

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

August 25, 2021

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. Earl Sorey*	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt (<i>absent</i>)	(FR)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Burle Stromberg	(PO)
Mr. Mark Hodges	(SH)	Ms. Lynette Lowe	(SH)
Mr. David Arnold**	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen	(VB)

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

* Indicates late arrival.

** Indicates early departure.

Others present at the meeting included Alternate Ex-Officio Members Mr. Gary Kelly (VB), Mr. Oliver Love, Jr. (NO), Mr. Greg Martin (CH) and Mr. Richard Underhill (PO), SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Tressa Preston, Secretary and Executive Administrator, and Mr. Brett Spain, General Counsel. Alternate Ex-Officio Member Mr. Michael Etheridge (IW) participated electronically from the SWANA Conference in Roanoke, Virginia. There were no objections to his electronic attendance.

To accommodate those who could not attend in person, through the meeting notice, members of the public were also invited to listen to and view presentations displayed at the meeting by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary through contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. CALL MEETING TO ORDER

Mr. Baugh, Chairman of the Board, called the meeting to order at 9:30 a.m. and led the Pledge of Allegiance.

2. PUBLIC COMMENT

Ms. Preston reported that she received no requests to make a public comment.

3. CHAIRMAN'S COMMENTS

Chairman Baugh delivered the following remarks:

It is a privilege to serve as the Chair of this outstanding Board. And I'd like to start by thanking each of you for your participation on the Board and the communities you represent for their positive support of SPSA. I volunteered for the selection committee for this position because I have a deep sense of public service stemming from my Navy Time and my work at Newport News Shipbuilding, building great ships. We live in a great community and this is simply a great way to fill that need for me. I appreciate your support in this role.

Sheryl and I have spent some time doing our own independent assessment of SPSA operations, and we find things to be in very good shape, with good management control and skilled workers in the right places. There are a couple of areas we thought that could use some improvements. Those are in regulatory compliance and leachate risk reduction. Both of these are being addressed by the staff in our yellow areas, which you can see if you read ahead in your folder, and you will soon hear some more about each of those areas of focus.

So, Sheryl and I have met with some of you already and we intend to talk with each of you on a one-on-one basis to listen to your views and your concerns in the time we have in the days ahead. I've been visiting our facilities with intent to see them all and I am about done with that. I have borrowed a lot of Dennis' time. I am totally impressed with the complexity of the SPSA operation as a whole, and I am equally impressed with the talent at each location that keeps things running safely and efficiently. The Suffolk Landfill complex is unique in all of Virginia and should be appreciated as such. So, I suggest that, if you haven't, please contact Dennis. Spend some time touring the landfill, and then tour your own transfer station. You'll be impressed with what you see. You'll appreciate the hard work, the safe work, that goes on by our people. Just an amazing complexity that works really well.

I announced my selection of the Executive Committee last month and have been approached with some concerns from two parties. I believe that the continuity of operations is key in the next few months, particularly in the face of pending re-appointments to the Board, and after consultation with staff and counsel, will keep the Committee as originally appointed for the time being. However, with that said, I invite any interested parties to attend the Executive Committee. It's an open meeting. Also, I will revamp its membership at any time as SPSA needs and Board Memberships change, but always with the focus on providing excellent advice and counsel to the staff and the Board.

There are a number of ongoing initiatives that are very important that you know about. I'd like to review them very quickly. We've entered into an agreement with VDOT to build a flyover to eliminate some serious safety problems. One of my first awakenings in this position is when I came to meet Dennis for a tour of the landfill. I came in from the west and had to do the turn to get into the landfill. I drive a little Mini Cooper, and as I was sitting there with trucks going by at 80 miles an hour, my car was going like this, and I felt a very need to get across. It's also that I have a manual transmission, so I was worried about the ability to stall when I do my dart to make it across there. So, if you don't have an appreciation for the need of that, I suggest you just come in

from the west and see how it goes. So, I am very happy that we are pursuing that. It is a safety issue.

We've gotten control of the leachate from our landfill and our transfer stations and we are evaluating ways to reduce the quantity that is hauled over regional highways as another safety and environmental support issue and you will hear more about that here in the future. We have planned far into the future and are pursuing a landfill expansion that will support our communities for decades. We will be facing a decision on whether to landfill our trash or convert it to energy. As you know, our contract with WIN expires in 2027. We are awaiting their input on the way ahead, but we have planned conservatively. The permit process for Cells VIII and IX is working its way through the environmental process with the Corps of Engineers. How this process plays out will certainly have a big impact on our future operations. We need to work hard to keep tipping fees reasonable and reliably forecasted for the future. New technology is always around the corner, and we need to seek what supports our region the best.

And, lastly, I am an open communicator. I share what I think. I enjoy discussions. I am reasonably calm and Sheryl and I would most certainly welcome any opportunity to listen and dialogue with each of you. So, thank you for listening. This is how I think. And let's move on with the agenda.

