

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

February 27, 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 <i>absent</i>	(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	(SH)
Mr. David Arnold	(SU)	Mr. Patrick Roberts	(SU)
Mr. William Sorrentino	(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, Mr. Eric Martin (CH), Mr. Michael Etheridge (IW), Mr. Harvey Howard (NO), Ms. Erin Trimyer (PO) *9:35, Mr. Hart council (SH), Mr. Scott Mills (SU) and the following SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Ms. Blanche Christian, Administrative Coordinator and Secretary, and Warren Tisdale, General Counsel.

PUBLIC COMMENT PERIOD

Mr. Geduldig-Yatrofsky from Atlantishr.org made the following comments: "Good morning, Mr. Chair. Honorable Commissioners and fellow interested parties, I want you to know that I'm orthodox when it comes to recycling. I don't consider landfilling recyclables or incinerating recyclables to be recycling. Some people use the term little more loosely than I do. So there has been discussion in and around this facility regarding the state of recycling in the recent past, and it seems that we are getting into a greater and greater deviation from what recycling is intended to be, a reconstitution of the materials that are recycled into other usable products. I would like to ask you all to consider working collaboratively because each locality right now is pretty much on a go-your-own-way course in terms of recycling, to work collaboratively to bring recycling back to my orthodox definition of what it is and should be, and it would be wonderful if we as a region could do it collectively rather than as a bunch of individual localities. I understand the challenge we have devolved into offshoring approach to handling of recyclable materials, and that was never the concept at the outset. It does not

make sense to take things that we are using and consuming in this country and sending them overseas for others to handle it. This should be domestic. And we should be collaboratively addressing the need to make best use of those substances that can be used again in some form. I ask you to think about this and see if there isn't a way that we as a region can get back to true recycling. Thank you.”

Chairman Keifer (NO) commented that we will consider those thoughts.

The scheduled closed session on the agenda was removed by Chairman Keifer (NO).

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

Mr. Stratton began the operational report for the month of January 2019 for Wheelabrator Portsmouth. A joint job fair was held with SPSA at the RDF Plant on February 26th in which we had 35 to 40 applicants. The downtime at the power site due to the Norfolk Naval Shipyard transmission lines repair work will begin Sunday, March 3rd, which means we will not be generating any electrical power, but we will be producing steam. We chose Sunday so there will be no interruption to the tipping floor traffic, volumes or maintenance activity. It's a 12-hour outage and we should be able to sync back across the grid producing power and be back to normal operation by Monday.

Wheelabrator Portsmouth January 2018
Operational Data



43,639 Tons	53,779 Tons	50,095 Tons	14,823 Tons	15,841 MW
Total waste received by SPSA	Waste delivered to RDF	Total RDF processed	Ash sent to landfill	Electric power sold
83,072 K-LBS	92%	90%	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 that we are operating effectively, efficiently, and that our staff are doing a terrific job. An Accounting Manager has recently been hired. Sandy Schreiber has a Bachelor Degree in Accounting and she previously was at the City of Portsmouth as the Accounting Supervisor, and prior to that, she was the Controller and Accounting Manager for a credit union. She comes to us with over 24 years of experience, and she's been here since February 1, 2019 and has just been a terrific addition. We also have the retirement of Toney Saunders. Prior to joining SPSA, Toney began his career in the United States Army and he was a Maintenance Supervisor. He then became the Division

Fleet Manager at Pepsi in Norfolk. In November of 1984, Toney joined SPSA as the Transportation Superintendent, and he was the 12th employee hired here at SPSA. He later advanced to become the Superintendent of Transportation and Transfer Stations, and fortunately for him unfortunately for us, tomorrow he will be retiring as the Director of Operations with SPSA. Many of you may not know, but Toney has a Bachelor's of Arts in Business Administration and a Doctorate in Ministry. As the twelfth employee at SPSA, he's seen it all and could certainly serve as our historian. Toney has been a tremendous asset to the operation over the years and he will be greatly missed. Congratulations, Toney, on your accomplishments, and thank you for your years of service.

Chairman Keifer (NO) stated thank you very much for all you've done and for being a solid member of SPSA, and we wish you the very best with your retirement.

