

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

April 27, 2022

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 ¹	(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. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(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

Others present at the meeting included Alternate Ex-Officio Members Mr. Michael Etheridge (IW), Mr. Gary Kelly (VB), Mr. Robert Lewis (SU), and Mr. Greg Martin, (CH) SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, Ms. Sandy Schreiber, Treasurer and Director of Finance, 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 9:30 a.m. and led the Pledge of Allegiance.

2. PUBLIC HEARING ON SCHEDULE OF FEES AND CHARGES

Chairman Baugh informed those in attendance in person and electronically, that the subject of the public hearing was the preliminary Schedule of Fees and Charges as adopted at the March 23, 2022 Board Meeting and which was available for review. He went on to say that the desire is to change certain fees previously fixed by SPSA for the services available through its refuse collection and disposal system, primarily by increasing rates payable for disposal of municipal solid waste and contract non-municipal solid waste, with such changes to be effective July 1, 2022.

¹ Mr. Maxwell left the meeting at 11:44 a.m.

To open the public hearing, the Secretary read the following statement for the record:

“This public hearing is being held in accordance with Section 15.2-5136 of the Virginia Water and Waste Authorities Act. Its purpose is to take public comment on the proposed Schedule of Fees and Charges adopted in preliminary form by the Board of Directors of the Southeastern Public Service Authority of Virginia on March 23, 2022.

The notice of public hearing was published in The Virginian Pilot on March 29th and April 5th as required by law. After conclusion of the public hearing, the Board of Directors will consider comments offered here today and will proceed to adopt a final schedule to become effective July 1, 2022, and to continue in effect until such time as modified by the Board of Directors in accordance with the procedures set forth in the Virginia Water and Waste Authorities Act.”

Ms. Preston informed Chairman Baugh that she received no requests, either in person or electronically, to speak at the public hearing. Seeing that there were no comments to be made, Chairman Baugh concluded the public hearing portion of the meeting.

3. PUBLIC COMMENT

Ms. Preston reported that she received no requests to make a public comment at the SPSA Board meeting.

4. CHAIRMAN’S COMMENTS

Chairman Baugh welcomed and thanked the Board for their time, presence, and input, calling them excellent contributors in supporting SPSA’s mission. He outlined the meeting agenda and also added that he will be appointing a Nominating Committee at the May Board meeting to assist in the election of officers at the Annual Meeting in July. Mr. Keifer will Chair that Committee, but two more members are needed, and Chairman Baugh asked interested parties to reach out to him.

5. APPROVAL OF MINUTES

The minutes of the March 23, 2022 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. Leahy moved, seconded by Mr. Keifer, to approve the March 23, 2022 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

6. ADOPTION OF THE FY 2023 BUDGET

Mr. Bagley presented a summary of the proposed FY 2023 Budget and updates to the Standard Operating Procedure (SOP), noting that while specific numbers, such as those related to insurance costs, that had not yet been determined will result in a variance, there are no material differences between the presented budget and the proposed final budget.

FY-2023 Operating & Capital Budgets

APRIL 27, 2022



- ## Budget Highlights
- ❑ Revenues = Expenses for a Total of \$52,249,241
 - ❑ Proposed budget represents an 8.5% increase from FY-22 of \$4,091,267
 - ❑ The Tip Fee would increase to \$65/ ton in accordance with the planned tip fee schedule
 - ❑ Provides an additional \$8,000,000 to the designated fund balance for construction of the Flyover and Cell VII
 - ❑ Continues funding for capital equipment replacement in accordance with plan at \$3,500,000

- ## Budget Highlights (continued)
- ❑ Earmarks \$227,056 to offset anticipated increases in fuel costs
 - ❑ Diverts an additional 10,000 tons of waste to Atlantic Landfill preserving an additional 12,500 cubic yards of airspace
 - ❑ Includes approximately \$360,000 in new revenue as a result of Waste Management agreeing to resume hauling to SPSA transfer stations
 - ❑ Provides for a 5% COLA for all employees
 - ❑ Addresses the new minimum wage legislation and addresses minimum salary range for Grade 1 and Grade 2 positions

- ## Changes in the Proposed Budget Presented
- ❑ Insurance cost was originally estimated using FY-2022 cost. Difference in estimated and actual resulted in an increase of \$6,751.
 - ❑ Final Health Insurance Cost will change depending on which policy is selected and whether employee selects employee or family plan. If actual cost exceeds the proposed budget, salary savings would be used to cover the additional cost.