4. APPROVAL OF MINUTES

The minutes of the July 28, 2021 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

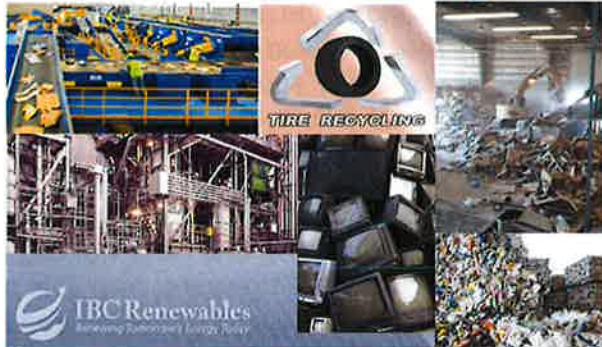
Mr. Keifer moved, seconded by Mr. McCoy, to approve the July 28, 2021 minutes of the SPSA Board of Directors as presented. The motion was adopted by a unanimous vote in favor.

5. CHESAPEAKE INTEGRATED BIOENERGY COMPLEX

Ms. DeVary introduced Mr. Ray Crabbs, President and CEO of Chesapeake IBC Renewables. Mr. Crabbs delivered the following presentation.



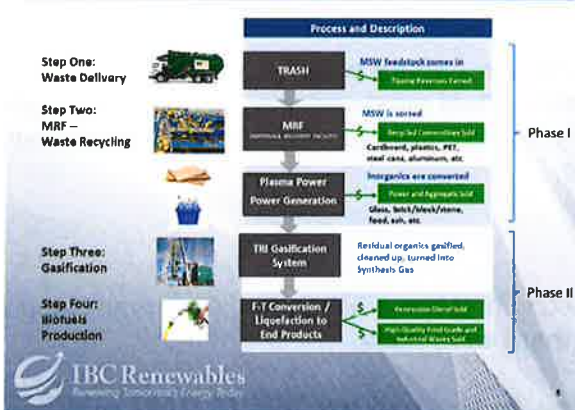
Integrating Complementary Waste-Reduction Technologies



IBC Capability / Projects 'At A Glance'

Chesapeake IBC Specifications and Benefits	
Project Cost	\$780 MM (+/- 20%) wrapped by Kiewit as EPC and Ford, Bacon & Davis
Location	First project nearing shovel ready in Chesapeake, Virginia on IBC owned site
Future Sites	30+ specific site locations already identified
U.S. Jobs	100 full-time permanent jobs per site with a payroll of \$5,000,000 plus 300 construction jobs
Waste Input	775,000 tons/year for each site consumed, with 95% of all waste taken in converted to valuable products ... and minimal residual carted to landfill
Carbon Footprint	2,000,000 tons of CO ₂ e per year negative – equivalent to eliminating 200,000 cars/year from each plant region
Reliability	All equipment to be deployed is 'off the shelf'
Intellectual Prop.	20 process and invention patent claims perfected/owned
Output Streams	Zero-Sulfur diesel fuel, Industrial wax, green power, aggregate, metals and other recyclables, industrial chemicals
ESG	Substantive Environment, Social & Governance attributes in place (see attached)
STEM	Each site will have a STEM (Science, Technology, Engineering and Mathematics) education center operated in cooperation with local colleges, universities and local school districts

MSW & Construction Waste to Fuel: How It Works



Step One: Waste Feedstock Supply

Step One: Waste Delivery

MSW feedstock comes in

TRASH

Trains Process Fuel

Unlike other commodities or the fossil fuels that are used to create energy, IBC is paid to take its raw materials, which increases its profitability.

Through its series of proprietary processes, management projects that it will receive ~ \$20 million per year in tipping fees from the waste streams it processes. These will include used tires and C&D wastes in addition to MSW.

- MSW
- Vegetative
- Plastics & Fiber
- Organics from C&D
- Railroad Ties & Tires

Approximately 500 tons per day of commodities, including aluminum, plastics, cardboard, and glass, generates revenues of \$16 million per year by selling these materials into the commodities recycling market.

Step Two: State of the Art Recycling

IBC is developing an MSW and other waste processing facility with a total processing capacity of ~2,500 tons per day.

IBC's MSW recycling system will use a series of separators and sorters to process MSW and recover valuable commodities, including OCC/cardboard, HDPE plastics, PET, steel cans, and aluminum.

Equipment for the MSW recycling facility is being provided by Bulk Handling Systems of Eugene, Oregon, a worldwide leader in the innovative design, engineering, manufacturing and installation of sorting systems and components for the solid waste, recycling, waste-to-energy, and construction and demolition industries.

BHS has built some of the largest and most durable MRFs in the world – and they are achieving the highest throughput, recovery, and purity rates in the industry.



Step Two (Continued): Plasma Power & Electricity

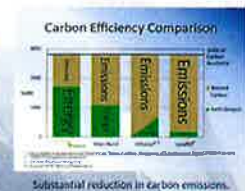
One of the critically important benefits of these technologies (which are arrayed in 'train') is the avoidance of the need to landfill the inorganic fraction of the waste stream taken into the plant (~35%). This is accomplished through the deployment of Plasma Power's technology.

