discussion, and we would do so in the context that we are making a decision outside of this policy. So, if we're worried about a slippery slope I don't really see that happening.

Chairman Keifer (NO) stated we will change the language to say “shall maintain” an undesignated fund balance.

Mr. Jenkins (CH) commented that with respect to the budget transfer policy, which I have no problem with and support, I think the transfers approaching \$50,000 should be reported to the Board periodically, either quarterly or monthly.

Ms. DeVary commented it's extremely rare that we transfer from one cost center to another. It's normally all within the same cost center. The intention of adding this is so that the Board would know if I was transferring money, and that's why they put the suggested limit of anything over \$50,000, but I can as a matter of procedure report any transfers between cost centers on a monthly basis.

Chairman Keifer (NO) commented if we added a statement saying that the Board would be advised of any transfers, I think that would cover Mr. Jenkins concern. Two changes to the financial and personnel policies that were presented. One is the budget transfers; board would be notified of them and the second is that we “shall maintain” in the undesignated fund balance.

Mr. Sorrentino (VB) moved, seconded by Mr. Ashby (PO) to approve the Financial and Personnel Policies as presented. The vote of the motion was unanimous.

Mr. McCoy (PO) commented over the last couple months, the Chairman and I have had the pleasure of going with Liesl, to the member communities to present an update on the status of SPSA. I'd like to report to you that it was quite interesting. The councils and the Board of supervisors so far have received us with open arms. We have Virginia Beach scheduled for next month and we still have Norfolk and Suffolk to go yet. It's been rewarding to me as your Vice-Chairman to see the changes that's taken place over the last five years, and I really commend this board for allowing all of us to move forward and make major changes. It has made a significant difference in the way we are received and the way we are perceived in the region.

4. CLOSESD SESSION

Warren Tisdale, General Counsel read the following closed session certification:

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.

Mr. Keifer (NO) moved, seconded by Mr. Jenkins (CH) to approve the certification as read. The vote of the motion was unanimous.

5. ACTIONS ARISING FROM CLOSED SESSION

Immediately upon completion of the closed meeting, General Counsel Warren Tisdale, read the following certification:

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

Mr. Keifer (NO) moved, seconded by Mr. Broad (NO) to approve the certification as read. The vote of the motion was unanimous.

6. OLD/NEW BUSINESS

There was no old/new business at this meeting.

7. ADJOURN MEETING

There being no further business to come before the Board of Directors the regular meeting was adjourned at 11:18 a.m.

Liesl R. DeVary
Executive Director

Submitted by: Blanche Christian
Secretary, SPSA Board of Directors

B. Financial Matters

(1) Financial Report

Statement of Revenue and Expenses – Budget to Actual Comparison

For the month ending April 30, 2019, total revenues exceeded total expenses by approximately \$5.9 million as compared to \$2.7 million in the previous year.

Tipping fee revenue received FYTD reflects an increase of 1.7% or approximately \$601,000 as compared to fiscal year 2018. Municipal waste tons are up approximately 14% or 44,200 tons as compared to fiscal year 2018. The increase is due to an increase in the municipal waste stream and for receiving bulk waste.

For the month ending April 30, 2019, total expenses were approximately \$33.9 million as compared to \$34.3 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 month ending April 30, 2019, municipal waste tonnages reflect an increase of 14% or approximately 44,200 tons as compared to April 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 April 30, 2019 operating cash balances were approximately \$30.4 million representing approximately \$7.6 million in the operating account, \$3.3 million in undesignated fund balance, \$278,679 for FY 2018 Rolled Purchase Orders, \$2.4 million reserved for FY 2019 capital projects and \$16.9 million designated for landfill expansion/closure.

