

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

October 27, 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	(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 (<i>absent</i>)	(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. Michael Etheridge (IW), Mr. Gary Kelly (VB), Mr. Oliver Love, Jr. (NO), 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.

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 9:36 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 commented that much has moved forward since the last Board Meeting, including the first meeting of the Flyover Oversight Committee, the completion of the annual audit, Wheelabrator's suggested future options, a meeting with Columbia Gas, and a meeting with VDEQ regarding the Title V Permit, all of which will be discussed later in the meeting. Chairman Baugh also reported that, as part of his efforts to become more familiar with SPSA operations, he has completed a visit to all of the transfer stations. As he has previously, Chairman Baugh encouraged Board Members to take tours of their own with Mr. Bagley. Chairman Baugh shared his personal observations of operations, noting that safety and cleanliness appeared to be in good order. He met with each station supervisor without Mr. Bagley present and they each reported pride in their work and appreciation for Mr. Bagley's engagement and leadership. Chairman Baugh commented that the Chesapeake Transfer Station was particularly busy. Because of his Naval background, Chairman Baugh is particularly interested in fire safety and he was pleased to note that fire equipment was in working order and that historically the only fires that have occurred at SPSA transfer stations were because of existing fires being brought in on trucks. He saw that leachate was being managed well and that capital equipment gets quite a workout. His observations gave him a new appreciation for how tire management and unplanned downtime impact operational efficiency. Chairman Baugh commented on the art and skill of properly loading a trailer with waste and the talents of the important team members who work as scale attendants. Overall, he was very impressed by what he saw and appreciates the work that Mr. Bagley and his team do to keep things working well.

Returning to SPSA operations as a whole, Chairman Baugh observed that, while there are many issues to address that will shape SPSA's future, he is confident in Ms. DeVary and SPSA's excellent staff to be capable of balancing all the activities. He also asked that Board Members pay attention to the matters at hand and contribute their individual talents to help address those matters. Chairman Baugh asked if there were any questions or comments.

Mr. McCoy complimented Chairman Baugh on his transition into the role as Chairman and for looking at SPSA through new eyes, noting that, as a Board Member with a long tenure, it is easy to forget just how many different aspects are involved in daily operations. Having visited the Regional Landfill again recently, he was reminded of how impressive and amazing the operation is, as a whole. Mr. McCoy added that he is incredibly impressed with SPSA's leadership and their ability to handle the difficult decisions ahead. He congratulated Ms. DeVary and Mr. Bagley on their hard work and jobs well done in handling the complex issues related to waste disposal.

Chairman Baugh thanked Mr. McCoy for his comments, adding that sitting at the table as a Board Member only gave him a partial view of SPSA's operations, but that getting out to see the workings in person, he realized that it is a significantly bigger, more integrated, and more complex operation than he realized. Chairman Baugh said that discovery has been a pleasure and that it is satisfying to be a part of something you can engage with and be proud of, particularly when you know about the challenges involved in providing this service that we all utilize but rarely take the time to think about.

4. APPROVAL OF MINUTES

The minutes of the September 22, 2021 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. McCoy moved, seconded by Ms. Raulston, to approve the September 22, 2021 minutes of the SPSA Board of Directors as presented. The motion was adopted by a unanimous vote in favor.

5. ANNUAL AUDIT

Ms. DeVary introduced Mr. Logan Booth of Cherry Bekaert. Mr. Booth provided a brief overview of their findings and offered an unmodified opinion of the fiscal year 2021 financial statements. They noted no material weakness in internal control and found SPSA to be in compliance with all laws and regulations. There were no disagreements or difficulties in performing the audit. For informational purposes, the auditor also mentioned upcoming governmental accounting and financial reporting standards that will become effective in coming years. At the request of staff, on behalf of the Board, Mr. Booth outlined some of the notable fluctuations between the FY 2020 and FY 2021 financial statements. Mr. Booth concluded the presentation and offered to answer any questions that the Board might have.