The residuals that will be converted in this 'induction furnace' type system include:

- Ash from the gasifier
- Glass, brick, block, iron, steel and food waste from the materials recovery facility

The products produced include:

- U.S. MW's of green power
- 40,000 tons/year of construction aggregate



Step Three: Gasification



The technology at the heart of IBC's drop-in biofuels project is an indirectly-heated steam-reforming gasification system developed by ThermoChem Recovery International (TRI), headquartered in Baltimore, Maryland. The process has transformed MSW, wood waste, agricultural residues and other organic materials into gasoline, jet fuel, renewable diesel, chemicals, green power and other renewable energy.

TRI built and operated its first commercial (500 ton-per-day) gasification steam reformer (the same scale as planned for each of the IBC gasifiers in this project) in 2003, processing waste from a Canadian paper mill. It operated successfully until the paper mill's closing due to economic conditions. TRI subsequently built a four-ton per day integrated Process Design Unit (PDU) in Durham, North Carolina, which has successfully operated for more than 13,000 hours and has converted multiple feedstocks, including forest residuals and municipal solid waste (MSW), to Fischer-Tropsch (F-T) liquids.



Step Four: Sustainable Fuels & F-T Waxes

Sustainable fuels made from biomass and municipal solid waste significantly reduce CO₂ emissions on a lifecycle basis as compared to conventional fuels.

IBC's biorefinery will incorporate an advanced fixed bed (AFB) Fischer-Tropsch reactor, catalyst and product upgrading technology. The process produces "drop-in" renewable fuels and waxes that meet ASTM specifications from virtually any carbon-based feedstock.

Many companies have worked on gas-to-liquids, biomass-to-liquids and coal-to-liquids projects around the world.



Laboratory scale reactor station that can be configured as fixed-bed, trickle bed or continuous stirred tank reactors (CSTR).



Full commercial scale tubular (fixed-bed) FT reactor at TRI's demonstration facility in Raleigh, Durham, NC.



Chesapeake, Virginia IBC Project Highlights

Chesapeake IBC BUSINESS COMPONENTS :

- Chesapeake IBC Facility on Bainbridge St. MRF with the capacity to process 750,000 wet tons of waste per year, approximately 20% of which will be recyclable, with the remaining organic materials to be used as feedstock for the Biorefinery plant and induction system.



Chesapeake IBC Highlights (Continued)

Chesapeake IBC BUSINESS COMPONENTS

- Chesapeake IBC will construct the facility in two phases. Phase I will include buildings number 1, 15 & 16 shown below with the capacity to process 350,000 dry tons of waste per year, approximately 20% of which will be recyclable. The balance of the structures will be completed as part of Phase II.



Environmental Benefits: Significant Landfill Diversion

Goldier Associates estimates each project's gasification units alone will reduce CO₂e emissions by 1,000,000 tons per year as compared to using landfills - 40 million tons over the project's lifetime - and it will reduce by 35 million tons the amount of solid waste that will be placed in landfills.

Renewable diesel, when produced by IBC from biomass, has the potential to be carbon negative when evaluated on a life-cycle basis, due to:

- Significant reductions in the consumption of fossil fuels and their related pollution
- Diverting 350,000 dry tons per year of solid waste from landfills
- Every ton of waste processed by the plant avoids the creation of a ton of landfill gas—methane which is at least 20 times more environmental damaging than CO₂
- Gray water is reused in plant operations
- Organic wastes are disposed of without being combusted or placed in landfills
- The emissions reductions achieved by recycling of all classes of materials

Production of clean drop-in fuel provides multiple benefits including the significant reduction of principal pollutants targeted by the EPA. The project will eliminate the need for producing, transporting and consuming 440 million gallons over 20 years of petroleum-based products.

The Plant will be a minor source emitter of regulated pollutants. All mist, odor, emission controls, spill prevention, containment systems and product handling are designed to hold process wastes well below regulated threshold limits.



June 10, 2021

The Honorable Mark Warner
US Senator
703 State Office Building
Washington, DC
20540

Re: IBC Renewables

Dear Senators Warner and Kyrns:

I am writing today to lend the strong support of Invention Hampton Roads to the grant application to the Department of Energy by IBC Renewables. Invention Hampton Roads is a non-profit 501(c)(3) created to further the economic performance of the Hampton Roads region and the Commonwealth of Virginia.

We have been engaged with IBC Renewables for approximately three years. The results are truly game-changing and supported by IBC Renewables' solid strategy to reduce the dependence of solid waste in our region. We have worked with the State of Virginia and Hampton News for the potential location of their facilities that would support a circular economy and reduce issues in the Hampton Roads region, especially around Hanover. In doing so, the potential projects include also produce usable fuel and reducing sulfur from diesel or jet, electricity and seawater as recyclable metals.

It is not just the technology but the ability to integrate in the region's industrial waste disposal issues throughout the Commonwealth and the United States. We have reviewed IBC Renewables' business plan for its financial viability and the social responsibility of Virginia. We believe the potential in these two dimensions across the country and globally.

We request to lend your support to the grant application received from the Department of Energy's award review process. If you have questions or need additional information, please do not hesitate to call us.