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

	April 2019				April 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
REVENUES								
Tipping Fees	\$ 37,720,239	\$ 4,147,135	\$ 35,926,698	95.2%	\$ 42,407,666	\$ 3,236,548	\$ 35,326,153	83.3%
Tire program	332,000	50,738	482,190	145.2%	292,000	40,480	347,497	119.0%
Household Hazardous Waste Revenue	250,000	35,449	214,656	85.9%	225,000	33,682	219,949	97.8%
White Goods Program	40,000	7,339	37,068	92.7%	40,000	3,038	29,092	72.7%
Landfill Gas Recovery	335,000	39,225	261,490	78.1%	335,000	34,193	281,082	83.9%
Miscellaneous Income	214,950	25,470	487,243	226.7%	639,390	19,900	679,814	106.3%
Interest Earnings	180,000	53,451	369,131	205.1%	180,000	5,105	183,696	102.1%
A Fund Balance / Capital / Rolled PO's	2,173,044	50,553	1,894,365	87.2%	351,971	-	-	0.0%
Fund Balance / Contingency	2,500,000	23,639	114,176	4.6%	592,448	-	-	0.0%
Fund Balance / Tip Fee Stabilization Fund	-	-	-	N/A	-	-	-	N/A
TOTAL REVENUES	\$ 43,745,233	\$ 4,432,998	\$ 39,787,017	91.0%	\$ 45,063,475	\$ 3,372,945	\$ 37,067,284	82.3%
OPERATING EXPENSES								
Administration								
Salaries / Wages	\$ 882,617	\$ 60,596	\$ 576,138	65.3%	\$ 773,361	\$ 56,995	\$ 491,690	63.6%
Employee Benefits	227,468	15,367	142,940	62.8%	213,478	14,739	131,749	61.7%
A Professional / Contracted Services	645,915	16,059	432,637	67.0%	609,426	31,419	668,139	109.6%
Other Operating Expenses	208,900	18,465	154,980	74.2%	152,580	17,631	134,529	88.2%
Materials / Supplies	15,498	650	4,729	30.5%	16,515	2,786	17,158	103.9%
Total Administration	\$ 1,980,398	\$ 111,137	\$ 1,311,424	66.2%	\$ 1,765,360	\$ 123,571	\$ 1,443,265	81.8%
Environmental Management								
Salaries / Wages	\$ 284,161	\$ 21,842	\$ 228,632	80.5%	\$ 281,909	\$ 21,153	\$ 217,621	77.2%
Employee Benefits	96,980	8,353	83,355	86.0%	96,178	7,163	80,205	83.4%
Professional / Contracted Services	43,160	6,911	32,961	76.4%	43,100	356	18,252	42.3%
Other Operating Expenses	7,168	359	5,088	71.0%	6,915	371	3,778	54.6%
Materials / Supplies	20,620	767	15,777	76.5%	20,680	751	7,300	35.3%
Total Environmental Management	\$ 452,089	\$ 38,231	\$ 365,814	80.9%	\$ 448,782	\$ 29,795	\$ 327,157	72.9%
Operations								
Salaries / Wages	\$ 5,539,339	\$ 418,710	\$ 4,327,829	78.1%	\$ 5,788,014	\$ 393,570	\$ 4,469,507	77.2%
Employee Benefits	1,924,879	143,475	1,503,671	78.1%	2,043,058	151,014	1,684,786	82.5%
A Professional / Contracted Services	2,868,719	236,305	2,085,508	72.7%	2,975,818	164,834	2,183,934	73.4%
Other Operating Expenses	864,252	73,226	600,201	69.4%	1,049,253	66,514	676,793	64.5%
Materials / Supplies	1,776,064	114,558	1,205,304	67.9%	1,728,439	116,327	1,131,483	65.5%
Total Operations	\$ 12,973,253	\$ 986,275	\$ 9,722,513	74.9%	\$ 13,584,582	\$ 892,260	\$ 10,146,503	74.7%
TOTAL OPERATING EXPENSES	\$ 15,405,740	\$ 1,135,643	\$ 11,399,751	74.0%	\$ 15,798,724	\$ 1,045,625	\$ 11,916,925	75.4%
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT								
A RLF - Pump House Rebuild	\$ 26,854	\$ -	\$ 26,854	100.0%				
A RLF - SCADA System Leachate System	378,985	-	316,065	83.4%				
A Leachate System Improvements	19,622	-	1,873	9.5%				
A NTS - Tip Floor/Drain Repairs	304,240	-	304,240	100.0%				
A Permanent Pump/Haul Loadout	1,191,486	42,827	950,910	79.8%				
A RLF - Site Maintenance	11,000	3,000	7,250	65.9%				
A HHW Facility Improvements	212,212	-	212,212	100.0%				
A HHW Trailers	13,891	4,726	13,126	94.5%				
HHW Relocation	115,000	-	26,026	22.6%				
GPS Rover Grade/Compaction	150,000	-	-	0.0%				
HRSD Force Main	1,933,620	-	-	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	-	976,174	100.0%				
BKNS - Compactor & 2 Boxes	75,039	-	75,039	100.0%				
CTS - Interior Repairs	121,000	-	-	0.0%				
CTS - Wheeled Excavator	260,904	-	-	0.0%				
CTS - Tip Floor Repairs	39,000	-	-	0.0%				
CTS - Asphalt/Concrete Repairs	28,215	-	28,215	100.0%				
LTS - Replace A/C Units	53,875	-	-	0.0%				
LTS - Pressure Wash/Paint	30,734	30,734	30,734	100.0%				
NTS - Replace Scale In/Outbound	185,485	-	-	0.0%				
NTS - Inbound Scale	90,839	-	-	0.0%				
STS - Wheeled Excavator	260,904	-	-	0.0%				