Mr. Leahy, a member of the Audit Committee, clarified that the numbers provided by SPSA staff for the pension and OPEB estimates were dictated to SPSA by VRS. Mr. Booth agreed that those numbers were a third-party estimate, not estimates created by SPSA. Mr. Keaton asked Mr. Booth to discuss SPSA's net position and how it is categorized between restricted and unrestricted funds. Mr. Booth commented that the net position did increase by \$8 million, which was comparable to fiscal year 2020. Regarding the restriction, he stated that a certain portion of the restrictions are for the pension and those are defined restrictions, but essentially, the assets that are reported under the net position, is an asset where a company sets those funds aside for a future payment on that net pension asset. Another part of the net position that Mr. Booth noted related to the Environmental Trust Fund, which is a contractual obligation for SPSA to earmark funds for future use. Mr. Keaton replied that he noticed that the unrestricted funds increased by about \$11 million, and that the pension portion decreased. Ms. DeVary made sure that the Board was aware that when they refer to a "net pension asset" it is because SPSA's portion of the VRS plan is overfunded. She went on to say that more commonly it is seen as an "unfunded liability," but for SPSA, currently, that is not the case. The VRS data that is shown is as of June 30, 2020, and the asset has been reduced by about \$3 million due to market fluctuations and a few changes in assumptions. Ms. DeVary wanted to be sure the Board understood that the variation was due to a change or reduction in the asset and not an increase in the liability. Mr. Keaton added that the increase in the unrestricted funds is mainly going into landfill expansion and closure, which is an intentional increase that should be explained. Mr. Leahy followed up on Mr. Keaton's comment, adding that the Audit Committee is recommending that, in future years, the audit contain notes regarding the specific earmarking of these cash reserves for use in the flyover project and future landfill expansion. He continued, that by noting the specific use for these funds, there would be no chance of appearance that, due to the amount of cash SPSA has on hand, rates could be seen as excessive when, in actuality, the rates and cash reserves are quite reasonable, given the projects in place. Mr. Keaton agreed with Mr. Leahy, stating his purpose in discussing the matter was to ensure that the intention of SPSA's cash reserves was reflected for the record.

Ms. DeVary asked Audit Committee Chairman Lynette Lowe to comment. Ms. Lowe reported that the Audit Committee, which was made up of herself, Mr. Maxwell and Mr. Leahy, met on two occasions. They thoroughly studied the audit report and had detailed discussions with Ms. DeVary and her staff, as well as with the auditor. They inquired about the status of the pension program, which currently has a pension asset as opposed to a pension liability. They asked

about the methodology used to determine the cost related to landfill closure and post closure and the auditor responded that the methodology is valid and consistent with prior years. Ms. Lowe reported that they also discussed, as was mentioned by Mr. Leahy, that in future years they would like to see a note in the audited statements detailing the cash designated toward the flyover project to better explain SPSA's need for high cash reserves. Based on the Audit Committee's discussion, and with full confidence in Ms. DeVary and her staff, Ms. Lowe and the Audit Committee recommended that the fiscal year 2021 audited financial statements be accepted as presented. She asked Mr. Maxwell and Mr. Leahy if they had any additional comments to add, but they did not.

Mr. Maxwell moved, seconded by Ms. Lowe to accept the SPSA annual audit as presented. The motion was adopted by a unanimous vote in favor.

Ms. DeVary recognized Ms. Sandy Schreiber, Accounting Manager, for her job well done in managing the audit and communicating with the auditors. Mr. Booth thanked Ms. Schreiber and Ms. DeVary for their assistance, noting that it was a pleasure to work with them. Chairman Baugh thanked Mr. Booth and then he thanked Ms. Lowe for her willingness to serve as Chairman. She thanked Chairman Baugh and her fellow committee members, noting they were a great team. Chairman Baugh replied that he hoped Ms. Lowe would consider continuing as Chairman next year and she indicated that she would.