Ms. DeVary continued that the Chesapeake Transfer Station received a random inspection from VOSH earlier this month. Everything was fine, and they were impressed with the operation.

House Bill 2391, which proposed a \$4 per ton waste disposal fee for the Greenhouse Gas Fund, failed.

The fiscal year 2020 budget will be presented at your next meeting. Municipal and commercial waste tonnages are up. We received our health insurance renewal and it's a negative 2% on our premiums. I'll be recommending a tip fee of \$57. When we went through the contract with Wheelabrator we were preparing for a reduction to \$59, and because of all the other efficiencies we've achieved and the tonnages being up, we're hoping to lower it more than that.

The HRPDC has been coordinating meetings between SPSA, the City of Chesapeake, City of Suffolk, and VDOT and we had a meeting earlier this month. VDOT's engineer, Michael Baker International, is preparing a scope of work to do a study on where might be the best placement for one or two flyovers. We're hoping to get that in the next 30 days.

Chairman Keifer (NO) commented that as part of our Host Agreement with Suffolk, we are obligated to provide an alternate entrance to the landfill, and the flyover is the best alternative. The other alternative would be a rear entrance.

Ms. DeVary continued that the Cell 8/9 landfill expansion is quite an undertaking. We are developing a project schedule, as well as total cost estimates. Total cost estimates include constructing of Cell VII, wetland mitigation, and the permitting process which is going to be a multiyear process. We are putting all that together and hope to give you an overview in April or May. We are continuing to work on our demonstration of need for the wetlands permit.

The SPSA overview presentation has been scheduled with some of our member communities. We will be at Isle of Wight County on March 7th, City of Franklin on March 11th, the City of Chesapeake on March 12th, and Southampton County on April 22nd. Presentations still need to be scheduled with Norfolk, Suffolk and Virginia Beach.

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

Mr. Bagley commented during the reporting period the Regional Landfill received 29,348 tons of

material, which is down from the previous month. The landfill saw a decrease of 5,478 tons as compared to the previous month. There was a decrease of 8,826 tons of clean fill because staff has moved from the North slope. When we're working on the north slope, we cannot use ash as cover we must use fill material. Wheelabrator delivered 3,644 tons of material during February to the landfill that was reclassified to non-qualifying ash. That appears to be going up but they're doing some internal work to try to put a screener in before they bring the ash to us. We'll keep you posted on where we are with that. The total leachate hauled for the period was 1,018,600 gallons, but we also pumped 738,332 gallons to the HRSD force main at Nansemond. We had no odor complaints for the reporting period.

Mr. Sorrentino (VB) asked if MSW is going up how do we have a decrease in total tons coming into the landfill.

Mr. Bagley replied that what is going to the landfill is coming from the western communities, and what we're getting in from the east is contractor waste as well. So that may be the reason. It's hard to tell with just one month of data.

Mr. Sorrentino (VB) asked what is non-qualifying ash and why is it non-qualifying.

Mr. Bagley responded it is because it has unburned waste in it. We toured the plant last week and there was trash coming off of the grate that was not burned. It's mixed in with the ash and that ash is then coming to the pit to be cooled down and it's being hauled to the landfill without any type of treatment whatsoever. Wheelabrator has not committed to it, but they say they're looking at a screening device that would help get solid material that's larger than 2-3 inches out of the waste bin that's coming to us.

Mr. Sorrentino (VB) asked Mr. Stratton why we are having waste coming out of the boilers unburned, what's different?

Mr. Stratton replied from a waste energy standpoint, we have 17 plants in the United States and four in the UK. This is the best residue out of any of our facilities. This is the best burn out because we are a RDF facility. Just by nature of the process, if you have a plug on a chute and clear it out that debris hits the grate. It doesn't have the same amount of burnout time. It is combusted by definition of contract. It is processed, it is sent through the boiler, but the system is not perfect. You asked what changed. This is the best ash we've ever produced, and that's based off of carbon monoxide readings. CO is your only indicator other than the issue of incomplete combustion. When Wheelabrator bought the facility, we were under consent order from the EPA, which we beat by 7 months. We've done tremendous things with the process at the RDF. The only thing that's changed is the contract. The contract previously said wet ash could be refused. The new contract says it's the sole discretion of SPSA if it's deemed non-qualifying and as such, you can reject or you can charge Wheelabrator \$10 more per ton. The past few days I've had 80% re-class at \$10 more a ton.