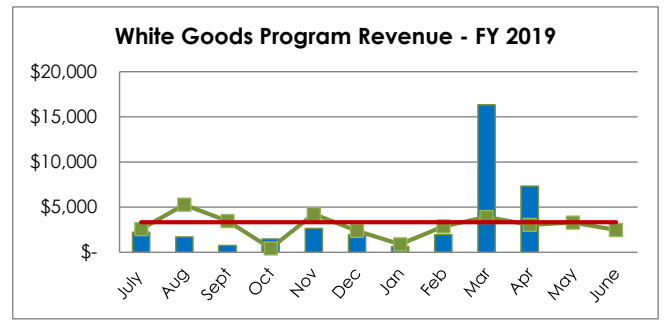
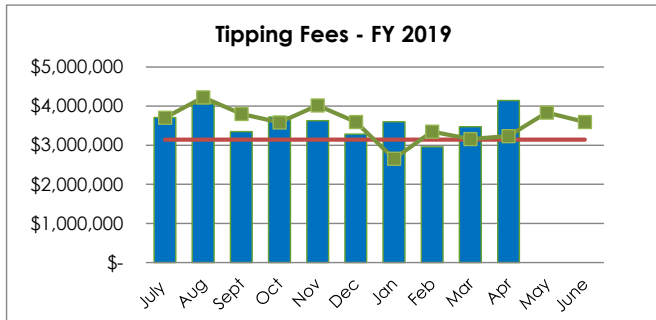
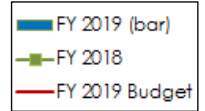
	April 2019				April 2018			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT ~ CONT'D								
MUNIS Upgrade/Servers	15,999	-	15,999	100.0%				
Scalehouse Server	8,399	-	8,399	100.0%				
Computer Desktop Replacements	58,187	2,004	58,186	100.0%				
Scalehouse Software	156,117	61,759	108,766	69.7%				
TPF - Wheeled Loader	216,992	-	-	0.0%				
Cell 8/9 Permitting	566,380	23,639	114,176	20.2%				
FTS - Drainage Improvements	24,766	-	24,766	100.0%				
IT - Executime Software	64,805	-	-	0.0%				
RLF - Tractor	59,428	-	59,428	100.0%				
Access Control System	17,674	3,602	14,072	79.6%				
IOW - Concrete Landing Pads	7,950	-	7,950	100.0%				
System Domain Servers	36,015	-	-	0.0%				
MS Exchange Upgrade	15,200	-	-	0.0%				
Undesignated	-	-	-	N/A				
Total Capital/Equipment Replacement	\$ 7,821,724	\$ 172,290	\$ 3,474,969	44.4%	\$ 7,040,114	\$ 569,876	\$ 3,839,659	54.5%
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 SPSA	-	-	-	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	\$ 1,252,892	\$ 16,196,888	94.7%	\$ 8,030,775	\$ 1,490,599	\$ 4,432,993	55.2%
Virginia Beach Environmental Trust Fund	-	-	-	N/A	-	-	-	N/A
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	-	0.0%
Reserves for Landfill Expansion/Closure	3,405,939	283,828	2,838,280	83.3%	-	-	-	N/A
Total Other Uses	\$ 20,517,769	\$ 1,956,415	\$ 19,035,168	92.8%	\$ 19,665,360	\$ 1,490,599	\$ 16,001,840	81.4%
GRAND TOTAL EXPENSES	\$ 43,745,233	\$ 3,264,349	\$ 33,909,889	77.5%	\$ 45,063,475	\$ 3,106,099	\$ 34,317,701	76.2%
NET REVENUES / (EXPENSES)	\$ -	\$ 1,168,649	\$ 5,877,128		\$ -	\$ 266,846	\$ 2,749,583	

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

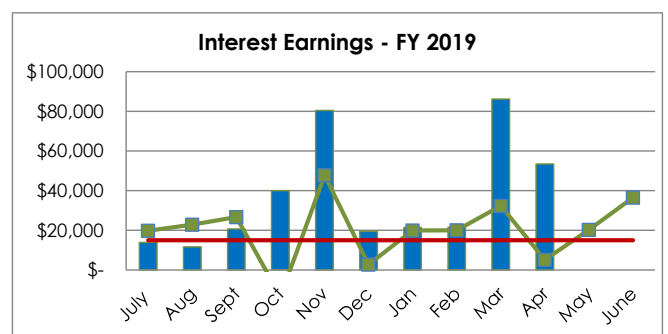
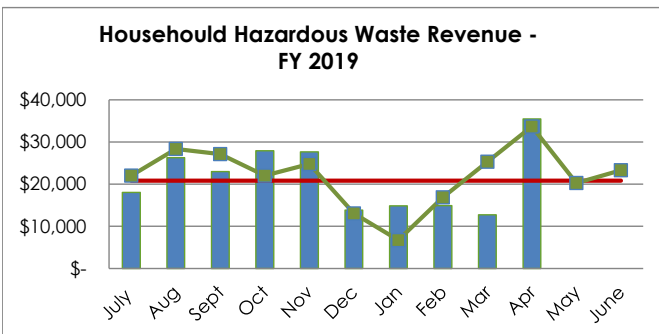
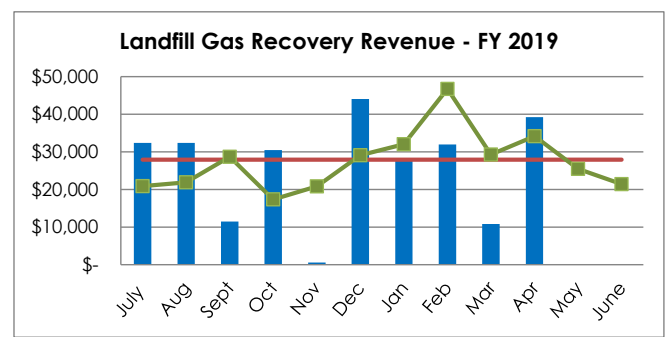
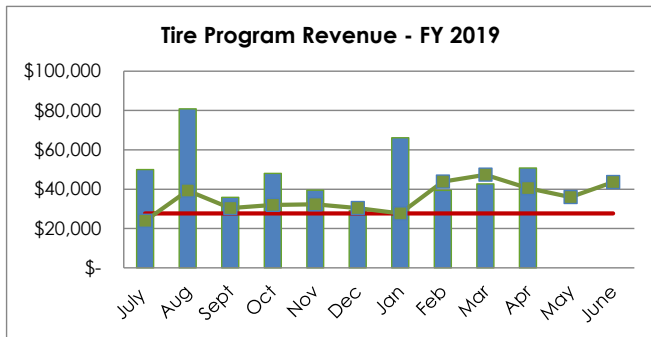
Southeastern Public Service Authority
Monthly Expense Line Items