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. As an update to the Cells VIII and IX permitting process, Ms. DeVary informed the Board that there was a third-party consulting call, which included tribal and environmental representatives. During the call, they discussed the Phase 1A cultural resource assessment that was completed on the proposed expansion area, which was a desk-top review and included researching deeds and land ownership, along with consulting existing research on the area. The conclusion of that assessment was similar to the one conducted on the Cell VII area in 2007 and 2008 and noted that the area for proposed landfill expansion was used primarily as a passageway and not likely to be a site that people inhabited. However, as the process moves forward, the recommendation is to conduct a full cultural resources assessment which includes soil testing along a designated grid to get more detailed information on land use. This process will likely require more funding for the project budget sometime in the future. Ms. DeVary estimated a likely increase in the amount of \$60,000 for the study. The Army Corps of Engineers continues to struggle with the process of eliminating off-site alternatives. They were provided with an opinion from the Virginia Attorney General regarding the legislation which states that a new landfill cannot be sited in an area that will impact more than two acres of wetlands, from which SPSA is explicitly excluded. The Corps found the opinion to be unclear regarding any other possible exceptions to the legislation and they are seeking more concrete answers. Additionally, at the Corps' request, Mr. Spain opined on SPSA's right to the use of eminent domain to seize property noting that, while SPSA has that right, without the support of the local government, SPSA would not be able to get proper zoning and permitting, rendering eminent domain virtually useless to SPSA from any practical perspective. The Corps will be seeking more information from Southampton County and Suffolk on the proposed off-site locations in their jurisdictions and SPSA will continue to help the Corps get to a place where they feel comfortable eliminating some of the off-site alternatives in order to move forward in the process.

Ms. DeVary informed the Board that the proposed \$3 per ton tax being discussed for the upcoming General Assembly Session does not have any legislation written as of yet, but there have been flyers distributed outlining what they are proposing. The goal of the legislation would be to fund parks. Ms. DeVary attended the HRPDC's joint legislative meeting on September 23, 2021 and encouraged opposition to any trash tax bill. At that time, the HRPDC said that they would include opposition on their legislative agenda, but it appears that at the CAO's meeting they decided to wait until actual legislation was proposed. Ms. DeVary asked CAOs present to confirm if that was the case. Ms. Jarratt reported that at the larger HRPDC meeting held on October 21, 2021, it was determined that they would include opposition to the proposed trash tax in their legislative agenda. Ms. DeVary was pleased to receive that information. Mr. Hansen asked if SPSA had engaged the Virginia Municipal League (VML) on this matter and Ms. DeVary reported that VML is publicly opposed to the proposed legislation and is listed on the flyer against a trash tax. Ms. DeVary went on to say that she recently spoke with Mr. Meade Spotts, who is spearheading this effort, and he believes that those opposed to this legislation need to begin contacting their delegates now. Unless the Board disagrees, Ms. DeVary plans to go ahead and send a letter on behalf of the communities that SPSA represents. Mr. McCoy sought clarification from Ms. Jarrett who reiterated that at the larger HRPDC group meeting it was decided that the HRPDC would come out in opposition to the tax. Ms. DeVary commented that some of the biggest reasons to oppose the tax are that there is no nexus between waste disposal and funding for parks and that there are other things that can be done to impede out-of-state waste. SPSA's Use and Support Agreements forbid out-of-area waste, let alone out-of-state waste. Mr. Keifer asked if it would be valuable to have a Board Motion on this matter. Mr. Leahy added that delegates should be reminded that this would be a regressive tax with the burden falling to homeowners, with low-income homeowners being feeling the effects more acutely. Ms. DeVary said she planned to explain how the fees will be passed on to the residents. She intends to have the Chairman sign the letter, then send it to the delegate list provided by Mr. Spotts, and then perhaps the municipalities may want to send letters of their own.

Mr. Keifer moved, seconded by Mr. McCoy, to support the Executive Director drafting a letter in opposition to the proposed trash tax legislation for the Chairman to sign and then be distributed, as discussed. The motion was adopted by a unanimous vote in favor.