FY 2023 Proposed Tip Fee Schedule

Change	Current Rate	Proposed Rate
Municipal Waste	\$61.00	\$65.00
Contract Non-Municipal Waste	\$54.50	\$56.00
Non-Fee Related Changes		
Minimum Tons to Qualify	50,000 Tons	30,000 Tons

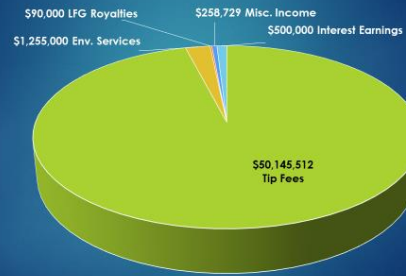
Revenues and Expenditures

8

Revenues:	FY-22 Budget	Proposed FY-23	Variance
Tip Fees	\$45,951,468	\$50,145,512	9%
Charges for Env. Services	\$1,036,650	\$1,255,000	21%
Landfill Gas Recovery	\$260,000	\$90,000	-65%
Misc. Income	\$268,729	\$258,729	-4%
Interest Earnings	\$450,000	\$500,000	10%
Total Revenue:	\$48,157,974	\$52,249,241	8.5%
Expenses:			
Operating Expenses	\$38,225,147	\$40,749,241	7%
Capital Equipment	\$3,691,127	\$3,500,000	-5%
Reserves / Landfill Closure	\$6,243,150	\$8,000,000	28%
Total Expenses:	\$48,159,424	\$52,249,241	8.5%
Net Revenue Expenses:	(1,450)	50	

Revenues

9



Breakdown of Tip Fees

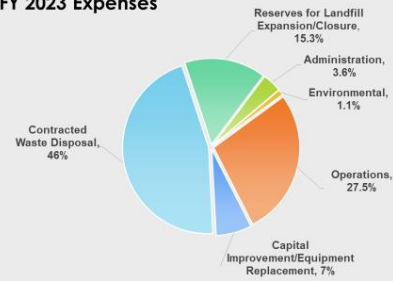
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▶ Municipal Tip Fees	\$31,320,250
▶ Navy Waste	\$1,399,449
▶ C&D	\$495,000
▶ Norfolk Sludge	\$302,500
▶ Other Tip Fees	\$4,556,313
▶ Contract Waste	\$7,664,000
▶ Non-Contract Waste	\$4,408,000
	\$50,145,512

Expenses

11

FY 2023 Expenses



Breakdown of Expenses

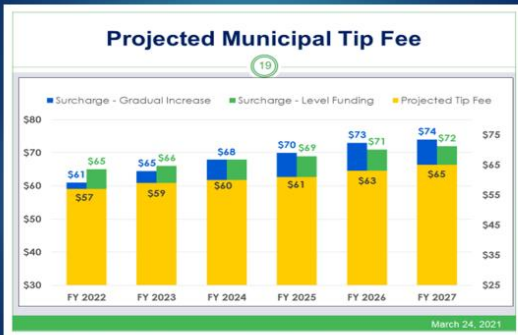
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▶ Contracted Waste Disposal	\$23,905,192
▶ Capital Equipment Replacement	\$3,500,000
▶ Reserves For Landfill and Flyover	\$8,000,000
▶ Salaries and Wages	\$7,516,911
▶ Benefits	\$2,374,462
▶ Professional and Contract Services	\$3,379,174
▶ Materials and Supplies	\$2,284,504
▶ Other Operating Expenses	\$1,288,998
	\$52,249,241

Major Variances In Expenses

13

Increases	
▶ Materials and Supplies	\$417,943
▶ Waste Disposal and Service	\$1,911,772
▶ Waste Disposal and Hauling	\$1,178,501
▶ Reserves for Flyover and Expansion	\$1,756,850
▶ Salaries	\$498,125
▶ Benefits	\$119,131
Decreases	
▶ Professional Services	-\$396,000
▶ Other Operating Expenses	-\$26,749