Description	FY 2019 Budget	Feb-19	Mar-19	Apr-19	FYTD	From Previous Month \$ Change	% Change
Salaries Exempt	\$ 1,971,248	\$ 134,873	\$ 209,981	\$ 138,117	\$ 1,452,653	\$ (71,864)	-34.2%
Salaries Non-Exempt	4,512,794	313,906	467,293	305,577	3,368,236	(161,716)	-34.6%
Overtime	222,075	7,819	27,231	57,454	311,711	30,222	111.0%
Fica / Medicare Tax	513,017	33,294	52,254	36,711	373,068	(15,543)	-29.7%
VRS Retirement	37,470	2,730	2,763	2,782	27,901	19	0.7%
Health Insurance	1,403,597	110,912	111,132	106,618	1,112,327	(4,514)	-4.1%
Vrs Group Life Insurance	81,766	6,169	6,151	6,102	62,647	(49)	-0.8%
Unemployment Insurance	9,853	1,700	1,025	138	5,583	(887)	-86.6%
Workers Compensation	203,624	14,844	14,844	14,844	148,440	-	0.0%
Medical Fees	12,200	510	275	657	4,952	382	138.9%
Security Service	81,504	9,883	6,405	7,929	63,555	1,524	23.8%
Professional Services	173,944	285	608	398	70,463	(209)	-34.5%
Engineering Services	300,000	-	60,441	12,530	157,929	(47,911)	-79.3%
Landfill Survey	15,000	-	-	-	1,500	-	N/A
Legal Fees	325,000	14,801	12,196	10,144	213,619	(2,053)	-16.8%
Environmental Testing	103,400	20,363	727	448	66,544	(279)	-38.4%
Fire Protection	7,000	153	305	1,183	4,794	878	287.6%
Uniform Rental	30,693	2,590	1,520	1,526	18,136	6	0.4%
Maintenance Service Agreements	140,173	47,337	7,447	1,882	113,138	(5,566)	-74.7%
Grounds Maintenance	108,007	984	1,189	8,076	49,072	6,887	579.0%
Hazardous Waste Disp/Cleanup	27,000	-	-	6,335	26,888	6,335	N/A
Equipment Maintenance	973,823	38,605	54,336	78,798	719,905	24,462	45.0%
Building / Site Maintenance	536,589	37,864	38,408	27,805	406,291	(10,603)	-27.6%
Leachate Pumping Station Maint	50,000	590	5,924	-	27,971	(5,924)	-100.0%
Pump & Haul Leachate	4,999	-	-	-	4,899	-	N/A
Printing	300	-	-	-	-	-	N/A
Advertising	13,700	300	295	762	3,595	467	158.2%
Trustee Fees	0	-	-	1,000	1,000	1,000	N/A
Permit Fees	74,462	9,912	-	-	66,877	-	N/A
Suffolk Host Fee	580,000	53,240	73,412	99,800	529,980	26,388	35.9%
Electricity	218,275	16,749	14,009	24,696	169,730	10,687	76.3%
Heating/Gas/Propane	14,700	2,443	2,153	2,029	12,914	(125)	-5.8%
Water / Sewer	48,442	2,711	913	10,120	36,505	9,207	1008.1%
Leachate Treatment	255,001	16,951	19,520	13,399	99,249	(6,122)	-31.4%
Telephone	108,000	1,975	13,199	7,865	72,739	(5,334)	-40.4%
Postage	2,460	255	124	33	1,440	(91)	-73.8%
Radio Communication & Repair	11,200	2,160	32	805	7,003	773	2396.1%
Insurance & Bonding	185,364	15,447	15,447	15,447	154,970	-	0.0%
Equipment Rental	39,500	2,385	310	644	31,349	334	107.9%
Land Lease Payment	3,500	292	292	292	2,917	-	0.0%
Tire De-Rimming Service	10,000	2,485	-	-	3,850	-	N/A
Travel And Training	13,270	2,806	1,105	880	10,447	(224)	-20.3%
Road Tolls	121,675	9,208	10,961	11,809	112,135	848	7.7%
Membership & Professional Dues	3,933	-	223	50	2,119	(173)	-77.6%
Bank Fees	35,000	3,151	2,759	3,409	33,033	650	23.6%
Awards Programs	9,000	-	42	575	8,933	533	1256.8%
EMS Support Program	1,000	-	-	-	935	-	N/A
Office Supplies	13,680	791	731	413	8,792	(318)	-43.5%
Dues & Subscriptions	1,750	-	-	827	1,272	827	N/A
Other Operating Supplies	92,210	6,745	4,397	2,945	54,638	(1,452)	-33.0%
Vehicle / Equipment Fuel	871,024	41,842	52,601	56,643	572,591	4,042	7.7%
Vehicle / Equipment Tires	772,300	49,026	58,730	50,470	543,009	(8,260)	-14.1%
Safety Apparel & Equipment	27,750	993	2,192	1,473	13,873	(719)	-32.8%
Small Equipment	23,668	2,927	-	3,032	29,936	3,032	N/A
Computer Hardware	9,800	-	50	172	1,700	122	243.9%
Total Operating Expenses	\$ 15,405,740	\$ 1,045,003	\$ 1,355,954	\$ 1,135,643	\$ 11,399,751	\$ (220,310)	-16.2%
Capital Projects/Equip Replacement	\$ 7,821,724	137,909	1,223,514	172,290	3,474,969	(1,051,224)	-85.9%
Contracted Waste Disposal	17,106,830	1,252,892	1,461,915	1,672,587	16,196,888	210,673	14.4%
Suffolk Environmental Trust Fund	5,000	-	-	-	-	-	N/A
Reserves for Landfill Expansion/Closure	3,405,939	283,828	283,828	283,828	2,838,280	-	0.0%
Total Expenses	\$ 43,745,233	\$ 2,719,632	\$ 4,325,211	\$ 3,264,349	\$ 33,909,889	\$ (1,060,862)	-24.5%