With love in the Region

Invent Hampton Roads

James K. Scott
President & CEO





Mr. Crabbs then offered to answer any questions and Chairman Baugh encouraged the Board to make enquiries.

Mr. Leahy commented that Mr. Crabbs had indicated that he was using off-the-shelf technology which has never been used together and he asked how the Board could get some assurance that this idea will work. Mr. Leahy also asked what the economics for this project would be and what SPSA would be charged for municipal waste disposal. Mr. Crabbs responded that the highly-regarded engineering and construction organization Kiewit has agreed to issue a Letter of Intent to handle the engineering, procurement, and construction of these facilities, as well as serve as the plant's owner and maintainer. Kiewit is confident in this agreement because they have installed all of the pieces of equipment in other places and they know that the equipment will perform as it has in prior applications. The innovation is in connecting the known systems in the same location. Because IBC Renewables will be contracting with Kiewit they can rely on Kiewit's experience, as well as hold them accountable for both construction and operational reliability. Mr. Crabbs went on to say, as he has previously informed several Board Members in their roles within SPSA's member communities, that IBC Renewables expects to have a \$30 per ton tip fee at their door, and that long-term contract holders will benefit from a 3% contract escalation for the first ten years, followed by an additional ten years with no increase in fees. Some specialty items and services, such as PFAS processing, may have higher rates.

Mr. McCoy commented that, speaking from his 45 years in waste management, he sees Mr. Crabbs' facility as a golden opportunity for SPSA to be on the ground floor of a process that could be revolutionary for the region and the environment. Mr. McCoy went on to say that he recently spent time at the Regional Landfill and that SPSA and its member communities should be proud of the quality of the operations there. Although he will be stepping down from the Board at the end of the year, Mr. McCoy encourages leadership to stay involved in Mr. Crabbs' progress, noting that Kiewit is likely one of the best engineering and construction companies in the world. He looks forward to continued positive developments and thanked Mr. Crabbs for his presentation. Mr. Crabbs thanked Mr. McCoy for his kind comments and went on to discuss Chesapeake IBC Renewable's profound interest in Science, Technology, Engineering and Math (STEM) education and their partnership with several local colleges and universities to teach and assist in their on-site STEM center. His goal is to get young people interested in innovative problem solving, particularly as it pertains to global waste. Mr. Crabbs described reimagining the washing systems used for gravel and coal as an example of looking at existing processes in new ways that would reduce residual waste.

Mr. Keaton commented that he has been interested in Mr. Crabbs' project since he first heard of it and is glad to have gotten the full account in the presentation. He went on to ask if the aggregate left over from the process can be used as a road or building base material, and asked for clarification on Phase I and Phase II of the project in terms of amount of waste that can be processed and any differences in the manufactured products in each phase. Mr. Crabbs replied that they have not worked with VDOT regarding the composition of the aggregate. They have tested it and know that it will work to bury utility lines and things of that nature, but it is unknown if the aggregate has the structural integrity to be used as a roadbed. Mr. Crabbs went on to say that they will be producing about 40,000 tons of aggregate a year, which is not a large quantity, and is likely to be utilized entirely by smaller contractors, so they have not considered the possibility of using it for roads, but would have to consult with a structural engineer to determine if the aggregate would be suitable for that use. Regarding the phases of the project, Mr. Crabbs reported that Phase I will use a fully-built materials recovery facility (MRF), but only utilize two of three lines, which would run 8 hours a day instead of 24 hours a day, taking about 500 tons a day rather than 2200 tons a day. In Phase I they plan to sort the 500 tons a day for recyclables, glass, restaurant and food waste, and have enough waste to put in the induction furnaces to make 15 megawatts of green electricity and vitrify glass and inorganics. Mr. Crabbs noted that Phase I could serve as a standalone business, but the addition of Phase II will have the facility running 3 lines, 24 hours a day, processing 2200 tons of waste per day. 500 tons of waste would continue to fuel the induction furnace and the remaining 1700 tons would be gasified into diesel and wax. Mr. Crabbs anticipates a year between the operation of Phase I and Phase II, with the revenue from Phase I assisting in the construction for Phase II.

Mr. Leahy recalled that Mr. Crabbs mentioned that his company is looking at a number of locations across the county to build similar facilities. He asked if any other community has signed on and if construction has begun elsewhere. Mr. Crabbs replied that his company is meeting with a Cabinet Secretary and two members of the Governor's staff to discuss implementing six plants in the state of Virginia that would take 70% of the waste from the entire state and turn it into product. There is also site potential in Caroline and Fairfax Counties, as well as potential to work with Virginia Tech on a site in the Roanoke/Blacksburg/Abington area that could potentially take coal waste into the system. Mr. Crabbs noted that Fulcrum US Renewables in Reno, Nevada is working with a similar system to make jet fuel.

Mr. Keifer asked Mr. Crabbs, if all goes to plan, when he anticipates being operational with Phase I and Phase II. Mr. Crabbs responded that, while he cannot predict the future, he is hoping to break ground in the first quarter of 2022 and then it will be a 12-month process to be ready for Phase I, with Phase II active the following year, meaning that the goal is to have both phases fully operational within two years of breaking ground.