Mr. Sorrentino (VB) commented that last month up on the screen there was a picture of ash that had a bunch of bags in it and other stuff that we haven't seen before. I'm wondering how it's better than ever, it doesn't look better than ever.

Mr. Stratton replied it depends on the load as well. If the plug falls down right at the grate discharge because it's so heavy and wet there's potential for that. It can be if we have a tube failure and the water falls out of the boiler on a tube rupture all the combustion process starts, it will look really bad. We have loads that look really bad. What we're seeing is a very high-re-class rate, which we're trying to deal with, but there's also tremendous costs for screens, upwards of \$400,000.

Mr. Sorrentino (VB) asked if Wheelabrator is watching this situation and what is the goal.

Mr. Stratton replied we are on this. The goal is to give you the best-looking ash, that's always the goal. Again, that comes with costs, and that has to be approved.

Mr. Barnes (VB) asked how is the tip floor working with the tippers in place? Are the trucks rolling through or are we having delay times?

Mr. Bagley responded that we check every SPSA truck and 68% of the time our trucks wait over 45 minutes. The numbers of times on the floor have gone way down now, the numbers of tons in the pit have gone way down, and Wheelabrator has been working for us in increasing that. The tippers are working, but we cannot tip our trucks until MBI makes adjustments to the tipper because of the way our doors open. There's also some issues with the SOP and the way our trucks work, so there's still some work to do on that and hopefully that will improve. One of our issues is they're trying to keep Portsmouth from being delayed from collections because we let them go around us if we're in line because we can collect until dark.

Mr. Maxwell (CH) asked were we accepting this non-qualifying ash before the new contract? Is 3,644 tons an unusual number?

Mr. Bagley responded the old contract forced us to accept anything that wasn't wet, but it was never used as Alternative Daily Cover (ADC). If we use the material that's coming in wholly and not separated, then we would not be following DEQ's regulations because there is other material mixed in. As part of the contract this language was put in so that we could make sure that the quality of the ash that was coming to the landfill was of what we need for ADC. Wheelabrator is trying to make the effort to clean the ash up so that we can use everything as ADC. We charge more for non-qualifying ash so we can pay the host fee. With that being said, I think they're on the road. They've got to make that commitment to purchase the screener. I think that will make a big difference.

Chairman Keifer (NO) commented that there's some unanswered questions here. Rather than belabor it, I ask the Executive Director to work with Wheelabrator and give us a report about what's happening and what the projections are for the future next month .

Mr. Bagley continued his report. Fleet maintenance has received 8 new road tractors. We're having some issues with them, but the dealer is going to take care of them.

The scale house software upgrade is under way. The concrete repairs at the Franklin transfer station have been completed. When that station was originally built, there was no drain in the tunnel and that has been remedied. The scales replacement at the Norfolk inbound and the Landstown inbound and outbound scales are underway. We'll be working with Norfolk and Virginia Beach to coordinate

those efforts of how we're going to move trucks through the scale houses and make sure everybody's in and out.

We are not filling the Director of Operations position. The Transportation Manager will be assuming some of the duties and the remaining duties will be placed in another area.

Ms. DeVary continued future meeting topics include the presentation of the fiscal year 2020 operating and capital budget, a presentation of the SCADA system, the updated financial policies, and once we get the budget complete I will organize an investment committee meeting.

Mr. Sorrentino (VB) commented House Bill 2391 failed, which is great news but we need to know about items like this much further in advance. How do we get information like this because we didn't have much time to respond to it?

Ms. DeVary responded that we receive notices from the Old Dominion chapter of SWANA. I would look for some suggestions on how I can get information sooner. I found out about it in the beginning of January and reported it to the board at our monthly meeting.