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

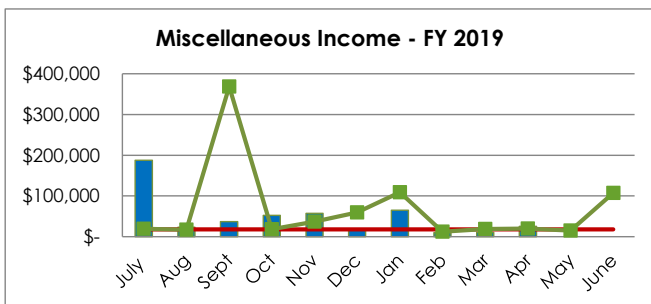


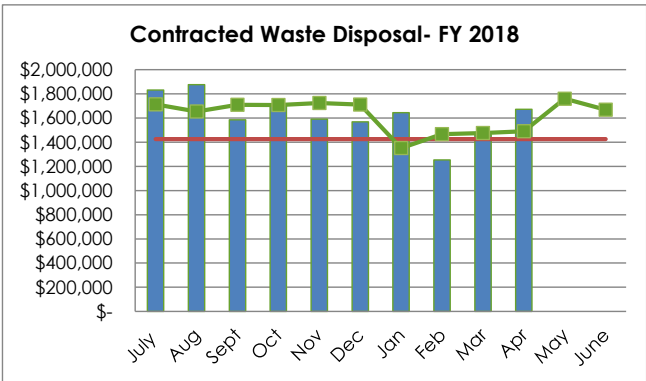
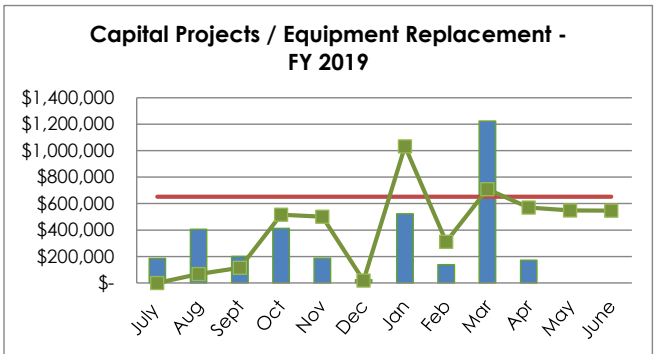
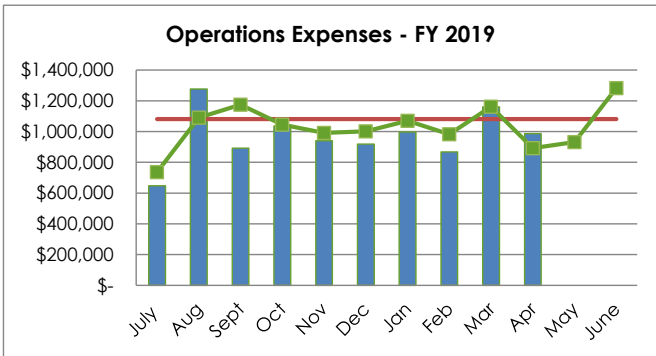
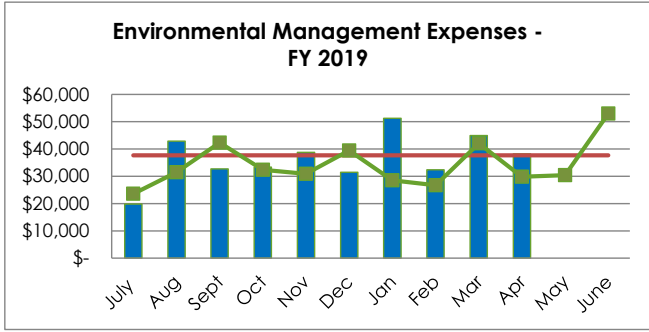
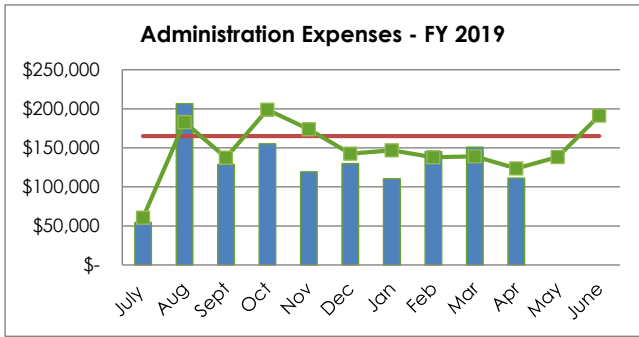
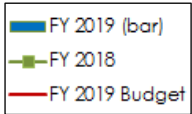
* Monthly revenue is dependent on users.