Salaries

- ▶ The FY - 2023 budget would fund 135.5 FTE's
 - ▶ The increase of 1 FTE will fund the Director of Finance Position
- ▶ 5% COLA for all employees
- ▶ All filled positions will exceed the new minimum wage requirements
- ▶ Reclassified three positions
 - Scale Attendant
 - Solid Waste Assistant
 - Mechanics Helper

Changes to the Strategic Operating Plan

- ▶ Environmental Management will become a department function
- ▶ Suffolk Energy Partners will become MAS Suffolk RNG LLC. and will begin producing RNG
- ▶ To preserve airspace SPSA will be disposing of some waste at Atlantic Landfill
- ▶ New Organizational Chart
- ▶ Corrected hours at delivery points
- ▶ Clarified Holiday Hours
- ▶ Updated Capital Replacement Plan
- ▶ Updated the Pay and Classification Plan and FTE's

Staff Recommendations

1. Adopt the Schedule of Fees and Charges as advertised with an effective date of July 1, 2022.
2. Adopt the FY -2023 Operating and Capital Budget as revised and presented.
3. Adopt the Resolution to revise the FY-2023 Strategic Operating Plan.

Questions

Mr. Bagley encouraged questions and comments from the Board. Mr. Leahy commented that he had recently spoken with a SPSA employee in the community and asked them about their biggest challenges in their work. The employee reported that needing to work overtime to cover vacancies is a strain. Mr. Leahy asked Mr. Bagley about changes to the pay plan and other initiatives to help reduce vacancies. Mr. Bagley responded that he does believe that the adjustment to the pay plan will help incentivize applicants and help retain staff, but that salary is not the lone factor in employee satisfaction and attracting quality applicants. He went on to outline new creative efforts being made to reach a greater, more diverse, applicant pool,

expedite the hiring process, and think outside of the box in terms of recruiting and retaining employees. There were no further questions or comments.

Based on staff recommendations, three matters were presented for consideration.

Mr. Broad moved, seconded by Mr. McCoy, to adopt the Schedule of Fees and Charges, as advertised. The motion was adopted by a unanimous vote in favor.

Mr. Moor moved, seconded by Mr. Keaton, to adopt the July 1, 2022 – June 30, 2023 Operating and Capital Budgets, as presented. The motion was adopted by a unanimous vote in favor.

Changes to the Strategic Operating Plan occur by resolution and require a vote of at least 75% of the Board. The following proposed resolution was included in the meeting materials for consideration by the Board and read aloud by the Secretary:

**RESOLUTION APPROVING REVISIONS TO THE
STRATEGIC OPERATING PLAN – APRIL 27, 2022**

WHEREAS, the Southeastern Public Service Authority of Virginia (“SPSA”) is a party to identical Use and Support Agreements (the “Post-2018 Use & Support Agreements”) with each of its member communities (the “SPSA Members”);

WHEREAS, the Post 2018 Use & Support Agreements (1) include a Strategic Operating Plan to be attached thereto as Schedule I and incorporated therein by reference; and (2) require that the SPSA Board of Directors (the “Board”) review the Strategic Operating Plan on at least an annual basis in connection with the Board’s review and consideration of the annual operating budget of SPSA, and at such other times as the Board may deem necessary or appropriate;

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

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

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

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

1. The Strategic Operating Plan shall be updated and modified as shown on the Strategic Operating Plan attached to this resolution, the updated and modified Strategic Operating Plan shall replace the version of the Strategic Operating Plan approved by the Board on April 28, 2021, and the updated and modified Strategic Operating Plan shall be

deemed to be appended as Schedule I to the Post-2018 Use & Support Agreements, and duly incorporated therein.

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

Mr. Keifer moved, seconded by Ms. Raulston, to adopt the resolution approving changes to the Strategic Operating Plan, as presented. The motion was adopted by a unanimous vote in favor.

7. PROPOSED UPDATES TO SPSA BYLAWS

The proposed changes to the SPSA Bylaws were first presented at the March 23, 2022 meeting and were included in their entirety in both the March and April Board Agenda documents. Ms. Preston reviewed the proposed changes, which included increasing the number of Executive Committee appointed by the Chair from 3 members to 4 members for better community representation and updates to language regarding financial and administrative practices. Ms. Preston asked if there were any questions or comments. Mr. Stromberg asked how payments were authorized by the Executive Director. Ms. Preston replied that it was an extensive electronic process that took place within the Munis accounting system. Mr. Bagley and Ms. Schreiber offered to elaborate on the process, but Mr. Stromberg, being familiar with the Munis system, was satisfied with the response. There were no further questions or comments.