Mr. Leahy asked about the facility's regulatory permits, including not only state air and water permits, but also any state and federal approvals for the products being manufactured. Mr. Crabbs responded that the food grade wax they will be producing is, like all F-T wax, derived from oil and will be chemically the same as other F-T wax. The fuel being produced is drop-in diesel, so it can be blended, just as ethanol is blended, into various vehicular uses. Mr. Crabbs does not foresee any regulatory issues with the products they will be producing. The Chesapeake facility will have state permits to operate, as well as an air, waste, and stormwater permits, which will likely follow the same Department of Environmental Quality (DEQ) guidelines that would be applied to the MRF. The Chesapeake Bay Program (CBP) and the Army Corps of Engineers have already signed off and the facility has been granted a Conditional Use Permit from the City of Chesapeake. As soon as the final engineering specs

have been completed, Chesapeake IBC Renewables will seek final signoff from the appropriate regulatory agencies.

Mr. Stromberg asked if there was any residual waste at the end of the process. Mr. Crabbs replied that there will be a roughly 3% carbon-free residual that could potentially be used as alternate daily cover at the landfill. Mr. Crabbs intends to continue discussions with Ms. DeVary about possibly swapping their residual for the carbon-rich tire shreds from the Tire Processing Facility, as his process is carbon-driven.

Ms. Raulston asked how much water the plant uses. Mr. Crabs responded that the plant does not use a lot of water, but it does take a lot of water to charge the plant. Mr. Crabbs estimates it will take roughly 1.2 million gallons initially, but he has discussed the initial water need with the City of Chesapeake and they are confident the water can be supplied. Once charged, the plant will have about 40,000 gallons of make-up water each day from the cooling and evaporation that is a part of their process.

Chairman Baugh thanked Mr. Crabbs for his interesting presentation, wished him well on the future ahead, and commented that he looked forward to having him back to update the Board with his progress.

6. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary was pleased to once again report that SPSA staff continues to do a great job keeping operations running smoothly and efficiently and that she very much appreciates all that they do.

Regarding the permitting process for Cells VIII and IX, after the July Board Meeting, SPSA received a request from the Army Corps of Engineers. They requested that SPSA seek the Attorney General's opinion on a section of the Code of Virginia that pertains to siting a landfill. The Code states that DEQ may not issue a permit for a new landfill if it is going to impact more than two acres of wetlands. The reason that the Corps is seeking this determination is because all six of the possible off-site alternatives they are considering would impact more than two acres of wetlands. If the Attorney General confirms the determination, that would mean that the off-site alternatives would no longer be viable. Ms. DeVary went on to say that there are two exemptions to this part of the Code of Virginia, SPSA being one of them, and that for years it has been anticipated that SPSA would continue to expand on the existing landfill property, which does contain wetlands. Ms. DeVary has worked with Mr. Spain on this request and due to the fact that only certain individuals can request an opinion of the Attorney General, they have reached out to the Southampton County Attorney. Because five of the six proposed off-site alternatives are in Southampton County, they are more than willing to assist and submit the request on SPSA's behalf. Mr. Spain added that the statute is fairly straightforward, but because there are some ambiguities, the Corps is requesting a formal advisory opinion, and those requests must come in the form of a proposed opinion, so that is what is being sent out. The Corps made a second request that SPSA's General Counsel opine on SPSA's ability to exercise any eminent domain rights and the role Southampton County would play in that process. Mr. Spain commented that the request is somewhat strange in that it assumes that SPSA does not have the ability to exercise eminent domain without some sort of prior consent of Southampton County, which is incorrect. SPSA has its own powers of eminent domain, so he and Ms. DeVary are trying to clarify that point, while noting that were SPSA to attempt to exercise eminent domain on one of the proposed off-site alternative properties, SPSA would still need to work within local zoning ordinances and permitting processes if they were to

construct a new landfill site. Both Southampton County and the City of Suffolk have said that it is extraordinarily unlikely that they would consent to siting a new landfill in their communities. Ms. DeVary added that staff is pleased with the progress that the Corps is making. Mr. Spain's opinion on eminent domain will be delivered later in the week, as well as the request to the Attorney General.

The VDOT Flyover is progressing as scheduled. The regular monthly meeting took place a few days before and at this point there are no changes. Ms. DeVary reported that the goal is to have 30% design plans completed by the end of September, at which point SPSA and the City of Suffolk, which has requested to participate as stakeholders, will likely meet with VDOT to review the plans.

Ms. DeVary has yet to receive any information from Wheelabrator regarding their future plans. She continues to reach out to them regularly and her hope is that she will receive the requested information next week, so that she may bring it to the Board at the September Meeting.

Ms. DeVary noted that the status of finalizing the proposed Amended and Restated Landfill Gas Agreement would be discussed in a brief closed session later in the meeting.