* Monthly revenue is dependent on users.

Interest payments vary based on investment date and maturity date.

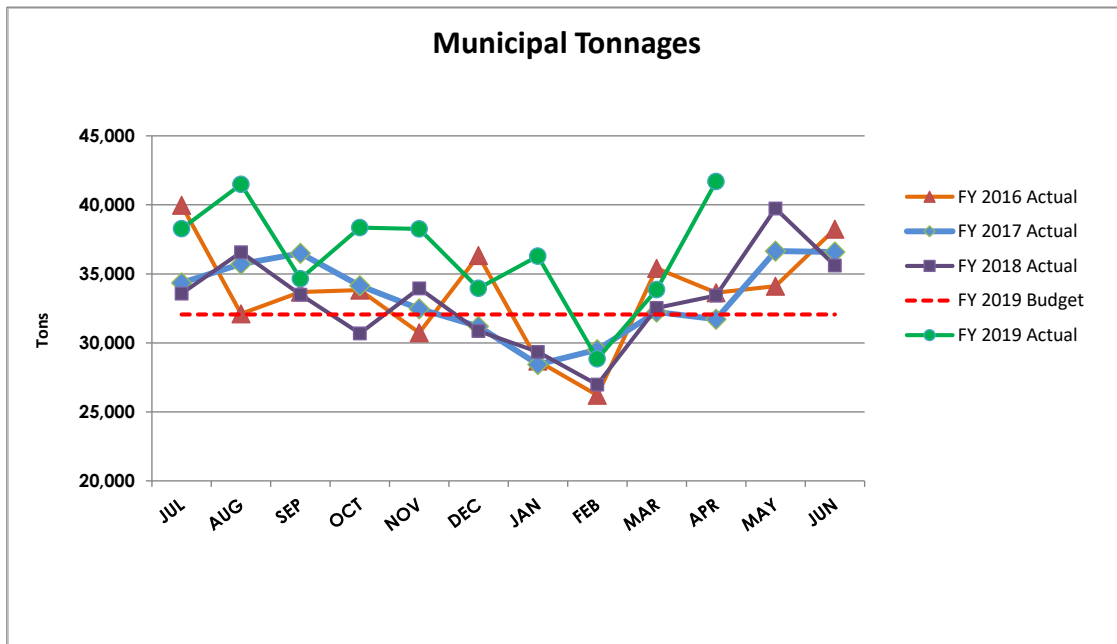




Southeastern Public Service Authority (SPSA) Waste Stream

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 4/30/2019	% of Budget
Waste Stream Budgeted under Tipping Fees							
Municipal Waste							
Chesapeake	92,072	94,981	90,926	90,896	92,987	85,921	92.4%
Franklin	2,524	2,592	2,690	2,698	2,915	2,474	84.9%
Isle of Wight	16,070	16,513	15,180	16,883	16,331	14,304	87.6%
Norfolk	62,296	66,240	64,575	62,587	80,746	73,551	91.1%
Portsmouth	28,439	29,089	30,023	32,769	35,231	33,213	94.3%
Southampton	8,107	8,385	8,593	8,910	8,726	8,785	100.7%
Suffolk	43,337	40,068	45,645	40,847	41,571	34,228	82.3%
Virginia Beach	133,304	134,285	130,645	127,483	137,983	113,163	82.0%
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	365,639	87.8%
Sludge - Norfolk	5,866	4,611	4,782	5,586	4,900	4,976	101.6%
Navy Waste	25,357	24,725	24,500	26,653	4,083	21,758	532.9%
SPSA Contracted Waste	-	-	26,437	65,936	104,000	119,145	114.6%
Construction & Demolition Debris	10,066	11,486	14,252	14,850	15,000	8,313	55.4%
Non-Contract Waste	-	-	-	15,469	30,000	30,119	100.4%
Total Other Waste	41,289	40,822	69,971	128,494	157,983	184,311	116.7%
Total Waste Stream	436,769	443,071	469,471	525,278	574,473	549,950	95.7%