Mr. Sorey moved, seconded by Mr. Stromberg, to adopt the changes to the SPSA Bylaws, as presented. The motion was adopted by a unanimous vote in favor.

After the adoption of the bylaw amendments, Mr. Baugh noted that the changes create a vacancy on the Executive Committee and that he is appointing Tom Leahy to fill that position. He further noted that this appointment fulfills his commitment to balance the representation on the Executive Committee with members from large and small communities.

8. COST SHARING AGREEMENT WITH HRSD AND CONTRACT FOR HEAT EVAPORATED LEACHATE SYSTEM

Mr. Bagley reported that, after discussion at the March Board meeting, counsel updated the Cost Sharing Agreement to include actual costs and eliminate ambiguity in language. Negotiations with Heartland Water Technology have concluded and the price for the Heat Assisted Leachate Evaporation System design and installation will be \$6,999,000 with SPSA funding \$3 million and HRSD funding \$3,999,000. HRSD has agreed to the amended language and General Manager, Jay Bernas, will execute the final agreement without needing to return to their Board of Directors, as was determined during their vote to approve the original 2022 agreement. The Executive Committee reviewed a red-lined version of the changes, and the agreement was included in the April Board Agenda documents. Mr. Spain then summarized the revisions to the agreement for the Board, and Mr. Bagley asked for any questions or comments.

Mr. McCoy thanked the Board for their support and commended Mr. Bagley and staff for their work on this contract negotiation for a service that will be invaluable to the organization in

reducing risk and promoting operational autonomy. Mr. Leahy asked when the project would be operational, and Mr. Bagley estimated that the system would be in place in nine months. Mr. Leahy asked if this elimination of leachate hauling will allow those drivers to focus on hauling waste, and Mr. Bagley agreed that it would. Mr. Keifer added that leachate management is one of SPSA's most important jobs and HRSD has been and continues to be an excellent partner in that process. Mr. Bagley commented that this cost sharing agreement is an example of true regionalism with parties working together for the greater good of the communities they serve. He also added that, while the financial reports indicate only \$2.5 million in reserves for this project, SPSA committed to an additional \$500,000 at the time of the 2018 cost sharing agreement and that those funds will be allocated and the line item updated to reflect the new project and SPSA's \$3 million contribution.

The following proposed resolution was read aloud by the Secretary:

RESOLUTION

WHEREAS, since the development of SPSA's Regional Landfill, SPSA has delivered its leachate to the Nansemond Treatment Plant operated by the Hampton Roads Sanitation District ("HRSD") through a combination of (1) an existing force main (the "Existing Force Main"); and (2) hauling leachate in tanker trailers;

WHEREAS, HRSD and SPSA have determined that the leachate from the Regional Landfill cannot continue to be effectively and reliably treated at the Nansemond Treatment Plant as that plant is proposed to be operated in the future and that continued hauling of leachate is not in the best interests of their respective members and customers;

WHEREAS, as an alternative to continued use of the Existing Force Main and hauling, SPSA and HRSD proposed the construction of a new force main to transport leachate to HRSD's Atlantic Treatment Plant and entered into a Cost Sharing Agreement for Cost Associated with Design, Construction and Related Land Acquisition for a Sanitary Sewer Force Main To Serve the SPSA Regional Landfill, dated March 28, 2018 (the "2018 Cost Sharing Agreement"), for the construction of the new force main and associated facilities;

WHEREAS, after the execution of the 2018 Cost Sharing Agreement and subsequent preliminary design work, HRSD determined that the actual costs associated with constructing the new force main and associated facilities will substantially exceed HRSD's previous estimates and, upon further life-cycle cost analysis, determined pumping and hauling leachate to be a lower cost alternative to constructing the force main;

WHEREAS, as an alternative to pumping and hauling, SPSA has proposed that SPSA acquire, install, and operate a heat-assisted evaporation system to treat leachate at the Regional Landfill, thereby greatly reducing and potentially eliminating the need to pump or pump and haul leachate to HRSD's treatment facilities;