In regards to the status of the proposed Amended and Restated Landfill Gas Agreement with Mas Energy, Ms. DeVary reminded the Board that she, Mr. Bagley, and counsel have been working on this matter for quite some time. Months ago, Ms. DeVary reported to the Board that Mas Energy had operating issues that resulted in missed wellhead readings in June. Mas was able to recover some data files, however, staff did not have sufficient time to review prior to the submission of the Title V Semi-Annual Report due to the Virginia Department of Environmental Quality (VDEQ) on September 1, 2021. It was decided that SPSA would speak with VDEQ locally, send the Title V Semi-Annual Report by the September due date, and then likely submit a revised report after having had time to assess the data. The revised report was sent in and SPSA met with Mr. John Brandt from the local VDEQ office, HDR Engineering, and Mr. Michael Hall of Mas Energy, who participated electronically. Mr. Hall took full responsibility for the errors and omissions made. Ms. DeVary, staff, and HDR outlined for Mr. Brandt the multitude of corrective actions that have been put in place to ensure that a mistake like this never happens again. These actions include Mas Energy contracting a third party to be responsible for the wellhead readings and compliance reporting that is sent to HDR, SPSA staff shadowing that third-party contractor to ensure that the readings are complete, and SPSA purchasing equipment to perform random spot checks on wellheads. Ms. DeVary also reminded the Board

that there have been no notable instances of wellheads exceeding required limits and this was not a matter of wellhead compliance issues, but a matter of Mas Energy's staffing issues. Ms. DeVary and staff are confident that those issues have been corrected and she and Mr. Bagley have seen tremendous improvement in communications, including weekly meetings with landfill staff. Because of these positive steps forward, Ms. DeVary thinks that it is in SPSA's best interest to continue working with Mas Energy to have them convert the facility into a Renewable Natural Gas (RNG) facility. There are a few changes still needed in the agreement, but Ms. DeVary hopes to be able to bring the proposed Amended and Restated Landfill Gas Agreement to the Board for approval at the December Meeting. It is still unclear whether or not VDEQ will be issuing a warning letter or a notice of violation regarding the missed wellhead readings, so that will be addressed as needed. Ms. DeVary asked if there were any questions, but there were none. Ms. DeVary reiterated that she and staff are very pleased with developments and that they know Mas Energy has the experience and knowledge to run an RNG facility, which will be in SPSA's best interests. During the process, Ms. DeVary and staff learned that the wellhead system on Cells V and VI were put in as a temporary solution in 2010 and were never updated by the previous company, but that Mas plans to install a new system at their considerable expense. Ms. DeVary again stated that she hopes to bring the agreement to the Board at the December meeting and will likely include a copy of the contract in the agenda.

Ms. DeVary stated that Wheelabrator's future plans would be discussed later in the meeting during closed session.

Ms. DeVary reminded the Board that DEQ requires financial assurance for the closure and post closure care of the Regional Landfill and transfer stations be certified each year. As of June 30, 2021, the total projected costs are approximately \$24.97 million. The largest part of that is \$24.56 million for the landfill and the remaining \$408,400 for the transfer stations. Ms. DeVary has received a letter that DEQ has approved the cost estimates and the use of the corporate financial test to demonstrate financial assurance. As of June 30, 2021, SPSA had approximately \$38.5 million set aside for landfill expansion (\$19.3 million) and closure costs (\$19.2 million). Ms. DeVary commented that she doesn't always separate the two numbers, but she wanted to mention that they are broken into two pieces. Mr. McCoy commented that if the Board were to look at the financial statements from ten years ago alongside the current statements it would be an interesting comparison. Ms. DeVary commented that when looking at the financial audit, it doesn't necessarily line up with the monthly budget reports in the agenda, because the budget is cash-based and the financial statements are prepared based on a full accrual method, which can be confusing. Ms. DeVary added that she would be happy to show a comparison from 2010, when the new Board structure began, and current financials at a later meeting. Mr. Hansen asked Ms. DeVary to explain the delta between the shown \$24.56 million required in financial assurance for landfill closure costs and her calculated \$19.2 million that is currently set aside for landfill closure. Ms. DeVary explained that the \$24.56 million is calculated as though SPSA would have to close the Regional Landfill today. The \$24.56 million includes the cost to close cells V and VI as well as provide for 30 years of post-closure for cells I-VI. In the financial statements, Ms. DeVary only posts a liability based on airspace consumed each year. For example, if Cells V and VI are only at 67% capacity then the liability that is reflected is only 67%. Each year, the calculated amount of airspace used gets expensed and SPSA's liability increases. Mr. Hansen thanked Ms. DeVary for the explanation. Mr. Stromberg asked if there were plans to close a transfer station. Ms. DeVary clarified that while there are no plans to close a transfer station, under SPSA's Permit, there must be funds available to close a station if it becomes necessary. She noted that, comparatively speaking, the funds required to close a transfer station are minimal. Ms. DeVary