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



Southeastern Public Service Authority (SPSA)
Regional Landfill Waste Stream

					July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
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
Construction and Demolition Debris	10,066	11,485	14,252	14,850	906	1,353	863	839	531	683	822	664	729	923	8,313
Water Treatment Plant Sludge	7,198	5,314	4,927	5,717	649	636	391	511	613	461	493	417	364	440	4,975
Industrial Waste	1,552	874	846	379	60	23	19	25	28	14	7	9	15	35	235
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	7,553
Clean Fill	56,311	92,732	25,369	26,396	-	90	-	-	-	-	110	-	68	-	268
Peanut Residue/Hulls	2,894	3,202	5,650	9,366	223	234	194	357	350	293	358	300	383	387	3,079
Non-Processible Municipal Solid Waste ¹	6,189	1,788	5,765	3,791	61	62	59	60	85	62	73	51	63	79	655
Navy Waste ²	36	88	150	154	19	10	6	60	71	1	20	29	25	35	276
Non-Processible Commercial Waste ²	4,265	5,096	4,518	2,631	40	88	58	64	46	45	64	50	24	31	510
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	4,393
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	105,427
Non-Qualifying Ash	-	-	-	-	-	-	-	-	681	561	3,644	4,943	8,874	13,755	32,458
MSW from FTS, IWTS, STS	-	-	-	46,011	9,020	9,286	7,519	8,869	8,590	7,806	8,464	7,090	8,259	9,614	84,517
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	45,341
Residual Waste - Clearfield	2,973	4,857	9,771	5,585	38	123	38	9	-	-	-	57	-	38	303
Diverted Processible Waste (fromTsf Stations)	22,402	1,780	11,337	201	-	-	-	-	-	120	-	-	-	-	120
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	298,556

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 April 30, 2019**

Fund Type	Beginning Balance	Deposits / Transfers In	Interest Earnings	Debt Service	Payables / Transfers Out	Payroll	Ending Balance
Unrestricted and Designated Funds (see footnote below):							
Townebank Operating	\$ 2,072,523.95	\$ 3,372,132.97			\$ 2,746,442.85	\$ 537,347.80	\$ 2,160,866.27
Townebank Money Market	1,002,548.83		236.97		342,000.00		660,785.80
Townebank CD	6,000,000.00		35,917.81				6,035,917.81
Virginia Investment Pool (VIP)	10,689,529.55	900,000.00	23,522.95				11,613,052.50
Raymond James & Associates Investments	9,914,342.16	26,839.82			11,027.88		9,930,154.10
Total Unrestricted and Designated Funds	\$ 29,678,944.49	\$ 4,298,972.79	\$ 59,677.73	\$ -	\$ 3,099,470.73	\$ 537,347.80	\$ 30,400,776.48
Trust Funds:							
Environmental / Va. Beach Landfill	\$ 463,328.81		868.50		1,000.00		463,197.31
Environmental / Regional Landfill	447,907.31		841.42				448,748.73
Total Trust Funds	\$ 911,236.12	\$ -	\$ 1,709.92	\$ -	\$ 1,000.00	\$ -	\$ 911,946.04
GRAND TOTAL	\$ 30,590,180.61	\$ 4,298,972.79	\$ 61,387.65	\$ -	\$ 3,100,470.73	\$ 537,347.80	\$ 31,312,722.52

Cash Balances Designated as follows:

Operating Account	\$ 7,589,512.05
Undesignated (Fund Balance June 30, 2018)	3,294,353.25
Reserved for FY 2018 Rolled Purchase Orders	278,679.21
Reserved for FY 2019 Capital	\$2,385,823.97
Landfill Expansion / Closure (June 30, 2018)	<u>16,852,408.00</u>
Total Designated Funds	<u>\$ 30,400,776.48</u>