Mr. Martin (CH) commented that most of us are members of SWANA and they do a very good job in their legislative branch. That's part of what their job is for us. They have a very good rundown of all the bills that affect the industry from collection to environmental issues. It's a very comprehensive report that we get from them. We already have a lobbyist that's working for us in our industry in Virginia to do that. We also at the localities have our own lobbyists that follow bills of interest. Sometimes they pick them up, sometimes they don't, but having the industry looking is probably our best solution. We can flag those and make sure that everyone is aware, but I think we've got a good basis as long as we all keep engaged with SWANA.

Chairman Keifer (NO) commented I know from past experience a lot of times these things will pop up. It is something that we need to be on because there could be something in there that is good or bad and we may miss the opportunity to comment on it.

Mr. Arnold (SU) commented we want that information to get from you guys who have SWANA to us in a more timely fashion. I think it would be prudent when there is legislation which could affect this body that the Board be made aware of it immediately.

Ms. DeVary commented that going forward I will send out an e-mail to make sure the Board is aware of it as soon as I'm aware of it.

Mr. McCoy (PO) commented this bill is not going to go away. So the person that introduced this bill, his intent was to get it passed without cities involvement. This would have been a direct hit to the 8 communities at \$4 per ton. We need to make our sure the liaisons of our 8 communities keep us informed if they see anything coming through on the greenhouse gas fund.

Mr. Keaton (IW) commented that this would have been a tax on SPSA, but it's really a tax that will be passed down to localities. All eight localities need to be engaged on this as actively as SPSA would be because it's just going to be a pass through. I know HRPDC convenes a meeting of all the

legislative liaisons once a year with the regional delegation. This would probably be a good regional issue to be brought up at that point to get a multi prong effort to be aware of these bills that come up and to maybe have a coordinated regional effort against them.

Chairman Keifer (NO) commented that we'll work on that and come back with some ideas.

Ms. DeVary asked Mr. Bagley to provide the 2019 Airspace Management report.

Mr. Bagley commented that the Airspace Management Report not only tells us how much space we've consumed in the landfill this year, it tells us how much we have remaining and it gives us a good understanding of the efficiency of staff that is operating the landfill. We perform the annual Airspace Management Report every year under the direction of HDR and Hoggard Eure. They do a survey and turn that information over to HDR, who calculates the airspace information. As we get closer to the end of the life of Cells 5 & 6, it may be something that we elect to do more often because the information is real, and its information that's helpful in managing our work load at the landfill.

Why Perform an annual Airspace Management Report?

1

- To determine disposal space consumed over a period of time
- To determine remaining disposal area
- To determine compaction ratio
- Ensures the fill plan is being followed
- Better understand Operational Efficiency
- Planning Tool

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The Process

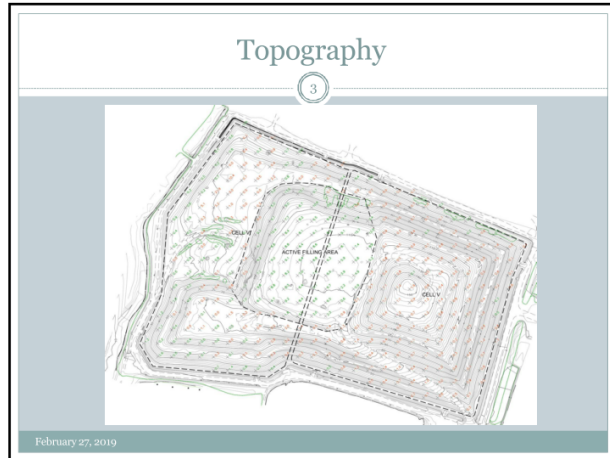
2

- Perform flyover to gather topographic information (elevations)
- Perform ground survey when needed
- Use information gathered to develop 3-D drawings
- Compare new drawings to previous drawings to determine cubic yards of space consumed
- Gather weights of all incoming material
- Determine the number of tons per cubic yard of airspace consumed
- Convert to Airspace Utilization Factor (AUF)

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The compaction ratio is the number of tons that we're able to get on a cubic yard, and that's important because if we're not compacting material, then we're using more space than we need to use and we need to correct that. It also ensures that the fill plan is being followed properly, and if we don't follow the fill plan properly, we'll never get the total number of cubic yards that we expected to get out of the cell in the landfill. It's a planning tool moving forward because we have to plan to have that money available when we issue a contract for construction of the landfill. It's critical that we know financially exactly how much we are going to need and when we will need it.