also added that there is no reason to suspect that SPSA would need to close Cells V and VI before they reach capacity.

Ms. DeVary announced that she and Mr. Bagley decided that it would be a good idea to take time at each Board Meeting to go over aspects of SPSA's Environmental Management System, which is the process that helps SPSA maintain environmental excellence at an E3 level. She asked Mr. Bagley to outline the key elements.

Mr. Bagley commented that he was excited to be given the opportunity to talk about the environmental excellence program. Because it is such a large endeavor, Mr. Bagley and Ms. DeVary determined that the best approach would be to break it down in to smaller pieces that can be covered over time. The first item to discuss is having an environmental policy in place, which requires an environmental management system, the practice of recycling to the fullest extent possible, having pollution prevention measures in place, maintaining regulatory compliance, offering community education, and the commitment to continually improve on environmental operations. Mr. Bagley gave several examples of these tenets in action, such as the metal recycling program at the Regional Landfill and the tours given to elementary children to educate them on how the SPSA Regional Landfill fits into the waste cycle and the work being done to ensure environmentally sound practices. Mr. Bagley reminded the Board that this is just the first in a series of presentations about the Environmental Management System and he looks forward to continued discussions on this crucial aspect of operations. He opened the floor to any questions or comments.

Ms. Raulston informed the Board that she has reviewed much of SPSA's Environmental Management System and environmental policy and praised Mr. Bagley and his staff for doing a very good job on such an extensive system. Because of her experience in Environmental Management Systems, there were several points that stood out to Ms. Raulston, including SPSA's inherent responsibility to set an example of environmental stewardship, going above and beyond compliance regulations as a state-of-the-art operation committed to doing the right thing. She went on to speak about the work done to ensure that compliance dates are met and how SPSA has a systemized procedural approach to meeting each deadline. In regards to community education, Ms. Raulston stated that this is of critical importance and noted Ms. DeVary's speaking at City Council Meetings and the landfill tours being given, as well as holding public meetings, as necessary, and staying engaged with the public through the website and any other available means. She concluded by congratulating Mr. Bagley on a job well done and thanked him for his efforts. There were no further questions or comments.

Mr. Bagley provided the operations report stating that in the September reporting period SPSA landfilled 26,570 tons, which was a decrease of 4,087 tons from the previous month. 1,448,568 gallons of leachate were sent to HRSD, which is a decrease of 363,332 gallons from the last reporting period. September had 4.3 inches of rain, which, although was 9.88 fewer inches than the previous month, added 123,000 gallons to the leachate ponds for treatment. Mr. Bagley and staff are addressing ways to keep rainwater out of the leachate system. 846,699 gallons of leachate were pumped at a flow rate of 19.5 GPM, or 98% of allowable flow, which is an excellent number. 601,869 gallons of leachate were hauled, which is a decrease of 317,585 gallons from the previous month, due to the reduction in rainfall and a smaller working face on the landfill. Wheelabrator continues to have 89% of ash delivered qualify for use as alternative daily cover. Mr. Bagley reminded the Board that ash responds like topsoil and is easy to work with as cover. At the September meeting, it was discussed that SPSA would begin transporting waste from the western transfer stations to the Atlantic Landfill. This process began on October 14, 2021 and it has been a smooth transition, due to the efforts of the