**Southeastern Public Service Authority
Budget Transfer Activity
For the Month Ending April 30, 2019**

Department	Object	Description	Transfer In	Transfer Out
Regional Office Building	53310	Maint Agreements	\$ 7,000.00	
Regional Office Building	53320	Grounds Maintenance	\$ 3,000.00	
Executive	53130	Professional Services		\$ 10,000.00
Landfill	55130	Water/Sewer	\$ 164.00	
Landfill	56140	Other Operating Supplies		\$ 164.00
Executive	56300	Safety Apparel & Equipment	\$ 125.00	
Executive	55510	Travel & Training		\$ 125.00
Landfill	55120	Heating/Gas/Propane	\$ 98.80	
Landfill	56140	Other Operating Supplies		\$ 98.80
Landfill	56110	Dues & Subscriptions	\$ 13,000.00	
Landfill	53140	Engineering Services		\$ 13,000.00
Landfill	56410	Small Equipment	\$ 4,000.00	
Landfill	53400	Equipment Maintenance		\$ 4,000.00
Transportation	56110	Dues & Subscriptions	\$ 1,000.00	
Transportation	55400	Equipment Rental		\$ 1,000.00
Oceana TS	53410	Building/Site Maintenance	\$ 1,700.00	
Oceana TS	53320	Grounds Maintenance		\$ 1,700.00
Oceana TS	53410	Building/Site Maintenance	\$ 6,743.00	
Oceana TS	56200	Vehicle/Equipment Fuel		\$ 6,000.00
Oceana TS	56220	Vehicle/Equipment Tires	\$ 257.00	
Oceana TS	56300	Safety Apparel & Equipment		\$ 1,000.00
HHW	53330	Hazardous Waste Disposal/Clean Up	\$ 1,887.82	
HHW	53410	Building/Site Maintenance		\$ 1,887.82
Oceana TS	53410	Building/Site Maintenance	\$ 4,238.49	
Oceana TS	56220	Vehicle/Equipment Tires		\$ 4,238.49
Landfill	56140	Other Operating Supplies		\$ 1,000.00
Landfill	56410	Small Equipment	\$ 1,000.00	
IT	61932	System Domain Servers/Software	\$ 19,415.00	
IT	61923	Computer Desktop Replacements		\$ 822.07
IT	61924	Scale House Software Upgrade		\$ 2,243.21
IT	61930	Access Control System		\$ 1,000.00
IT	61933	MS Exchange Server/Software		\$ 450.00
IT	61999	Undesignated		\$ 14,899.72
Total Budget Transfers, April 2019			\$ 63,629.11	\$ 63,629.11

2. Contracts
 - A. Contract Awards
 1. Replacement of Roof at Chesapeake Transfer Station

BID:	IFB 08-19	PROJECT:	Replacement of Roof at Chesapeake Transfer Station
ISSUED:	April 11, 2019	OPENED:	May 2, 2019
Budget: \$121,000 Bid Prices Duck's Roofing \$69,713 National Roofing \$118,660 Tecta America East \$176,500 Roof Systems of VA. Inc. \$211,700			
STAFF RECOMMENDS AWARD TO:		Ducks Roofing	
PROCEED WITH CONTRACT AWARD:		Signature _____ Date _____ Chairman Board of Directors	
HOLD UNTIL FURTHER NOTICE:		Signature _____ Date _____ Chairman Board of Directors	

COMMENTS: This IFB was issued to repair the existing deteriorated metal roof at the Chesapeake Transfer Station. The bid included the installation of reinforcing metal panels over the existing deteriorated roof panels, installing 1” of Polyiso insulation over entire roof, mechanically fastening a single ply membrane over the entire roof, Install new coping over parapet wall and tie in new roof drains to existing downspouts. Bidders were required to include a 20-year warranty on the roof system and a five-year warranty on workmanship. Due to the disparity in pricing between contractors, staff performed extensive research to ensure that the low bidder was capable of performing the work at the price given. The contractor received very good references and the quote was in line with cost estimates from the RSMEANS construction estimator. The low bid price was also in line with unofficial estimates received prior to issuing IFB 08-19. For these reasons, staff recommends awarding this project to Ducks Roofing in the amount of \$69,713.

RECOMMENDED ACTION: Award the contract to Ducks Roofing in the amount of \$69,713.

MOTION: Do I hear a motion to award the contract for the replacement of the roof at the Chesapeake Transfer Station to Ducks Roofing as presented.

B. Contract Renewal
 1. Grounds Maintenance

BID:	RFP 0016-16	PROJECT:	Grounds Maintenance		
INITIATED:	Purchasing	PRE-BID MEETING:	4/19/16	OPENED:	5/3/16
Original Bid	FY 2017 Base year with 4 Option years		Options	#3 of 4	
Budget: \$82,690					
<u>Bidders</u> Coastal Lawn Service Inc.					
Staff recommends award to:			Coastal Lawn Service		
Proceed with Contract Award			Signature _____ Date _____ Chairman Board of Directors		
Hold until further notice			Signature _____ Date _____ Chairman Board of Directors		

COMMENTS: Grounds Maintenance services are provided at the Chesapeake, Landstown, Norfolk and Oceana Transfer Stations, Operations, and Transportation. Landfill staff maintain the Suffolk Transfer Station and Landfill. The Boykins, Franklin, Isle of Wight and Ivor Transfer Station are maintained by a separate vendor.

Landscape maintenance areas shall include but are not limited to the following: turf areas, comprehensive landscape maintenance of bedded areas, trees (pruning), shrubs, perennials and other plant materials, and hardscaping (parking, curbing and walkway areas, etc.).

Coastal Lawn Service has been providing grounds maintenance for SPSA for the past 10 years. There is no increase in rates from the current fiscal year.

RECOMMENDED ACTION: Renew the contract with Coastal Lawn Service by exercising option year 3 of 4.

MOTION: Do I hear a motion to renew the contract for grounds maintenance with Coastal Lawn as presented.

3. **OLD/NEW BUSINESS**

4. **ADJOURN MEETING**

LUNCH **WILL NOT** BE SERVED WITH THIS MEETING