While the Airspace Utilization Factor (AUF) is an important point, it's a general conversation. We're talking about operational efficiency. We are more worried about the density, how many tons are we getting in a cubic yard in terms of pounds.



Compaction Rate and Airspace Utilization Factor

4

Pounds/CY Compaction	Ton/CY AUF
• 1200	• .6
• 1400	• .7
• 1600	• .8
• 1800	• .9
• 2000	• 1.0

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This is one of many topographical maps that we got back from the report, the numbers are elevation numbers. They really get a picture of the mound, and they put all these numbers together so they can see how high that mound has become over the last period, and then they compare that to the previous year.

Our compaction rate and AUF are essentially the same. Pounds per cubic yard or compaction is important to us. As we move from year to year, we want to know how many pounds we're getting into a cubic yard of space that we have in the landfill. A good compaction rate is between 1600-1800.

- ### What Impacts AUF ?
- 5
- Type of material
 - Density of Material
 - Moisture Content of material
 - How well material is compacted after placement
 - The amount and type of cover used
- February 27, 2019

Data From The Report as of December 2018

6

- Total Material Landfilled in 2018
 - 322,260 Tons
- Total Volume of Landfill Consumed
 - 543,413 Cubic Yards
- Pounds/ Cubic Yard 1,686
- AUF .85
- Remaining Capacity 3.7 million CY
- Life Expectancy (Cells V and VI) 10.5 *

• Assumptions: 325,000 tons of waste being disposed
 1,800 lbs./CY in place density
 All available disposal space will be captured

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There are a lot of things that impact the AUF. Construction debris is a whole different ballgame than MSW. How well the material is compacted after placement is a critical piece, and it's almost impossible until GPS is put on our equipment, which we're working on now. This is a once-a-year opportunity for us to see where our compaction levels are and if we need to make corrections, we make corrections. Another item that impacts AUF is the amount and type of covering used. As you can imagine when you use wet ash, you get a lot better AUF because that material is heavier and it's on top of the MSW that you already compacted.

It's critical that we're following the fill plan and that we're doing this study every single year so that we can see where those spaces, and get them before it's too late. We've got some areas now we're

trying to recapture that if we waited another year, we'd never be able to get because the way the landfill is built. The other thing is to maintain 1800 pounds per cubic yard in place density. I don't know what material we're going to bring in, so it's hard for me to tell you that we're going to be able to compact everything to 1800 pounds. These are items that we're doing now, but in the waste business, it changes daily. We'll have to wait and see and continue to do these reports and make sure that we're staying on track.

Comparison of 2018 and 2019 Reports

2018	2019
<ul style="list-style-type: none"> • Disposed <ul style="list-style-type: none"> ○ 237,767 Tons • Airspace Consumed <ul style="list-style-type: none"> ○ 134,157 CY • AUF <ul style="list-style-type: none"> ○ .88 • Density <ul style="list-style-type: none"> ○ 1,772 Lbs./CY 	<ul style="list-style-type: none"> • Disposed <ul style="list-style-type: none"> ○ 322,260 Tons • Airspace Consumed <ul style="list-style-type: none"> ○ 543,413 CY • AUF <ul style="list-style-type: none"> ○ .85 • Density <ul style="list-style-type: none"> ○ 1,686 Lbs./CY

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Cumulative Life Estimate of Cells V and VI If Incoming Volumes Change

300,000 Tons	325,000 Tons	350,000 Tons	400,000 Tons	500,000 Tons
11.1 years 3/2030	10.3 years 5/2029	9.5 years 7/2028	8.3 years 5/2027	6.7 years 9/2025

Assumptions

- .90 tons / CY or 1,800 lbs. / CY density for the life of the landfill
- The entire 3.7 million CY of airspace remaining can be captured

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The majority of that 237, 767 tons at least 165,000 tons of what we brought in in '18 was ash, and our AUF for the ash was above one. But when you start bringing in other material, you can bring in it appears that you only have a small increase in your cubic yards that you use, but what happened is the compaction rate changed because of the material we brought in. That's where it's tricky when you start estimating exactly how long that landfill is going to last. We do the best we can, and we'll continue to stay on it and give you the best information we know, but these are things that will impact how the landfill is operating. There are two types of AUF, cumulative and in place. The AUF you see there is cumulative because that's what the engineers had done until two years ago, that's why there's a small difference.