WHEREAS, SPSA and HRSD have determined that it is in the best interest of their respective members and customers to terminate the 2018 Cost Sharing Agreement and enter into a new Cost Sharing Agreement (the "2022 Cost Sharing Agreement") to share the cost of acquiring and installing the proposed evaporation system;

WHEREAS, the 2022 Cost Sharing Agreement is advantageous to and in the best interests of SPSA and its member localities for many reasons, including that it commits HRSD

to paying \$3,999,000 of the cost to acquire and install the proposed evaporation system and, except in cases of emergency, will enable SPSA to treat and dispose of its leachate without hauling the leachate to HRSD's facilities; and

WHEREAS, following due consideration of the proposed 2022 Cost Sharing Agreement and presentations by SPSA's executive staff and advisors, the Board has determined it is in the best interests of SPSA and its member localities to approve and enter into the 2022 Cost Sharing Agreement.

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

1. The Board approves, adopts, and accepts the 2022 Cost Sharing Agreement, substantially in the form attached hereto as Exhibit A.
2. The Board hereby authorizes and directs the Executive Director of SPSA, in the name of and on behalf of SPSA, to (a) finalize and execute the 2022 Cost Sharing Agreement substantially in the form approved by the Board, and to deliver it to HRSD, such execution and delivery conclusively to evidence the due authorization and approval thereof by SPSA and (b) perform SPSA's obligations as set forth in the finalized 2022 Cost Sharing Agreement.
3. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to take any and all steps and to do all things to prepare, execute, file, and deliver all such other documents, instruments, certificates and agreements, each in the name of and on behalf of SPSA, that he may deem necessary or desirable to carry out the intent and purposes of the foregoing resolutions.
4. The Board hereby ratifies, confirms, and approves all actions heretofore taken by the Executive Director of SPSA, in the name and on behalf, in connection with any of the foregoing resolutions.

Following the reading of the proposed resolution, Mr. Hansen and Ms. Preston clarified that there was an error in the language for the resolution printed in the agenda, but that the resolution as read was accurate, and that the minutes will include the resolution as read.

Mr. Hansen moved, seconded by Ms. Lowe, to adopt the resolution on the 2022 Cost Sharing Agreement, as presented. The motion was adopted by a unanimous vote in favor.

Mr. Bagley continued to the contract portion of this update, now possible because of the resolution adopting the Cost Sharing Agreement. Heartland Water Technology, Inc. was the only vendor who responded to SPSA's RFP for a Heat Assisted Leachate Evaporation System. Staff completed site visits and met with Heartland to discuss SPSA's needs. After extensive discussion and negotiation, the price of \$6,999,000 was agreed upon and staff recommends awarding the contract based on the Cost Sharing Agreement with HRSD. Mr. Bagley, Mr. Henry Strickland, and representatives from Heartland Technology, Inc. were present to answer any of the Board's questions.

Mr. Keifer asked if maintenance was included in the contract. Mr. Bagley responded that while the contract was for design and construction, part of that process includes training SPSA staff to operate the facility and 24-hour access to assistance, as needed. Mr. Strickland added that

once installed, the system itself is fairly simple and can be maintained by stocking spare parts and scheduling basic in-house maintenance as needed, during which time leachate would continue to be stored in the ponds, as it currently is. Mr. Hansen asked how many gallons can be processed and Mr. Strickland responded that the system could manage 60,000 gallons per day, which is more than what SPSA currently produces. As leachate management needs increase with expansion into other cells, additional capacity can be added to the facility. Mr. Hansen asked if there were odors associated with the system. Mr. Strickland responded that when staff began researching on-site leachate management systems, odor was a major concern, but when staff performed inspections of other facilities there was no observed additional odors associated with the process. Mr. Bagley added that they considered reverse osmosis and aeration technologies, but that this system best suited SPSA's needs, particularly as it will help keep PFAS out of the water system by returning the solids left over after evaporation to the landfill to be safely contained. Mr. Leahy asked about additional air permits required for this process. Mr. Bagley responded that SPSA consultants are working on Title V permit coordination, and that there are no issues. Reports will be made to DEQ and operational plans will be updated but, historically, there have been no permitting challenges associated with adding this system to an existing operation. Mr. McCoy asked if any features of the system were lost in negotiating the price. Mr. Bagley reported that there were no short cuts taken in the system itself and that the bulk of the cost savings were a result of reassessing overestimations for site work. Mr. Stromberg asked about the life expectancy of the facility and at what point SPSA would begin realizing cost savings from the project. Mr. Bagley reported that while Heartland estimates life expectancy at 20 years, the system has very few moving parts, none of which are corrosive, so with proper care, maintenance, and part replacement, it may well exceed that estimate. Mr. Bagley clarified that this project is not necessarily a cost-saving measure, because any savings seen from the elimination of hauling would be used for maintenance to the new system, but that it was well-worth the expense to invest in this system which allows SPSA to manage leachate onsite in the best way possible.