Ms. DeVary was pleased to announce that SPSA has received an Exemplary Environmental Enterprise (E3) designation from DEQ's Virginia Environmental Excellence Program (VEEP). Since 2001, SPSA has been a part of this program, which includes benefits like public recognition, permit fee discounts, and being granted a single point of contact with DEQ. It is a great accomplishment that SPSA is honored to have achieved. Chairman Baugh presented Mr. Mike Kelley, SPSA Landfill and Environmental Assistant Manager, with the certificate from DEQ.

Mr. Bagley delivered the operations report, stating that for the period of July 1, 2021 through July 31, 2021, SPSA landfilled 35,865 tons of material, which was an increase of 4,294 tons from the previous month. 1,292,175 gallons of leachate were sent to HRSD, which is a decrease of 188,387 gallons from the previous reporting period. Mr. Bagley noted that even though there was 8.52 inches of rain in the month of July, leachate decreased as a direct result of staff's efforts to force more water off of the landfill, rather than producing leachate. 878,831 gallons of leachate were pumped at an impressive 19.6 GPM, which is 98% of the allowable flow. This number is also due to the excellent work being done at the landfill. Only 413,344 gallons of leachate were hauled in the month of July, which Mr. Bagley pointed out is one of the lowest amounts of leachate hauling in over a year. 87.5% of the ash received from the Waste to Energy plant in the reporting period was used as alternative daily cover. Installation of the above ground storage tanks at the Regional Landfill has been completed, and they are close to being ready to receive fuel. Mr. Bagley reminded the Board that this was a project they approved several months ago to remove the underground storage tanks and replace them with above ground tanks to store fuel at the landfill. The upgrades have been completed at the Tire Processing Facility along with a final walk through of the improvements that had to be made on the machine in order to meet SPSA's specifications. Those adjustments were completed and SPSA is now able to shred 16 tons of tires per hour, whereas with the old shredder, they could process only 40 tons per day. Staff is very pleased with the production from the new shredder. Mr. Bagley added to his report that WIN has been having some issues with their RDF plant over the last month and waste was diverted to the landfill for three days. Diversions put a strain on staff because the system is designed to be regular and repetitive and unexpected changes cause disruption. However, staff, particularly transportation, scale houses, and the

landfill, have done an excellent job making accommodations and Mr. Bagley wanted to make mention of their extra efforts. He then offered to answer questions.

Mr. Hansen raised a concern about the VDOT flyover project, noting that it is an issue that has the potential for a dramatic effect on SPSA's tipping rate. He offered the suggestion that perhaps it would be valuable to have a select group work with VDOT to help keep an eye on their costs. Mr. Hansen's specific concern is that costs will continue to be raised, perhaps incrementally, and while it may not seem like a major issue to an organization that regularly works with very large-scale projects, it will be a significant matter for SPSA's rate payers. Mr. Hansen was clear that his intention was not to besmirch SPSA's partners at all, but to be realistic about the scope of their projects and the realm in which they work.

Ms. DeVary responded enthusiastically to the suggestion and said that she would welcome a designated group of Board Members to take a larger role in supervising the project. She discussed the regular monthly meeting being held to discuss progress and costs incurred. VDOT is aware that should there be any unexpected developments they are to contact her ahead of the meeting. Ms. DeVary noted that building roads is neither her, nor Mr. Bagley's, area of expertise and she would be happy to have a subgroup attend those meeting as well.

Mr. Hansen suggested that another possible solution might be to have a VDOT project manager present at each Board Meeting to help alleviate concerns. He encourages the Board to be very cautious about the project and its financial implications. Ms. DeVary commented that it was her intent to have VDOT attend Board Meetings as the project moved further along, but that she could certainly have them come in sooner. She suggested that perhaps VDOT begin to attend meetings when they reach the 30% design milestone. Ms. DeVary went on to say that she would very much appreciate having a subgroup to help review VDOT invoices when they are received.

Mr. Keifer reminded the Board that VDOT's cost estimate for the flyover project has already increased from \$25 million to \$40 million. Ms. DeVary added that she has made it very clear to VDOT that that number cannot increase and, in fact, needs to decrease. Mr. Hansen replied that he has no doubt that Ms. DeVary is performing her due diligence.

Mr. Keaton commented that he concurs with Mr. Hansen, particular because of his own experience with VDOT projects and how quickly ancillary costs can accumulate. Mr. Keaton encourages having VDOT participate with the Board as early as possible, even before 30% design completion, because administrative costs can increase dramatically.

Mr. McCoy concurred with Mr. Hansen and Mr. Keaton's recommendations and offered to put it into a motion for the record. He encouraged that those on the Board with experience in these types of projects should be able to lend their expertise and serve as an asset to Ms. DeVary and Mr. Bagley. Mr. Moor commented that Suffolk would be involved in the group at a staff level, as they have a major interest in the project. Ms. DeVary added that she has made it clear that Suffolk is to be included on reviewing any plans, but that she does think that it would be valuable to have someone from Suffolk participating in the monthly calls with VDOT. Mr. Moore agreed and committed to getting contract information to Ms. DeVary for Suffolk's participant.

Mr. Keifer offered to second a motion by Mr. McCoy, noting that the flyover has been discussed extensively at Executive Committee, but he thinks it would be very good to have a group that is familiar with VDOT to get together and monitor the project.