Cumulative Life Estimate of Cells V and VI If In Place Density Drops to 1,400 Pounds/CY

300,000 Tons	325,000 Tons	350,000 Tons	400,000 Tons	500,000 Tons
8.7 years 9/2027	8 years 2/2027	7.4 years 6/2026	6.5 years 7/2025	5.2 years 4/2023

Assumptions

- The entire 3.7 million CY of airspace remaining can be captured

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The smallest things impact how much landfill space we have left. It is important that our people do a really good job of maintaining compaction and following the fill plan every day, not just once a year

but every day. Whenever your in-place density goes down, so does your cumulative AUF. It's critical critical that we keep our eye on this. I'll get a better feel for compaction on a daily basis and put in GPS systems on our equipment. We've got a meeting scheduled about two weeks from now to go over this with Liesl and make sure that we're encompassing all of what we can get out of the GPS system because this is such a critical element.

Chairman Keifer (NO) commented I see your calculations are based on whatever we estimate that to be, but can we in fact get the slopes that are used to compute the volumes?

Mr. Bagley responded those were computed using actual data. We would know because sometimes there's places you can't go back and get, so we had to use the actual data, but you're right. For the slopes going up, they do use that data. The best thing to do is stick with where you want to be with some understanding that you're going to have further compaction and then work from that number.

Ms. DeVary commented that Dennis, Henry and the other landfill staff are doing a great job of managing this. Not just annually, it's got to be something that we watch daily, weekly, and that's where having perhaps more surveys per year, just to make sure that we're hitting the slope points especially as we go up. I asked Dennis to provide this presentation to assure you that we are watching this and we are tracking this to make sure that we get the most out of the remaining use of Cells 5 & 6.

Mr. Sorrentino (VB) asked what is the amount of MSW that we are bringing to the landfill.

Mr. Bagley responded 325,000, but we'll watch that. We've got one year of data now. As we get more data, we'll be looking at what we do moving forward.

Mr. Sorrentino (VB) commented at 325,000 we have 8 years on Cells V and VI. Where are we on use of Cell VII?

Mr. Bagley responded if we get part A permitted, on cells 8, 9, then we can begin construction of Cell VII, and our goal is to have that by 2027. We need to move that up one year because we can't just go in and put anything that comes into the landfill in that fresh landfill. We've got to put fluff in there and use things to protect it. We would need some time to get that quantity of material in to open 7 fully.

Ms. DeVary commented that there will be a period of time where 5, 6 and 7 will be open at the same time.

Mr. Barnes (VB) commented that the landfill and the landfill airspace capacity is our single biggest asset for this organization. Tracking that efficiency and making sure that it's being used appropriately is absolutely critical. Where are we in the process of that GPS because it would help an awful lot of components in terms of compaction and making sure that you're filling in the slide slopes accurately. If you don't have GPS or frequent surveys, that's an imaginary line in the air and you don't know exactly as an operator where that imaginary line is. If you lose that space when you're low, you've lost it's all the way up.

Mr. Bagley commented we believe that by taking the time and researching the GPS options, we've got a really good solid plan moving forward. Cool is expensive, and if you're not going to use it, it doesn't become a value. We know what we want, but there's a lot of other features that can save a lot of money down the road if we buy it now, but if we buy it later, it's going to cost us twice as much money. We've been a little hesitant although we know it's important. I want to make sure we have the right thing when we buy it and we don't get something we're not going to use.

Mr. Barnes (VB) asked how much dirt is used? That's one of the other components of a landfill; dirt and/or ash that's required for daily cover on an MSW landfill, but the more dirt you use, the lower your compaction the lower your density because that's not generally included in overhead cost, it's not something that you get paid for.