Mr. Keifer moved, seconded by Mr. McCoy, to authorize the Executive Director to award a contract to Heartland Water Technology, Inc. for a Heat Assisted Leachate Evaporation System, as presented. The motion was adopted by a unanimous vote in favor.

9. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley introduced Mr. Norman Strickland, Heavy Equipment Manager, who, just a week previous to the meeting, celebrated his 30th year with SPSA. Moving up through the organization, first as a welder, and then to Fleet Maintenance Shop Supervisor, Norman's skills and know-how have been and continue to be an invaluable asset to SPSA, and his dedication to his family is a strong indicator of his character. Chairman Baugh thanked Mr. Strickland and presented him with a SPSA lapel pin as a token of appreciation.

Mr. Bagley updated the Board that the Environmental Impact Statement (EIS) process for wetlands permitting continues, but that SPSA did not receive a review copy of the draft EIS as anticipated because the Army Corps of Engineers is responding to comments from the EPA. SPSA staff reached out to Chief Anderson of the Nansemond Nation and had a meeting with him and Cultural Heritage Partners (CHP) to discuss their thoughts on a mitigation plan that would address their concerns. It was a very positive conversation and staff look forward to continuing to meet with them and other consulting parties on how best to serve the impacted communities. Chief Anderson and CHP have indicated that they would like mitigation to occur within then Nansemond watershed, and SPSA would like to work to make that happen through creative solutions. While the Corps has indicated that some suggestions, such as the possible

cultivation of oyster beds, may not satisfy standard mitigation requirements, there is room for continued discussion and a mitigation proposal that contains a wide range of efforts, including the possibility of earmarking SPSA property for wetland preservation, is likely to be formulated for presentation to the Corps and will be discussed with the Board in the coming months. Mr. Moor asked if the alternative site in Suffolk was still being considered as a possibility and if the Corps still had plans to distribute mailers to Suffolk residents. Mr. Bagley responded that, while the work on the alternative site would still be included in the draft EIS, it is highly unlikely that the site would be considered practicable given that construction on that site would impact more wetlands than the proposed site expansion, and that the Corps has not indicated that they have any plans to send mailers.

Discussions with the Navy on their plans for the WIN/Wheelabrator facility (and associated easements) after June of 2024 continue in a positive direction. While nothing has officially been determined, Navy contacts indicate that SPSA should move ahead with their plans, as discussed. Since the March Board meeting, SPSA staff has been updated by Mr. Ray Crabbs of IBC Renewables that his company appears to have found a solution to their funding gap through selling their property and leasing it back from the new owners. The 45-day due diligence period associated with the sale has begun and Mr. Crabbs is hopeful that they can begin construction shortly thereafter. As always, Mr. Bagley is being incredibly cautious about fully vetting any new technology advancements, but should Mr. Crabbs be successful, it would be of great benefit to the region.

Mr. Bagley updated the Board on continuing operational issues at the WIN/Wheelabrator Refuse Derived Fuel (RDF) plant. During the current reporting period, SPSA trucks were not able to utilize the RDF plant on 14 days, resulting in more than 3,100 tons of waste that will need to be backhauled. Because the RDF is an aging facility that is no longer intended to remain in operation past June of 2024, Mr. Bagley foresees that, despite the best efforts of WIN staff, issues like these are likely to become more common and require SPSA to implement a proactive solution.