transportation team. Mr. Bagley thanked Mr. Tim Strickland and his staff for their excellent work. Asphalt work and tipping floor repairs were in progress at Landstown Transfer Station. There were some delays due to rain, but Mr. Bagley reported that the asphalt work is, for all intents and purposes, complete and that typical floor repairs will begin soon. Staff has been in communication with Virginia Beach waste disposal staff and they are working with the transfer station supervisor to make sure that Virginia Beach trucks are serviced as quickly and efficiently as possible. A final review of the Design-Build drawings for the operational area improvements at the Regional Landfill was scheduled for the following day and Mr. Bagley told the Board that the contractor is getting shovel-ready so that they can move quickly when the buildings ship sometime in early spring. Mr. Bagley offered to answer any questions, but there were none.

7. FLYOVER OVERSIGHT COMMITTEE REPORT

Mr. Hansen, Chairman of the Flyover Oversight Committee, reported that he, Mr. Sorey of Chesapeake, and Mr. Robert Lewis of Suffolk, met on October 7, 2021 with Mr. Chris Hall of VDOT, his staff, and consultant to discuss the current status of the flyover project. Mr. Hansen described the meeting as short, but productive, and said that it helped the Committee to establish working relationships as they move forward on this project, which still has a long way to go in the process toward completion. Mr. Hansen recognized that members of the Board not regularly involved with highway engineering projects may not be familiar with some of the terms used to describe the process, particularly percentages of design. Mr. Hansen explained that a project begins with a concept, which is followed by preliminary estimates and survey work which get folded into the concept and include situational aspects, such as existing utilities and survey results. At that point the project is at what is referred to as "30% design" which is a first blush of what the design will look like. At 60% design, technical details begin to emerge and there is a better understanding of the real-world implications of the project. Mr. Hansen reported that the flyover project is past 30% and on the way to 60%, so there is a fairly good understanding of what is going to get built, the practical aspects to consider, and some technical knowledge of how the project is processing and the direction in which it is headed. He went on to say that at this point everything looks good, but challenges like soil information or a problematic environmental report can occur which don't get fully fleshed out until 60% design completion. Mr. Hansen stated that there are still elements to overcome, but after this positive meeting with VDOT, the Committee feels very comfortable with the status of the project and the communicative relationship with VDOT moving forward. The Committee has asked VDOT to make a presentation to the Board, but feels that it is best that they wait until they reach 60% design completion, which will likely be near the first of the year. The next Committee meeting is scheduled for December 6, 2021. Mr. Hansen asked Mr. Sorey if he had anything he would like to contribute.

Mr. Sorey added that he was able to confirm that the flyover project will not require an Interchange Junction Report, which is significant because of the time required for such an effort. Knowing this information, Mr. Sorey is now more comfortable with the project schedule. Mr. Hansen added that, while VDOT is a transportation organization, the actual highway is owned and operated by the City of Suffolk and he wants to ensure that they are confident in what is being built. Mr. Hansen concluded by saying that he believes the project is on a good path and he then offered to answer any questions. Mr. McCoy commended staff for recognizing the need for this Committee and the Board for authorizing its formation. Mr. McCoy went on to ask if the flyover project was under a Design-Build contract. Mr. Hansen clarified that it is a Design-Bid-Build contract, which is more of a traditional procurement method. Ms. DeVary added that she is very grateful to the Committee for their time and help. She also recognized Mr. Lewis who was present at the Board Meeting.

8. WIN WASTE INNOVATIONS PORTSMOUTH MONTHLY REPORT

Mr. Bob Hely delivered the WIN monthly report in person for Mr. Clint Stratton who was on vacation.