Mr. Bagley responded that we track the dirt that we use every day. There are times when you must have dirt and one of the reasons why it was so important to get this trash out of the ash is because we're having to go back over that and cover that with more material from the pit. It costs us to bring the material over and cost us to cover it. We're very aware of that and we know how much dirt we're putting in there. You're right, that's a cost that's not shown in this report, but we do keep an eye on that every day.

Mr. Barnes (VB) commented a suggestion would be to look at the materials that we're bringing in and making sure that on a pounds per cubic yard basis that the money we're bringing in on the revenue side offsets the airspace those items are taking up. It's something to consider to make sure where we need to be. If you want more or less construction debris material, then price it accordingly, make sure those materials are paying for themselves in terms of the airspace utilization.

Ms. DeVary commented that the total construction demolition and debris is right under 15,000 tons. That's all that we're bringing in. Over the past several years we have increased the tip fee for construction and demolition debris because we're making sure that we are competitive or that we're not the lowest price so that everybody's bringing it here.

C. CHAIRMAN'S COMMENTS

Chairman Keifer (NO) commented that I want to congratulate Toney and thank him for his many years of service and wish him the very best in his retirement.

2. ACTION AGENDA

A. MINUTES OF THE BOARD MEETING

Chairman Keifer (NO) moved to the action agenda. The minutes of the January 23, 2019 Board meeting have been distributed. He asked if there were any additions or changes.

Mr. McCoy (PO) moved, seconded by Mr. Broad (NO) to approve the January 23, 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 January 31, 2019, total revenues exceeded total expenses by approximately \$4.9 million as compared to \$2.1 million in the previous year. Tipping fees fiscal year to date reflect a decrease of less than 1% or approximately \$240,000 as compared to this time last year. Municipal waste tons are up approximately 14% or 32,753, and it's due to a combination of the bulk waste deliveries, weighing residential waste, which is up approximately 35% and an increase in MSW. Total municipal tonnages received fiscal year to date were 261,246 as compared to 228,493 a year ago. Total expenses of as January 31 were approximately \$23.6 million as compared to \$24.8 million in the prior year. Cash balances are \$29.9 million, and are designated with \$6.9 million in the operating fund, \$0.3 million for capital projects that haven't been completed yet, \$3.3 million is in undesignated fund balance, \$2.5 million that's designated in the capital budget, which is our portion of the HRSD force main, and \$16.9 million in the landfill closure/expansion fund.

Mr. Sorrentino (VB) moved, seconded by Mr. Maxwell (CH) to approve the financial reports subject to audit as presented. The vote of the motion was unanimous.

Ms. DeVary asked Mr. Bagley to present the contract for the board's consideration.

2. Contracts

Mr. Bagley commented that through the beginning of the permitting process of Cells 8-9, we realized the magnitude of this effort, and we're not going to get there unless we have a well-designed plan moving forward that addresses many of the issues that the Corps is going to have. There's been very few landfills or improvements to landfills that has affected 129 acres of wetlands. This task order in front of you is one that is written by HDR for the purpose of developing a wetland Environmental Impact Statement (EIS). They'll be coordinating that whole effort. The task order covers work required to initiate the EIS for the proposed wetlands permits associated with permitting. It also includes an updated jurisdictional wetland delineation of the proposed site. The staff's recommendation is to approve the HDR task order for \$99,140 as presented. You previously approved a task order for the application at your last meeting. This was an item that was deleted from that because they did not understand what was going to have to happen to meet all of the regulations at that point, and we didn't know what the costs were going to be. We've had meetings with DEQ and the Corps and we feel this is detrimental to the project and we create a detailed statement in such a way that we can minimize the amount of other work that we have to do. It also will help with the public input process.

Chairman Keifer (NO) commented that this is the first of many task orders that we're going to see with HDR with respect to the new landfill cells, and the position that we will continue to use them through this process. Their original contract was last year and this falls under their scope. We'll be seeing more work orders from HDR.

Mr. Keaton (IW) moved, seconded by Mr. McCoy (PO) to award the contract to HDR, Engineering as presented. The vote of the motion was unanimous.