Chairman Baugh asked if there were other questions or comments. Mr. Leahy asked Mr. Spain about the legal requirements for this group's meetings. Mr. Spain responded that even if there were only two Board Members in the group it would still be considered a public body formed by the SPSA Board to advise it, and would therefore need to follow FOIA rules, including notice of meetings and avoidance of side discussions of committee business. Mr. Moor asked if the committee were made up of staff rather than Board Members, would the same FOIA regulations apply. Mr. Spain advised that he would have to look into that matter further.

Mr. Stromberg asked, related not to the suggested committee, but in regards to the flyover itself, if the new technology described by Mr. Crabbs earlier in the meeting comes to fruition, would that significantly decrease traffic going to the Regional Landfill. Ms. DeVary responded that if that were the case SPSA would look at the economics and logistics as there would still be trash coming to the landfill from the western communities and Suffolk would still likely use the Suffolk Transfer Station at the Regional Landfill. Mr. Keifer added that, as he recalled, the numbers indicate that a considerable amount of the traffic in that area is not related to SPSA, but because of turnarounds, which lead to the need for the flyover, regardless of whether or not SPSA trucks are entering the landfill.

Chairman Baugh asked for further questions or comments but there were none.

Mr. McCoy moved, seconded by Mr. Keifer, to establish a Subcommittee of the Board of Directors to assist the Executive Director in overseeing the financial aspects of the SPSA-funded, VDOT-managed Flyover Project. The motion was adopted by a unanimous vote in favor.

After the vote, Chairman Baugh asked if there were any volunteers for the Subcommittee. It was determined that Mr. Hansen will Chair the Subcommittee and Mr. Sorey will serve. Mr. Moor indicated that Suffolk has a strong interest in participating in discussions with VDOT and indicated that Mr. Robert Lewis would do so on behalf of the City of Suffolk. Chairman Baugh thanked the group for their support, noting that they are an excellent group for the project. Ms. DeVary added that she will put together some notes and contact the Subcommittee, remarking that they will certainly want to participate in the monthly calls with VDOT, but that she will solicit their feedback on whether or not they would like to meet in addition to that.

Ms. DeVary went on to say that she presumes that the Board, particularly the Ex-Officio Members, take the information discussed at Board Meetings back to their communities to keep them informed. She also reminded each member that if they, or their Councils, ever have questions or are uncomfortable with any aspect of the organization, they are strongly encouraged to reach out to her. She is happy to meet with and talk to each Board Member individually, as well as make arrangements to meet with governing bodies or interested parties. Ms. DeVary wanted to be sure that the Board understood that she is here to help and welcomes their communication.

Moving back to the operations report, Chairman Baugh complimented Mr. Bagley on his reporting about the exceptional work being done in regards to leachate management and reduction. He asked that his compliments be passed on to the crew at the Regional Landfill.

7. WIN WASTE INNOVATIONS PORTSMOUTH MONTHLY REPORT

Mr. Bob Hely was at the meeting in person on behalf of Mr. Clint Stratton, who was unavoidably detained in meetings. Mr. Hely commented that he doesn't often get to interact directly with the

Board and that he is a marketplace manager with WIN Waste Innovations. He works Directly with Mr. Stratton, which affords him the opportunity to have a working relationship with Ms. DeVary, Mr. Bagley, and Mr. Strickland. Mr. Hely thanked Mr. Bagley and SPSA staff for their help during the necessary diversions. He noted that diverting SPSA's waste is a last resort that only happens after commercial waste has already been turned away. Mr. Hely commented that when he calls Mr. Bagley, Mr. Bagley knows that it is a dire emergency and makes accommodations. Then, when diversion is no longer necessary, WIN is obliged to remove an amount of waste from SPSA that is equal to the amount of waste that was diverted to the landfill. While WIN hopes diversion is never necessary, it happens from time to time due to mechanical situations. Mr. Hely added that, in effect, his job is community relations, public relations, and government affairs, which creates an opportunity for him to be included in the community as SPSA and WIN's valuable, and appreciated, relationship moves forward. Mr. Hely then delivered the WIN monthly report.

**WIN Waste Innovations-
Portsmouth**

August 2021 Report to SPSA Board



Meeting SPSA's mission to provide safe and environmentally sound disposal of regional solid waste.



**WIN Waste Innovations Portsmouth
July 2021**



Actual Operational Data

Net Refuse Received			Total Refuse Processed			Total NP Diverted			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
56,932	55,058	1,874	55,174	55,990	(-816)	8,167	8,118	49	15,604	15,841	237
Volumes slightly favorable			Driven by boiler unscheduled downtime			-			Driven by slightly unfavorable processing		
Steam Boilers			Boilers			TGW Unscheduled Downtime			Net BWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
31,836	28,182	3,654	347	152	195	0	24	24	16,617	19,962	(3,345)
Usage increased at NNSV this period			Driven mainly by grate issues and plugged gas path of Boiler 2			-			Driven by unfavorable processing and increased steam usage at NNSV		

- * Includes 1,948 tons of non-qualifying residue delivered to landfill; qualifying residue 87.53% for July
- * Waste delivered by SPSA to RDF: 52,029 tons; Boiler availability - 88%; Turbine Generator availability: 90%; Ash Screen availability - 95%
- * 0 OSHA Recordable accident this period; 1 for the YTD; 0 Environmental Incident and 0 Citizen Complaints

**WIN WASTE
Innovations
Portsmouth
Salutes:
Christina Trapani**

- Founder of "Keep It Beachy Clean" in VA Beach
- Owner of Eco Mania, which sells alternatives to single use plastics
- Helped lead effort to ban balloon releases in VA



Questions?