Mr. Leahy commented that these diversions were another concern of the SPSA employee that he spoke with. Prompted by questions and comments from Mr. Hansen, Mr. Bagley described a plan to give SPSA greater control over day-to-day operations at no extra cost to SPSA by working with WIN so that when diversions are necessary, an equal amount of waste would be hauled by SPSA directly to Atlantic Landfill, with no requirement for WIN to back-haul. This would allow SPSA to have a standard plan in place for drivers, have fewer trucks on the road, and help ensure preservation of landfill airspace during a critical time.

Mr. Maxwell commented that he is very concerned about the lack of improvement in WIN operations and would like to see a good faith effort toward improvement. Chairman Baugh responded that this topic has been discussed extensively in Executive Committee and that, while there are potential contractual remedies that could be explored, it is in SPSA's best interests to pursue a practical operational solution that could be easily implemented and create mutual benefit.

Mr. Bagley went on to say that this diversion plan would be good for SPSA and WIN, as they would no longer have the cost of back-hauling diverted tonnages from the Regional Landfill. He also added that in no way does he intend to downplay the hard work and extraordinary efforts being made by Mr. Stratton and his staff to ensure that operations run as smoothly as possible at all times.

Mr. Henry Strickland delivered the operations report, stating that 1,180,627 gallons of leachate (the equivalent of 236 tanker loads) were hauled to HRSD, with another 493,654 gallons (the equivalent of 36.5 twenty-four feet by four feet, round, above ground swimming pools) being pumped to HRSD. Mr. Strickland informed the Board that site work has begun on the new Renewable Natural Gas (RNG) facility, and that electricity generation has been decommissioned. The work on the new Administration building at the Regional Landfill has also begun with plumbing rough-in and site work.

Mr. Mike Kelley delivered the environmental report, noting that there were no odor complaints in the reporting period, all permitting, sampling, and reporting were up to date and that two special HHW events took place in the month of March. He also reviewed how SPSA fulfills the sixth element of the Environmental Management System (EMS), which is development of defined resources, roles, responsibilities, and authorities for environmental management.

Mr. Michael Ponds delivered the safety and risk report, informing the Board that six quarterly site inspections have been completed, along with a mock OSHA inspection at the Regional Landfill performed by SPSA's insurance carrier. Ongoing safety and risk initiatives include performing risk assessments on all tasks performed by SPSA employees and monthly Safety Committee meetings.

Mr. Bagley and staff offered to answer any questions, but there were none at that time.

10. FLYOVER COMMITTEE REPORT

Mr. Bagley informed the Board that, at the request of Mr. Hansen, Committee Chairman, staff met with VDOT for an update on April 25, 2022, when Committee members were detained on municipal business. The meeting was brief, but informative. The project is currently on, and in some cases, ahead of schedule, and on budget. It was determined that there was no need to hold a public hearing on the project after the posted willingness resulted in a single comment which was addressed personally to the commenter's satisfaction. One development of note is that the state central office has advised adjusting inflation on all projects from 2.4% to 4%, which would impact the budget, but Mr. Mike Davis of VDOT is hopeful that those rates will even out before the flyover project is ready to be put out to bid. Mr. Hansen asked when the project was expected to be ready to bid and was answered that the project is expected to reach biddability in March of 2023. There were no further questions.

11. WIN WASTE INNOVATIONS PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the WIN monthly report in person and thanked Mr. Henry Strickland and staff for their efforts during the month's diversions.

WIN Waste Innovations - Portsmouth

April 2022 Report to SPSA Board



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



WIN Waste Innovations Portsmouth March 2022 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
47,899	50,205	(2,316)	45,180	52,005	(6,825)	5,017	5,673	656	9,512	14,820	5,308
Driven by back-to-back outages on Boilers 1 & 4.			Driven by boiler outage timing and USDT.			NP hauling decreases during diversion events and heavy wait times at Bethel LF (two hour wait times).			Timing and processed based. MBI drivers pulled from ash to move more tons from system during back-to-back outages.		

Steam Sales			Boilers			TG's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
74,842	63,315	11,527	343	152	(191)	34	0	(34)	10,823	15,475	(4,651)
NNSY usage up this period over three year run rate			Failure of #1 grate leading to early outage out of period counting towards USDT.			TG metering device failed causing a loss of the facility. New units on order.			Driven by unfavorable processing and favorable steam sales		

- Includes 1,301 tons of non-qualifying residue delivered to landfill, qualifying residue 86.33% for March
- Waste delivered by SPSA to RDF- 45,173 tons; Boiler availability - 79%; Turbine Generator availability- 93%;
- 0 OSHA Recordable accidents this period, 0 YTD; 0 Environmental Incident/ 0 Citizen Complaints for this period

2

Recent Challenges



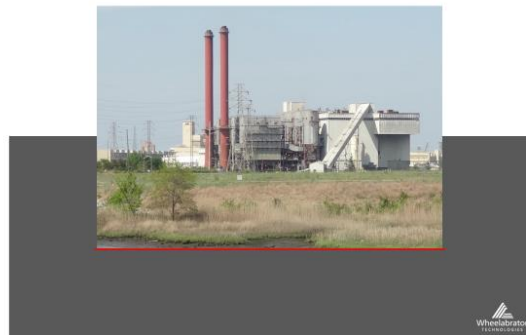
Events-

- #3 TG BUS bar failure 70 hours USDT. Led to reduced boiler loads and less processing while units was down for repairs. Leaking water line identified as cause of the event. This water line supplies cooling water to all boiler processing fans and as such, we isolated all boilers and made repairs to cooling line.
- Loader fire. Loader was in operation on the tipping floor when operator noticed smoke coming from under machine. Operator was able to remove unit from the tipping floor safely.
- C33 failure. Belt failed prematurely when a large piece of metal sliced the belt in its entire length (1500'). We were able to remove damaged portion of belt from rollers and recenter remaining belt to process one processing line while we secured a contractor to come replace the belt.
- Recovery of SPSA diverted tons beginning this week

All the above events led to diversions of tonnage coming into the facility. We worked with our direct customers and SPSA staff to ensure we could receive nightshift SPSA volumes accordingly.

3

Questions?



Mr. Stratton offered to answer any questions. Mr. Leahy asked about the facility's viability between now and June of 2024. Mr. Stratton responded that WIN still intends to invest between \$17.5 - \$18 million in the facility, as planned. Mr. Hansen thanked Mr. Stratton for his report, noting that it means a lot that he comes to these meetings each month to answer to the Board. He went on to ask about the long term plans for the plant. Mr. Stratton responded that he is unsure, but that decommission is likely, however there is currently no change in their strategic plan. Mr. McCoy thanked Mr. Bagley and staff for allowing and encouraging this open dialogue. Mr. Hansen added, in Mr. Stratton's defense, that he is confident that he and his staff are doing the best they can to continue to provide a great service and that the Board does not want to dismiss those considerable efforts.

12. FINANCIAL REPORT

Ms. Schreiber informed the Board that, as of March 31, 2022, total revenues exceeded total expenses by approximately \$5.2 million. Tipping fees fiscal year to date reflect an increase of 8.2%, or approximately \$2.75 million as compared to FY 2021. Municipal waste tonnages were down approximately 8.4% or 31,326 tons as compared to last fiscal year. Commercial tons were up approximately 31% or 48,470 tons as compared to last year. For the month ending March 31, 2022, total municipal waste was 40,726 tons as compared to 41,517 tons a year ago.

Ms. Schreiber reported that total expenses as of March 31, 2022 were approximately \$34.1 million, compared to \$31.2 million in the prior fiscal year. Ms. Schreiber reported that cash

balances were at \$58.6 million, designated as \$3.3 million in the operating fund, \$6.4 million, the equivalent of 2 months' operating expenses, in the undesignated fund balance, \$3.3 million for FY 2021 purchase orders, \$2.5 million for the proposed HRSD force main, \$19.1 million in landfill closure, and \$23.8 million for landfill expansion and the flyover.

Mr. Leahy asked if the additional \$500,000 needed for the leachate management project is reflected in the FY 2023 budget. Mr. Bagley responded that he anticipates that funding coming from the FY 2022 surplus.

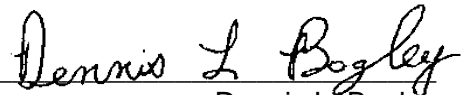
Mr. Keifer moved, seconded by Ms. Raulston, to approve the SPSA financial report as presented. The motion was adopted by a unanimous vote in favor.

13. OTHER BUSINESS

Chairman Baugh asked if there was any other business, but there was none.

14. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:50 a.m.



Dennis L. Bagley
Executive Director

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