C. TEMPORARY ACCESS EASEMENT AGREEMENT

Ms. DeVary stated the next item is on the Temporary Access Easement for Atlantic Coast Pipeline, and asked Mr. Tisdale to address it.

Mr. Tisdale commented that this subject was addressed at the last board meeting. It's a resolution based on the Atlantic Coast Pipeline's initial request for a perpetual easement across part of SPSA's landfill property so that they can access the adjoining property on which the pipeline is going to be built, but what they asked for was an easement over what already existed and, in fact, is subject to an easement in favor of the adjoining property owner. We came to an agreement on the business terms. At the last meeting, Mr. Arnold raised the issue of keeping the current beneficiary of the current easement informed and coordinating that process, which we'll make sure they're notified. Mr. Roberts brought up the subject of traffic access given the intersection there and asked that we coordinate with the city on building something into the easement to give us control over that traffic situation. We worked with Robert Lewis of the city and came up with some language that was acceptable to ACP. In your package is the amended agreement, the limitation is that any vehicle larger than a pickup truck with a utility bed operated by ACP or its vendors or contractors, must access the drive by heading westbound, that is, making a right turn into the landfill. Only the smaller vehicles would be allowed to turn left off of 58 heading eastbound into the landfill.

RESOLUTION

TEMPORARY ACCESS EASEMENT AGREEMENT – ATLANTIC COAST PIPELINE LLC

WHEREAS, Atlantic Coast Pipeline, LLC, a company composed of subsidiaries of Dominion Resources, Duke Energy, Piedmont Natural Gas and Southern Company Gas, the parent company of Virginia Natural Gas (“ACP”), requested from the Southeastern Public Service Authority of Virginia (“SPSA”) a permanent easement over a road on SPSA’s regional landfill (“Regional Landfill”) property for the purpose of accessing property immediately adjacent to the Regional Landfill to the East (“Adjacent Property”) owned by another party (“Adjacent Property Owner”) in order to construct and maintain a portion of a spur of ACP’s pipeline on the Adjacent Property, which spur will run from a location on the Virginia/North Carolina border to the City of Chesapeake, Virginia, for consideration in the amount of \$13,820;

WHEREAS, the road over which ACP requested access already is subject to a permanent ingress/egress easement granted by SPSA for the benefit of the Adjacent Property Owner, for purposes of timbering activities;

WHEREAS, in consultation with counsel, SPSA management has negotiated with ACP’s land agent, Doyle Land Services, the non-exclusive Temporary Access Easement Agreement in the form attached hereto as Exhibit A (the “Easement Agreement”), which provides for a temporary easement over the subject road and will terminate five (5) years after execution of the Easement Agreement, with consideration in the amount of \$35,000;

WHEREAS, the Executive Director of SPSA and counsel have presented to the Board the terms and conditions of the Easement Agreement.

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

1. The Board hereby ratifies, confirms and approves the actions of the Executive Director of SPSA in negotiating the Easement Agreement attached hereto as Exhibit A, and authorizes execution of the Easement Agreement by the Chairman of SPSA or the Executive Director, and delivery by the Executive Director.
2. The Board hereby authorizes and directs the Executive Director of SPSA, in the name of, and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, instruments, certificates and agreements, each in the name of and on behalf of SPSA, as 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 of, 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 the foregoing resolutions.


Mr. Broad (NO) moved, seconded by Ms. Raulston (FR) to adopt the Resolution for Temporary Access Easement Agreement for Atlantic Coast Pipeline on February 27, 2019 as presented. The vote of the motion was unanimous.

3. OLD/NEW BUSINESS

Mr. McCoy commented that our Sanitation Superintendent, Mr. Al Thorne , which has been with the city of Portsmouth some 35 years was in a major accident last night and I extend to the Portsmouth family a get well to Al and whatever happens that he's in the best care that he can be.

4. ADJOURN MEETING

There being no other business to come before the Board of Directors the regular meeting was adjourned at 10:46 a.m.



Liesl R. DeVary
Executive Director

Submitted by: Blanche Christian
Secretary, SPSA Board of Directors