WIN Waste Innovations - Portsmouth
October 2021 Report to SPBA Board



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



WIN Waste Innovations Portsmouth
September 2021
Actual Operational Data



Net Residue Received			Total Residue Processed			Total HP Diverted			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
51,477	44,425	7,052	60,759	49,902	10,857	4,425	5,547	-1,122	13,959	14,463	-504
<small>Available to plant during performance better 1,000 Unplanned up this month</small>											

Steam Boiler			Boilers			TD's Unscheduled Downtime			Met MWI Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
24,789	27,212	(2,423)	352	152	200	0	0	0	13,457	18,346	(4,889)
<small>WIN's stopped slightly below plan this period Unplanned by plant failure on Boiler 2 and low level on Boiler 1 Unplanned by boiler unscheduled downtime and unfavorable boiler steam output</small>											

- Handled 1,510 tons of non-qualifying residue delivered to landfill qualifying residue 98.91% for September
- Waste delivered by SPBA to RDP: 52,165 tons Boiler availability - 87% Turbine Generator availability: 100% Ash Screen availability - 98%
- 0 OSHA Recordable accident this period 1 for the YTD 0 Environmental incident and 0 Citizen Complaints



As a producer of renewable energy, WIN Portsmouth is pleased to help raise awareness of offshore wind farms coming to sites off Virginia Beach and Kitty Hawk NC.

WIN was a sponsor for Inside Business Top 40 Under 40 event at VB Surf and Rescue Museum where the theme was the power of wind.

WIN WASTE Innovations is Proud to Support WINDsDays



Questions?



Mr. Hely offered to answer any questions, but there were none.

9. FINANCIAL REPORT

Ms. DeVary informed the Board that as of September 30, 2021 total revenues exceeded total expenses by approximately \$2.8 million as compared to \$2.9 million in the previous fiscal year. Tipping fees fiscal year to date reflect an increase of 6.2%, or approximately \$755,326 as compared to FY 2021. Municipal waste tonnages were down approximately 12% or 16,606 tons as compared to last fiscal year. Commercial tons were up approximately 35% or 16,119 tons as compared to last year. For the month ending September 30, 2021 total municipal waste was 121,546 tons as compared to 138,152 tons a year ago. Ms. DeVary noted that the projected tonnage budget for the year is divided by twelve and shown as a straight line on the chart and the variation from month to month has been hovering around that average, which she hopes will continue in the coming months. She also added that the offset is that if there are

fewer tons delivered, SPSA will not have the expense of paying Wheelabrator to process those tons, so it should balance financially.

Ms. DeVary reported that total expenses as of September 30, 2021 were approximately \$11 million, compared to \$10 million in the prior fiscal year. Cash balances were at \$54.4 million, designated as \$1.8 million in the operating fund, \$6.4 million, the equivalent of 2 months' operating expenses, in the undesignated fund balance, \$3.7 million for FY 2021 purchase orders, \$2.5 million for the proposed HRSD force main, and \$40 million in the landfill expansion and closure fund. Ms. DeVary then opened the floor for questions, but there were none.

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

In accordance with the SPSA Procurement Policy, Ms. DeVary awarded contracts for equipment replacements that totaled under \$100,000 and were a part of the capital replacement budget. She reported to the Board that, through a City of Chesapeake Cooperative Contract with Richmond Ford West, SPSA purchased one pickup truck for use at the Regional Landfill and one for use by Household Hazardous Waste. The total cost was \$64,067 out of a budgeted \$66,127. Ms. DeVary asked if there were any other financially-related questions, but there were none.

10. CLOSED SESSION

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussions regarding a proposed amendment to the Waste Disposal and Services Agreement between Wheelabrator Portsmouth Inc. (now WIN Waste) and SPSA in accordance with (a) Virginia Code Section 2.2 3711(A)(29) for the purpose of considering the negotiation and award of a public contract involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; and (b) 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. Leahy moved, seconded by Mr. Sorey, to enter into a closed session to discuss a proposed amendment to the Waste Disposal and Services Agreement between Wheelabrator Portsmouth Inc. (now WIN Waste) and SPSA as presented. A roll call vote was taken of all voting members present, which included all members noted above. 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. Leahy moved, seconded by Ms. Jarratt, 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.

11. **OTHER BUSINESS**

Chairman Baugh asked if there was any further business to come before the Board but there was none.

12. **ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 12:22 p.m.



Liesl R. DeVary
Executive Director

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