Mr. Hely thanked Ms. DeVary, Mr. Bagley, and their staff and offered to answer any questions, but there were none.

8. FINANCIAL REPORT

Ms. DeVary informed the Board that as of July 31, 2021 total revenues exceeded total expenses by approximately \$1.19 million as compared to \$1.22 million in the previous fiscal year. Tipping fees fiscal year to date reflect an increase of 9.6%, or approximately \$377,601 as compared to FY 2021, which Ms. DeVary noted is due to the tipping fee increasing on July 1, 2021. Municipal waste tonnages were down approximately 5.3% or 2,345 tons as compared to last fiscal year. Commercial tons were up approximately 35% or 4,856 tons as compared to last year. Ms. DeVary added that 2,000 of those commercial tons were from Waste Management, which has been utilizing the Oceana and Landstown Transfer Stations. Ms. DeVary drew the Board's attention to the Municipal Tonnages Graph which showed that FY 2022 actual municipal tonnages are slightly below the actual tonnages for July 2021, but still above previous years' actual numbers. For the month ending July 31, 2021 total municipal waste was 41,869 as compared to 44,214 a year ago.

Ms. DeVary reported that total expenses as of July 31, 2021 were approximately \$3.3 million, compared to \$3 million in the prior fiscal year. Cash balances were at \$52 million, designated as \$3.5 million in the operating fund, \$6.37 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$3.8 million for FY 2021 purchase orders, \$2.5 million for the proposed HRSD force main, and \$35.8 million in the landfill expansion and closure fund. Ms. DeVary commented that the undesignated fund balance, which must always represent two months' operating expenses, is now higher because the FY 2022 budget increased, and that the \$3.8 million in FY 2021 purchase orders is largely for the Design Build Projects at the Regional Landfill. She then opened the floor for questions or comments, but there were none.

Mr. Keifer moved, seconded by Mr. Hansen, to approve the SPSA financial report as presented. The motion was adopted by a unanimous vote in favor.

9. CLOSED SESSION

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussions regarding the proposed amendment to the Landfill Gas Rights, Easement and Lease Agreement, including current performance issues of Suffolk Energy Partners, LLC under the agreement and the impact of those performance issues on the proposed amendment, 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. McCoy moved, seconded by Mr. Keaton, to enter into a closed session to discuss the Landfill Gas Rights, Easement and Lease Agreement between SPSA and Suffolk Energy Partners, LLC and performance issues as presented. A roll call vote was taken of all voting members present, which included all members noted above with the exception of Mr. Arnold who left early. The motion was adopted by a unanimous vote of in favor.

Motion to Approve Certification after Closed Meeting.

The Board of the Southeastern Public Service Authority of Virginia hereby certifies that, to the best of each member's knowledge: (a) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; 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 moved, seconded by Ms. Raulston, to certify the closed session as presented. A roll call vote was taken of all voting members present, which included all members noted above with the exception of Mr. Arnold who left early. The motion was adopted by a unanimous vote in favor.

10. OTHER BUSINESS

Chairman Baugh asked if there was any further business to come before the Board. Mr. McCoy commented that he is a strong believer that the Members of the Board should visit the Regional Landfill so that they may see for themselves what an amazing operation it is. He added that the Design Build Project for improvements at the landfill is an essential undertaking. Mr. McCoy complimented Ms. DeVary on how impressed he was with what he observed on his visit and continued to urge the Board to visit SPSA's facilities and remain engaged in asking questions on behalf of the communities they represent. Chairman Baugh thanked Mr. McCoy for his comments and added that he highly agrees that landfilling is a specific and detailed business that requires the developed and refined skills possessed by SPSA staff to run a safe and successful operation, as SPSA does.

Ms. Raulston congratulated Mr. Strickland and his staff at the Regional Landfill for achieving the E3 status of environmental excellence in the state, noting, for those less familiar with the program, that it is a very impressive accomplishment and, once achieved, must be maintained with environmental systems focused on safety and compliance. Ms. Raulston has shared her compliance systems and procedures from her work at International Paper in Franklin with the environmental staff. She noted that having an E3 status reflects very well on SPSA in the public arena when people can see that all of SPSA's facilities operate at this level. She suggested that the VEEP logo be added to the SPSA website and to presentations so that SPSA's status can grow to become common knowledge. Ms. Raulston again congratulated staff and thanked them for the wonderful work they do.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:21 a.m.



Liesl R. DeVary
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors