

# AGENDA

## SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA BOARD OF DIRECTORS Regular Meeting

WEDNESDAY, MARCH 24, 2010

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

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CALL MEETING TO ORDER . . . . . CHAIRMAN LEAFE  
INVOCATION . . . . . EVERETT WILLIAMS  
PLEDGE OF ALLEGIANCE  
ROLL CALL

### PUBLIC COMMENT PERIOD

(ALL SPEAKERS MUST REGISTER PRIOR TO CALL TO ORDER – 5-minute maximum per speaker unless advised by Chairman differently; 30-minute total maximum time.)

### 1. INFORMAL ITEMS: DISCUSSION ONLY

- A. UPDATE ON LANDFILL ODOR ISSUE . . . . . Rowland Taylor, Scott Whitehurst
- B. CORRESPONDENCE TO DEQ ON CELL VII-SUFFOLK REGIONAL LANDFILL . . . . . Chairman Leafe

These items are for discussion only; no attachments are contained.

### 2. ACTION AGENDA:

- A. MINUTES OF THE BOARD MEETING(S) . . . . . Chairman Leafe

The minutes of the February 8th and 24, 2010 meetings are presented and attached as a separate document in your back agenda folder pocket for your review and approval.

**Recommended Action:** Approve minutes of February 8th and 24th meetings.

[MOTION WILL BE NEEDED TO APPROVE THE MINUTES]

**MINUTES OF  
BOARD OF DIRECTORS OF THE  
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA  
February 8, 2010**

A Special Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 8:30 a.m. on Monday, February 8, 2010 in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or noted:

Mr. Marley Woodall	(CH)	Mr. Eric Martin	(CH)
Mr. Everett Williams	(FR)	Ms. June Fleming	(FR)
Mr. Theodore Hardison	(IW)	Mr. W. Douglas Caskey	(IW)
Mr. Joseph Leafe	(NO)	Ms. Regina Williams *	(NO)
Mr. G. Timothy Oksman	(PO)	Mr. Douglas Harvey	(PO)
Mr. Roy Chesson	(SH)	Mr. Michael Johnson	(SH)
Mr. James C. Adams, II	(SU)	Ms. Selena Cuffee-Glenn *	(SU)
Mr. John Barnes	(VB)		

\* Indicates Late Arrival

\*\* Indicates Early Departure

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

Others present at the meeting included the following: Alternate Ex-officio Board members Stanley Stein (NO) and Eric Nielsen (SU) (who arrived late); SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director and Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer; Mrs. Lou Ann Ivory, Executive Assistant and Secretary; Anthony M. Thiel, General Counsel; and staff from SPSA and the Hampton Roads Planning District Commission. Mr. Warren Nowlin, Special Counsel with Williams Mullen, participated via conference call due to inclement road conditions.

In the absence of a Chair or Vice Chair, the meeting was called to order by Secretary Lou Ann Ivory. She stated that the first order of business today was to elect a Chairman Pro Tem and asked the Board to nominate someone. Mr. Adams (SU) made a motion to nominate Mr. Joseph Leafe to serve again as Chairman Pro Tem and the motion was seconded by Mr. Oksman (PO). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

Inasmuch as this meeting was an Orientation Meeting scheduled to provide informational material to the Board no Action Agenda was in order, however, the following outline (attached as Appendix A) was distributed as a guide:

### **1. Governance Items (Tony Thiel)**

Mr. Tony Thiel provided a brief overview of the Freedom Of Information Act (FOIA) requirements. This included information on how the statute applied and related to the Board and their activities and correspondence with one another. He highlighted the fact that not more than two Board members could be together interacting and discussing SPSA business as this would constitute a “meeting” and would be subject to FOIA and would need to meet the posting requirements for such.

### **2. Department Reports (Rowland Taylor, Scott Whitehurst, Jeff Harbin)**

Mr. Taylor gave a brief overview of how trash flows in the region, using a PowerPoint diagram (attached as Appendix B) to detail this under the current SPSA system and another to reflect after the WTE sale.

Mr. Scott Whitehurst, Landfill Superintendent, gave an overview presentation (attached as Appendix C) of the regional landfill diagramming active and closed cells, leachate and storm water retention ponds, gas collection and ground water wells. A request was made to discuss the value of the landfill (as determined in the CAO study previously conducted) at the next meeting during Closed Session.

Mr. Jeff Harbin, Operations Manager, gave a brief overview presentation (attached herein as Appendix D) of the transportation and transfer station system. He discussed tonnages, how a transfer station operates, and processable and non-processable waste.

Mr. Richard Cheliras, Director of WTE, provided a handout (attached herein as Appendix E) and gave a brief overview of the waste to energy facilities emphasizing the fact that these facilities were currently scheduled to be sold to Wheelabrator Technologies, Inc.

At this point in the meeting the determination was made, due to time constraints, to remove Item #3 and defer it until the next meeting as several of the items therein were scheduled to be addressed at the February 24th meeting any way and would appropriate then. Also at this time an additional request was made to discuss all active contract negotiations during the Closed Session of the next meeting. Item #6, SPSA Budget, was also deferred to the February 24th meeting as this was when staff would be presenting the proposed FY2011-12 Capital and Operating Budget. Item #7 was deferred until a later date.

### **3. What are the Decisions Which Have to be Made Over the Next Several Months?**

(Deferred to February 24, 2010 meeting.)

### **4. Wheelabrator Deal (Warren Nowlin, Bob Gardner, Rowland Taylor)**

Mr. Warren Nowlin, Special Counsel with Williams Mullen participating via conference call, gave an overview of the current contract deal with Wheelabrator Technologies, Inc. for the purchase of the waste to energy facilities. Mr. Nowlin reviewed what might happen if we do not receive the volume cap being requested from the Governor or if the IRS situation is not

worked out stating that we would have to go back to Wheelabrator to work out the additional costs we would experience in such an instance. Those costs (penalty costs associated with the tax exempt bonds) are estimated to be in the \$5 to \$10 million range. Mr. Nowlin also stated that we need the Virginia Resources Authority's (VRA's) approval to close and hope to receive that at their March Board meeting. He indicated that SPSA was meeting with the VRA today and tomorrow in preparation for the March meeting. He also said we did not expect there to be a problem with either of our other two lenders, Wachovia and Ambec.

Mr. Nowlin said we were getting close to an approved debt retirement plan. He said the CAO's had drafted a letter to the VRA giving their assurances as requested by VRA which had been signed by seven of the eight communities and indicating the last signature was in the works. Additionally, the VRA had asked for a reaffirming resolution from the new Board but counsel feels this is not necessary. Mr. Nowlin also said we have tentative agreement on a five-year extension to our steam agreement with the Navy and were working to finalize the improvements to the C.O. emissions controls, adding that these concerns would not cause the deal to fall apart contractually.

A discussion took place regarding the purchase of the waterwall panels for the boiler and Wheelabrator's responsibility in this area. Wheelabrator has stated that if SPSA purchases the panels and they are a part of the inventory turned over to them at closing of the WTE sale, they will pay us for them. With this information, the Board was comfortable authorizing the purchase of the panels and Mr. Hardison (IW) made a motion to acquire the waterwall panels which was seconded by Mr. Adams (SU). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

**5. SPSA Debt and lender Issues (Liesl DeVary, Bob Gardner, Rowland Taylor)**

Mr. Bob Gardner, with SCS Engineers gave a presentation (herein attached as Appendix F) on the debt retirement plan. He stated that the VRA was very interested in the process of how SPSA arrived at the decision to sell the WTE facilities which they view as our largest asset. Currently our debt to VRA is at the 60% level and they wish the debt to remain proportional and want to stay at that level.

**6. SPSA Budget (Liesl DeVary, Rowland Taylor)**

(Deferred to February 24th meeting.)

**7. Post-2018 Issues (Bob Gardner, Rowland Taylor)**

(Deferred to a later date.)

**8. Closing Questions**

**9. Board Interaction Time**

**OLD/NEW BUSINESS**

There was no old or new business discussed at this meeting.

**ADJOURNMENT**

There being no further business to come before this Board of Directors, the meeting was adjourned.

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Rowland L. Taylor  
Executive Director

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Submitted by: Lou Ann Ivory  
Secretary, SPSA Board of Directors

**MINUTES OF  
BOARD OF DIRECTORS OF THE  
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA  
February 24, 2010**

A regular meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. on Wednesday, February 24, 2010 in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. Marley Woodall	(CH)	Mr. Eric Martin	(CH)
Mr. Everett Williams	(FR)	Ms. June Fleming	(FR)
Mr. Theodore Hardison **	(IW)	Mr. W. Douglas Caskey	(IW)
Mr. Joseph Leafe	(NO)	Ms. Regina Williams	(NO)
Mr. G. Timothy Oksman	(PO)	Mr. Douglas Harvey	(PO)
Mr. Roy Chesson	(SH)	Mr. Michael Johnson	(SH)
Mr. James C. Adams, II	(SU)	Ms. Selena Cuffee-Glenn **	(SU)
Mr. John Barnes	(VB)		

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

Others present at the meeting included the following: alternate Ex-officio Board members Taylor Williams (FR), and Eric Nielsen (SU); SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director and Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer; Mrs. Lou Ann Ivory, Executive Assistant and Secretary; Anthony M. Thiel, General Counsel; Warren Nowlin, Special Counsel, and staff from SPSA and the Hampton Roads Planning District Commission.

The meeting was called to order by Secretary Lou Ann Ivory. She stated that the first order of business today was to again elect a Chairman Pro Tem. Mr. Oksman (PO) questioned whether the Board was electing a Chairman Pro Tem or a Chair to which Ms. Ivory replied that both actions were on the agenda today. Mr. Oksman then made a motion to nominate Judge Joseph Leafe for the position of Chairman Pro Tem. Mr. Martin (CH) seconded the motion. There being no further nominations from the floor, a vote was taken. All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

Chairman Pro Tem Leafe then continued with the agenda and called upon Mr. Williams (FR) to give the invocation. The invocation was followed by the Pledge of Allegiance and Roll Call. A quorum was present.

**PUBLIC COMMENT PERIOD**

There were several speakers for the Public Comment period and the first speaker, Mr. Leroy Bennett was called to the podium.

Mr. Bennett: “Good morning. Thank you, Mr. Chairman and congratulations to you nomination and selection as chairman. You have a great task ahead of you and I’m sure you are looking forward to working with that. But my purpose here today; my name is Leroy Bennett; I live at 2004 Nansemond Parkway in Suffolk. And that is right back of where the landfill is built. I have been living there for over 40 years; my wife and I. And the problem we are having in the community is a terrible odor that has actually devastated our community. This has been going on now for approximately 3 to 4 months. And with that, we have had, I have had numerous calls about the condition, people are getting sick, they say they are getting sick from it, they are getting nauseous, headaches, hard to breathe; some people have asthma and other breathing problems. And they want to know what I am doing about it. So, what I am asking you is, what are you doing about it? The City had went forth, took a step forward to meet with all the businesses that surrounded that area to talk with them to try and come up with a solution or find out where the odor was coming from in-house. Friday before last we had all those businesses to come in, Holland landfill, SPSA, CIBA, all the gas companies, even the City itself because we have a pump station in that area to try and pinpoint the problem. No one was there to point fingers but we need a solution. So I am here today to say that on behalf of the community and as a City Council person that I need an answer and I need to know what are we doing to correct it. We have talked with DEQ. There has been a letter sent to SPSA; if it hasn't, it is on its way. The problem lies over at Cell VI. And I feel pretty strongly that's where it is coming from because again, as I said I have lived there for 40 years and before the landfill so I don't want anyone to think that I am complaining after the fact. I was there before the landfill was there. I disagreed with the landfill coming there, but I did not win. So I had to accept it. I chose to serve on this Board because of that, to try and take the interest of my community and the City at hand to make sure it was operated correctly. About four years ago we had the same type of odor. And at that time I was serving on the Board, and I went to, at that time I don't want to start calling names but Mr. Hadfield, and told him my concerns and he got with the landfill people and within a week or two it was corrected. We did not have that problem any more until here recently and I understand we have had a lot of rain, but still even with the rain I think we need to live in our homes, people have spent a lot of money. People have homes to sell; people cannot sell their homes because of the odor. I can't blame them who would want to come in and purchase a home with that type of odor in the backyard. So I am asking you do you have a time line, what are you doing at this point to correct the problem that exists there at the landfill. I also was told there was some possibility of some Chinese dry wall, again people say everything. I know Holland landfill took some and I don't know whether some slipped into the landfill over at SPSA or not, I am not there, I don't know. But some e-mails that I have received said that this odor smells the same as the dry wall. I don't know what the dry wall smells like I haven't smelled it. But I am speaking on behalf of the people of Wilroy and Nansemond Parkway area and for the citizens of the City to make sure that we correct whatever is taking place and they need to know what is happening with them health wise.

My wife has been to four different specialists to try and find out if this is causing some problems with her health. So far they have not been able to tell her where the symptoms are coming from so I am not saying it is coming from this odor but it has had some effect on her life style that she has been living there for 40 years. So I know you probably will not be able to give me an answer this morning but I would appreciate as soon as you get a time line of

what you are doing I need to get back with the people that I represent so they will know exactly what to expect and how they need to deal with their families and their children.

My final comment will be, I think some of the people are going to the hospital and I don't know in detail but they are trying to sort of getting their 'paper trail' of what has been taking place in the last two or three months so the sooner we get this resolved I think as a good neighbor we all can live happily hopefully thereafter. Again, I thank you for your time and any questions you have, I would be more than happy to answer if you have a question for me."

Chairman Leafe thanked Mr. Bennett for his comments noting that he had represented the area for a long time and expressed well his concern and was sure others are addressing the same topic. He further said that as Mr. Bennett had suggested, the Board does not have an answer at this moment but assured Mr. Bennett that staff is working with the City of Suffolk and is going to address it and if it is in the landfill we are going to address it affirmatively and quickly. Mr. Bennett thanked Chairman Leafe stating that he needed to be able to get back with the community. He said they had had a community meeting last Thursday afternoon and some people didn't get the answer they needed; they need an answer. Some of them left there very upset because they didn't get an answer, so as soon as we can get the answer I need to get back with the people.

Chairman Leafe then called Ms. Sylvia Morgan to the podium.

Ms. Morgan: "Good morning, Mr. Chairman, members of the Board, I am Sylvia Morgan. I live in Suffolk at 2403 Cherry Blossom Drive and I am also concerned about the odor. I have lived at Cherry Blossom Drive for fifteen years so I am a newcomer to the area and I have learned to live with two distinct smells; one is from the landfill and the other is from Sara Lee. One is the coffee smell which smells pretty good and the other is the landfill which is not too good. But this new odor I think has presented a hazard to the neighborhood and to the community and so my concern is for those who are susceptible to health issues from the odor and it is my hope and I believe that you are taking the complaint seriously and I hope there will be a resolution to them real soon because I am really concerned about the long term effects of the odor and what it really is. And I thank you for allowing me to speak this morning."

Chairman Leafe thanked Ms. Morgan for her comments and called Ms. Maria Harrod to the podium.

Ms. Harrod: "Good morning, Chairman and good morning Board. My name is Maria Harrod; I live at 120 Rockland Terrace, Suffolk, Virginia. My husband has owned this home for 12 years and I have lived in it for 7 1/2 years. Since November of 2009 we have smelled a horrific odor in our backyard and in our front yard, it just depends on which way the wind is blowing but this odor is terrible. When we smell it we bring our children inside immediately. Saturday night it woke us up in the middle of the night; my husband thought our house was leaking chemicals or something had smelled majorly and woke us up at midnight so it is now in our house. I didn't bring any doctors reports but my son and I have been to the doctor a lot since November, we are talking two or three times a week for breathing issues. I now have asthma, 38 years old and I have developed asthma. I am trying not to get upset, but this is a

very serious problem. We have a home that is worth \$350,000; a beautiful home, that nobody will buy and that we don't want to live in any more because we can't breathe. My four year old son has already missed 30 days of school this year, pre-school because he can't breathe. We have some serious problems going on up and down Wilroy Road and Nansemond Parkway. My neighbor has a little baby who is on a breathing machine since November. November is when this started. This is not an odor that any of us recognize. We all know the smells of Suffolk, we know the coffee, we know the roasting beans, we know the odors we know CIBA, we know the landfill odors. This is a new odor that none of us recognize. I have been told that toxic Chinese dry wall smells the same way, smells like a combination of burning plastic, rotten eggs and chemicals. Very strong. I have been told by the Department of Environmental Quality, David Sellers, that this odor is H<sub>2</sub>S gas. My husband is a nuclear engineer. He knows what this gas is and he says it is harm full to our health if we keep getting exposed to it over and over and over. The fact I am on inhalers and can't breathe at 38 years old shows this is not normal. I have never had a breathing issue until now. I was told that the reason maybe why it is getting worse is there was a bunch of woods that were tore down recently. There was a whole wooded lot that would filter the odors but that wooded lot was allowed to be torn down. That should not have happened those are wetlands. Those woods should have remained as a barrier between the landfill and the people. But some private citizen decided he was going to tear it down and they allowed it and that's probably a good part of the problem. Now that area is swampy and wet where there are no trees to soak up all this moisture. My suggestion is we plant a lot of trees in that area again because the trees are what soak up the moisture and the moisture is what is causing the problem.

I called the regional landfill yesterday and spoke with Glenda Dodson. She told me that there is no possible way they can make sure Chinese drywall is not going in to the regional landfill. I find that very difficult to believe. Apparently a lot of construction debris is thrown in a truck with wood and with lots of different particles and dry wall and I find it very difficult to believe that your team at the regional landfill cannot look into this truck and determine if this is Chinese dry wall or not. If it is Chinese drywall it is not supposed to go into that landfill it is supposed to go directly to John C. Holland who has a permit and who has a landfill for high-risk hazardous material. This landfill is not made for high-risk material like Chinese dry wall and Glenda Dodson who works there did tell me there is no way to know, so I believe Chinese dry wall is getting into this landfill and we need to stop that right away. Right away for the safety of people living around the landfill Chinese drywall should never be allowed to go into this landfill. One more thing I wanted to mention, you know my husband and I have decided to move, we have been told by the landfill and by other people this issue will take years to resolve. I want to know who is going to buy our house. With all the news media going on right now nobody is going to want to buy our house or rent our house. We have beautiful home, a 3-car garage on a half acre of land; who is going to want to buy our house? Can we get SPSA to buy it? Anybody here want to buy it?"

At this point Chairman Leafe stated to Ms. Harrod that she had used up her time and that the Board appreciates her comments but the rules relate to five minutes per person. He also thanked Ms. Harrod and said as he had said to the others from the standpoint of SPSA, if it is related to the landfill, we will address it

Chairman Leafe then called Mr. Art Jones to the podium.

Mr. Jones: "Good morning Mr. Chairman and Board thank you for this opportunity to speak. I am a member of the Woodlake Home Owner's Association and without belaboring what you have already heard I too am here to discuss the smell. In an attempt to identify the smell I was given the opportunity to go with Mr. Whitehurst to run SPSA on a tour of his establishment. We road the entire grounds and when we got to the top of Cell V, my neighbor and I were both together, we identified the smell as the repugnant smell that seems to be going up and down Nansemond Parkway. I immediately went back home, we didn't confront Mr. Whitehurst other than to ask him if he smelled it and the two people driving with us and he said yes, he did smell it and he would not make a comment. I immediately went back home, called Mr. Bennett, our Councilman, and I called DEQ, Mr. Seller's and identified to them that we had smelled the same smell. I live probably within 3 miles as the crow flies to the landfill and we identified this smell and we would like to report to them that it was on Cell V. You could see Cell VI from where we were viewing on top of Cell V but as we came down Cell V we smelled it, and I know it is pertaining to the landfill. I don't know if it is the mercaptan that is being added to the gas, the methane gas I don't know. We couldn't identify what the smell was, but it is there and it is coming from the landfill. Thank you very much."

Chairman Leaf thanked Mr. Jones for his comments and called Mr. William Freeman forward to speak.

Mr. Freeman: "Good morning, Mr. Chairman, members of the Board. My name is William Freeman and my address is 2509 Cedar Lake Drive, Suffolk, Virginia, and I won't belabor some of the things that have already been said, however; I have been a resident of the Nansemond Parkway area for 27 years or more and I am here concerning -- I don't consider it an odor I consider it a gassy smell. So much so that I have had to leave out of my residence sometimes to get out of that area so I could be relieved of the anxiety that I have experienced. What I would like answered is, well, before I get there this gaseous smell is so strong that the Suffolk Fire Department has been called several times to try and identify what it is, however I am unsure as to the level of the equipment they used to try and evaluate that particular smell. I would really just like someone to take ownership for this issue seeing as though it appears to be coming from the landfill. And the health hazards of it I am concerned about if there are going to be long term effects from this. And I would assume that there is going to be some safety measures implemented and I am concerned about that because we are now into two, maybe three months in reference to this and I would have expected something to have been at least looked like it was getting started and I understand the situation you are in with regards to litigation and things like that however there has got to be some balance in there for you being a good neighbor also and running a business also. So I am expecting and speaking that I expect this situation to be taken care of and I am concerned about future issues with regards to if something like this happens again. It is obvious we can't move the landfill and I am not going to move my home so we have a situation that occurs and need to have some things in place so it can be remedied right then and not act as though it is not happening which is an insult to the people that live within that residence and that really concerns me with regards to the way it was originally approached and addressed. It appeared to me that it you were insulting the intelligence of the people that lived in the area and I took offense to that and that's why I am standing here today. I am sure you are going to get this taken care of but I would hope you will address this matter in a way that is done pretty quickly as best as you can

do it and also for future incidents that may occur that we can get on a whole lot quicker than what we have here. And thank you for your time.”

At this point Chairman Leafe asked Mr. Taylor if this item was to be addressed on the agenda and Mr. Taylor said he had it scheduled under Old Business at the end but stated the Board could move it up or do whatever the Board wants to do. Chairman Leafe said it would be good to address it at this point; you have the people here who don't need to sit to the end of the meeting to talk about that. Mr. Taylor then asked Mr. Scott Whitehurst, Landfill Superintendent, to come forward to participate in the discussion as he may be able to fill in some points I don't have at this particular time.

Mr. Taylor stated that what he was going to present was a shortened version of the presentation (attached herein as Appendix A) that we have provided to Suffolk City Council and to the residents of Nansemond Parkway within the last three weeks to four weeks or so. Mr. Taylor began the presentation by pointing out Cell VI which is the Cell everybody has been talking about. Cells I through IV have been provided final cover and do have the gas collection system constructed. Cell V has the gas collection system as well but Cell VI does not have the system because it hasn't been completely constructed. Our current contractor, BioGas has constructed a temporary gas collection system into Cell VI that takes the gasses and carries it over to the flare to be burned. There is no contract for the gas collection in Cell VI at this point. Cell VI is not required to have a gas system until five years from the time the Cell began accepting waste into the landfill. However, we have gone ahead since we had the problem beginning in November. We have worked with the contractor this past two or three weeks and they have gone ahead, at their expense, and put in the temporary system into Cell VI and that has just been completed last week.

Mr. Taylor also pointed out the parcel of woods that is not owned by SPSA where the deforestation has taken place. We have not received a letter from DEQ at this point so he does not know the content of the warning letter. At this time Ms. Cuffee-Glenn (SU) stated that they had just received a copy of the letter and Mr. Nielsen, Public Works Director for Suffolk, was making copies (which were then handed out to the Board).

We did provide a report that was done by HDR for SPSA two years ago in regards to the sulfide monitoring at the landfill. Basically what that particular report showed was that sulfides were being pulled from the monitoring wells and there was a higher level of sulfides in that area. It is a swamp area so you would anticipate it would have some of that. Number two, we invited DEQ for various visits at the landfill. At least on four occasions when out there, there was no known odor at that particular point and the odor comes and goes and the individuals indicate that is the case too. It is probably worse sometimes during the day than other times of day. Not like it is a constant 'all day' type of odor, it is I think morning and afternoon night type of situation. We have also tried to track complaints and do our own monitoring along Wilroy Road, the landfill and on Route 58. We have also conducted a volunteer monitoring program with DEQ guidance to try to identify any odor sources. We discovered multiple other sources where odors could be coming from and we have provided those to DEQ.

Some of the other primary operational changes were we covered trash more frequently than we had in the past and than we are required to do. We also reduced the size of the working face down to about five trucks; at nighttime they try to bring it down to one to two trucks. But the work space is a lot smaller and material is being kept closer so it can be covered quicker than is required to be covered or has been covered in the past. We have also begun installing and testing an odor suppression system. This system is the one that SPSA used out at the Virginia Beach landfill at the compost facility that SPSA ran out there. Beyond what we are doing we are not aware of other things that can be done without someone else providing the technical assistance on it.

Mr. Woodall (CH) said we have to provide someone to go out the check immediately when there is a report of the odor otherwise we are never going to find it. Mr. Scott Whitehurst said the one proposal we have received does include not only identification of sources but also actual field monitoring. Mr. Martin (CH) wanted to know what the time frame was for the trees being cut down on the property next to the landfill. Mr. Whitehurst responded that was two years ago. Mr. Taylor said they stated that the additional wet weather has not occurred in a long time. Mr. Martin then asked if the landfill, the temporary system you have, is it actually generating sufficient gas-to-flare. Mr. Whitehurst said so far the indication has been we are getting 60/40 gas to oxygen and that is appropriate for the cell. And there is negative pressure which means there is a vacuum and we are actually sucking the gas out of the cell so it is working. Chairman Leafe asked if there is any odor with the gas that is coming out and Mr. Whitehurst said there could be, yes. And during the period in which the system was being hooked up there was some open piping. There is no way around that to hook pipe up you have to cut the old pipe and connect the new pipe and we did what we could and our contractor did what they could to minimize any release of gas during the period of time when we were hooking the vaults up. But there is a potential for odor from the gas in the landfill. A lot of people refer to it smells like methane. Methane in its pure form is colorless and odorless but there are other constituents which could be found in the gas; H<sub>2</sub>S could be one of those.

Mr. Adams (SU) said as a Suffolk member of the Board he would like to thank his neighbors for coming over. He said he hopes they won't have to come back again not that we don't enjoy their company but this is quite a mess. SPSA as I see it is taking ownership of this problem and we will resolve the problem; sooner rather than later. How soon we can't tell you today but believe me we will leave no stone or garbage unturned to find out what the problem is. Thank you.

Mr. Whitehurst added that there was a comment made earlier about Chinese drywall into the landfill and I want everybody to be clear about this. SPSA is permitted to take C & D material which does include drywall. We do take it in the landfill, as fast as we are covering right now it is very difficult for us to go out and actually identify dry wall once it is being used. Many times it is painted when we receive it here at the landfill. We are permitted to take drywall and DEQ has placed no restrictions on types of drywall or drywall made in other countries whether it is China or anywhere else. And to my knowledge Mr. Holland, I am not here to speak on his behalf, but I believe his operation is also permitted to take drywall.

Chairman Leafe thanked Mr. Bennett and the citizens from Suffolk and as you heard from the Board we will address it.

### **ACTION AGENDA:**

#### **ITEM NO. 1: ELECTION OF CHAIR AND VICE CHAIR**

Chairman Leafe said the next action agenda item is the election of the Chair and Vice Chair. Mr. Oksman (PO) said he moved that the name of Joseph Leafe be placed in nomination for the office of Chair of the Southeastern Public Service Authority of Virginia. The motion was seconded by Mr. Chesson (SH). Mr. Woodall (CH) asked if there is any rotation in this. Chairman Leafe said the election is until July and then there is a new election; it is an annual election. Mr. Woodall asked who the Chairman was before and Mr. Taylor responded, "Don Williams." Mr. Woodall then asked who was before that and Mr. Taylor replied "Mr. Bennett from Suffolk." Mr. Tony Thiel, General Counsel, then said this is to complete the existing term which ends at the next annual meeting in July, stating that we are filling a vacancy in the office of Chair and at the next annual meeting pursuant to a nominating committee process you will reconsider the office for the following year. Mr. Taylor added that the Chairman serves a maximum of two consecutive one year terms.

Chairman Leafe asked if there were any other nominations and there being none asked if there was a motion that nominations be closed. Mr. Johnson (SH) made such a motion and it was seconded by Mr. Harvey (PO). All present voting yes; opposed none; motion carried by a unanimous and recorded vote. Chairman Leafe asked if we needed a 'roll call' vote and Mr. Thiel replied that in the absence of any negative votes he certainly would say no. Chairman Leafe thanked the Board for his Office and asked if there was a nomination for Vice Chair. Mr. Oksman then stated that he had not consulted with this individual and didn't know if he would agree to serve, but would like to place in nomination for the Office of Vice Chair Mr. Everett Williams. This motion was seconded by Mr. Adams (SU). Chairman Leafe called for any additional nominees and there being none called for a motion that nominations be closed. Mr. Woodall (CH) made a motion to close the nominations for Vice Chair which was seconded by Mr. Harvey (PO). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

Chairman Leafe said he and Mr. Williams will serve in those capacities until July for the partial terms and then there will be elections on our normal annual rotation beginning in July under the normal process.

#### **ITEM NO. 2: SUFFOLK ENERGY PARTNERS**

Mr. Taylor introduced Mr. Dick Augustine with Suffolk Energy Partners. Mr. Augustine said he wanted to confirm what Mr. Taylor said about Cell VI, stating that they did spend sometime last week attaching pipe and draws in four or five of the traps that are in Cell VI. Mr. Augustine said they have toured the neighborhood, we have met with residents, and we are not convinced that the landfill is the sole source of the odor. He personally witnessed sewer gas odors in the Nansemond Crossing area so he thinks the best approach is what has been suggested, to hire a third party engineering group that would go out real time and take

air samples when the folks are witnessing these odor issues. Mr. Augustine then took the Board through his presentation which is attached herein as Appendix B.

Mr. Adams (SU) asked how quickly would you get Cell VI; that seems to be one source of this gas; is it underway now. Mr. Laliberty said they are pulling from existing clean-outs that were installed as part of the leachate system in the landfill and by the way we are pulling this morning we cranked up a little bit to help minimize those odors about 400 cfm coming out of Cell VI alone. So that is pretty significant because of the design. In two weeks after we sign, we have already talked with consultants about drilling rigs and they are available. There is kind of a lull in our industry right now so we can get in there. We have a 'GCCA' plan which basically dictates where we put the wells that is a plan SPSA has already put together and we can get in nine to twelve wells within a 30-day period. Mr. Adams then said, "That would take care of VI you think." Mr. Laliberty said it would take care of a good portion of VI. The open face obviously is a concern but again the folks at SPSA have reduced that open space and open area of fill so it is greatly reduced.

Mr. Williams (FR) said to Mr. Laliberty you said you started pumping last Thursday, I think, now, the wells that you put in, would they be considered permanent wells that we just got to raise up or are they just at a temporary location? Mr. Augustine said they are permanent wells that we would extend as the landfill grows. Mr. Williams asked if the wells that you have in today, are they considered a permanent location. Mr. Laliberty said they are not really considered wells they are considered 'clean-outs'. What we are doing is the landfill has to pull liquids out of the landfill. That same pipe network they have at bottom of the landfill we've connected to and it is a great conduit for liquid and it is also a great conduit for gas. Mr. Williams responded "So you are pulling out of the leaching pipes." Mr. Laliberty said we are pulling those leachate pipes; we are pulling the gas down to the bottom. The new system will be permanent wells, conventional wells in the landfill.

Mr. Augustine said now with the expanded gas what our intention is to work with BASF to satisfy their future energy needs and to provide them with some stability in their future energy costs so they could be competitive both externally and internally. Mr. Adams then said you are flashing off more than you are selling, aren't you? Mr. Augustine said "Yes we are; about a third, a third and third. One third for electricity, a third for gas and a third for flare. Mr. Adams then said when you do the gas, the thing at CIBA, will that consume that flash off? Mr. Laliberty said it will take 100% under the landfill gas. The plan is to shut down the existing power generation facility. There will be a new co-gen facility located at the CIBA or BASF location that must take contract 100% of the landfill gas. Mr. Augustine said their goal as a company is to not flare any gas on any of the projects. Mr. Adams then said he had talked with some other waste companies, 10% that is approaching absurdity low as a percentage of the income. You are recommending this is going to be changed fairly dramatically? Mr. Augustine said absolutely; that they do have some specifics in the contract. Mr. Taylor pointed out that this will be discussed in closed session. Mr. Augustine said right now we are at 10-12% and as noted in his previous slide that will increase by about 240%.

Chairman Leafe asked if there was anything further at this point. Mr. Augustine said the fact is it will stabilize our revenue and your revenue through the royalty stream. Draft agreements have been circulated. The SPSA consultant has reviewed our agreements and made some

suggestions we are incorporating. We have committed from our owners of equity funding for initial \$500,000. Mr. Adams asked how quickly will you have the facility at CIBA to start using the gas and Mr. Laliberty said from the day we sign the contract our agreement with those folks is twelve months to have the project up and running at full. Mr. Adams then said so we are going to be flashing for another 12 months and Mr. Augustine said that was correct. The royalty increase will start upon signing of the contract and the consultant has made a valid recommendation that gas that is flared would also be paid for. Mr. Augustine said they would terminate the existing contract and go with the new contract on the effective date.

Mr. Taylor added that GPC Green Energy, BASF, BioGas, and SPSA will be meeting with the Lieutenant Governor to give him an update on the project Friday morning at nine o'clock in Richmond.

Mr. Hardison (IW) asked who the consultant was that is reviewing this draft agreement and if they are local people and Mr. Taylor replied that is it Cornerstone Engineering out of Wisconsin. Mr. Hardison then asked if staff had any input during this process and Mr. Taylor stated that they did, that we had met with them.

### **ITEM NO. 3: VRA INFORMATION**

Chairman Leafe said the next item on the agenda relates to the Virginia Resources Authority and that we were pleased to have Dr. Cheryl Bailey with us this morning. Dr. Bailey is the executive director of VRA and said VRA has been quite helpful in working with SPSA in a number of ways and will continue to do so. Chairman Leafe then called Dr. Bailey to the podium for her comments. Dr. Bailey gave a presentation (and provided a handout which is attached as Appendix C) on how the VRA has been working with the region and will continue to do so.

Chairman Leafe thanked Ms. Bailey and said he had seen the e-mail as did the rest of the Board members yesterday that was sent out with regard to documents. He said there haven't been any documents submitted to the Board or approved by the Board or there haven't been any requests made by the Board for changes. Chairman Leafe said he felt things were progressing along the normal path of something of this complexity with numerous lawyers involved. He stated the SPSA Board hasn't made any request for changes in documents. He further said SPSA was very appreciative of VRA and the important things they had done recently particularly in terms of the bond allocations and working, signing off so that SPSA's bond counsel could work with the IRS in trying to get the consents and approvals needed. He assured Dr. Bailey that the Board and SPSA know that VRA sits in the position of having to approve this transaction, the terms of the sale of the WTE plant to Wheelabrator. Chairman Leafe said she could assure her board and committees that this Board is not going around trying to conduct little changes to be made in a process that is going forward for a sale that we expect to make, indicating that he kind of detected in the comments that they suspected SPSA was trying to change some of the terms. He said the Board has had none of those discussions. VRA is going to be paid down to \$50 million out of this transaction and additional security is being provided by all of our communities in order to give that additional security even though SPSA would probably, we haven't taken a vote on this either, this is just my comment that

SPSA would fully expect to meet its obligations and we do that through our tipping fees that our communities have to pay. But nobody is trying to undermine anything and he wanted Dr. Bailey to be assured of that and he wanted her to be comfortable that VRA will get all their money.

Mr. Oksman (PO) said he had a question for Ms. Bailey. He said, "Ms. Bailey isn't there an easier way to work this out? I don't get the sense that SPSA has done anything that is really contrary to what we have been working on for the last year or so, so what's this presentation this morning been about?" Dr. Bailey said it was about the unanimous consent to the additional debt. That's a major financial change in the terms of conditions; the VRA board hasn't considered this and they won't be back together until the [March] 29th and 30th. The VRA board has to approve this; it is a majority vote of the board. After several other comments, Ms. Cuffee-Glenn (SU) said the question might be if there is any deviation we need to make sure our local jurisdictions understand what those changes are. Dr. Bailey said the current provisions came as a recommendation from the eight owner communities to VRA; that's how they came last year and VRA wants to work the same way.

Chairman Leafe said he didn't think we were off the same page but he just didn't want to feel like we are off the same page because we haven't done anything. We haven't driven anything. Dr. Bailey said they want to stay on track and sees things being on the home stretch.

#### **ITEM NO. 4: STATUS OF WTE SALE**

Chairman Leafe called Mr. Warren Nowlin forward to provide an update on the status of the WTE sale.

Mr. Nowlin said: "Thank you Mr. Chairman, Board, Mr. Executive Director, Warren Nowlin once again, Counsel to SPSA from Washington. It is always a pleasure to be here. I communicated to VRA's counsel yesterday and assured him, the items that are on the agenda as action items were not ready to be considered and would not be considered. So with that background we do not have action items, documents for discussion or approval because they are still in negotiation. So we are not here to negotiate with anybody. We are here to give you an update on the status I believe of a good process with VRA. So I think that the transaction indeed is complex but the result is simple. The result as I said, a distribution to VRA and the other creditors, which will be the exclusive use of the WTE proceeds. I do believe that the transaction is just like the refinancing transaction, the restructuring transaction in 2009 that VRA was helpful on. That transaction was good for SPSA and also good for VRA because it leveled the debt service. It allowed SPSA to build up some reserves and it also helped control the credit risk to VRA and its rating agencies. And we have talked about this at great length but again in this transaction you heard about the many benefits that SPSA receives and VRA heard about the straightforward benefits it receives which is it reduces its debt from \$140 to less than \$50 million and with a rate base that is much less levered and stressed by the tipping fees. So this is a good transaction. I think we all agree and are making good progress to finalize it and as Dr. Bailey indicated there are documents that have not been finalized and this guarantee agreement is in the midst of negotiation between SPSA bond counsel, Sidley Austin, and Mr. Anderson and his team at McGuire Woods. But at the end of the day as we have told VRA we could have \$240 million debt outstanding at a tipping fee

\$335 or we can do this deal with Wheelabrator and have \$50 million or less in debt outstanding at less than \$170 a ton tipping fee. So it is a good transaction within the confines of an eight year period which is what we are working in.

With that background again, I think the items of principal concern that are provisions in the draft guarantee agreement being circulated they are in negotiation and I am very confident we will end up between our firm and the services that we render as Special Transaction Counsel as well as services of Sidley Austin on the Bond side who is working on the guarantee, I am very confident we will get to a mutually acceptable result. And I think the way the transaction has proceeded in working our teams as opposed to working eight different negotiations at once rather than doing it through a central committee is a much more efficient process. We have involved the CAO's in this process.

I am here to do two things; one is to give a brief overview of the VRA approval process and the other to give a status report on the WTE transaction. You have heard a lot about VRA but let me try and put it in nutshell for you. There are number of components as conditions to the approval. The first and most critical one is a debt retirement plan that Mr. Schopfer will present to you after I finish. And the critical components of that established by VRA are proportionality and levelized debt service. Proportionality of pay down, use of the sale proceeds to pay down lenders proportionally and levelized debt service afterwards. The second component or requirement of VRA is member community guarantees. We have all agreed and VRA has agreed these guarantees in favor of VRA will be capped at no more than \$50 million in the aggregate and will be proportional by waste flow of the various communities. That's been agreed to; it's only under a letter of intent by the CAO's but the process of approval is working its way through the various member communities. The resolutions have been prepared by VRA counsel and are now being circulated for approval at the various meetings.

The next obvious critical component of that guarantee arrangement is the guarantee agreement itself. That is being negotiated. We do not have anything to present to the Board today but I am confident when we do come to the Board and our approach on this to always have a consensus us among the lawyers and principals for the lawyers which would be your executive director and his team as well as Dr. Bailey and her team before we put anything on the agenda for formal approval and I am sure that's the way she operates. The next item is the intercreditor agreement. We have circulated a draft internally; that has not gone to VRA counsel but we intend to do so this week. And the final item I guess the ultimate item is the consent agreement which is simply a document that establishes the conditions to their consent. We hand-delivered a draft of that to VRA counsel about two weeks ago at one of our meetings and will circulate it formally this week as well with the intercreditor agreement but it is a three-page document that acknowledges the conditions to their consent and these are the conditions I am now discussing. And the last item is legal opinions. There will be three different legal opinions rendered. One that relates to bankruptcy considerations, the fact sale proceeds will come in and be distributed over time during defeasance; fairly standard issues. And the last item Dr. Bailey mentioned which is a standard opinion that goes to do authorization in binding and enforceability of the agreements that we reach. And in fact the agreement we already entered into that's a standard closing opinion and we have provided assurances to VRA and counsel that no further approvals are required, but we will have a

letter going to you Mr. Chairman on that issue. Those are all of the items that are pending for the VRA approval. Again I am confident we will get to where we need to be and the items raised in Dr. Bailey's presentation will be properly addressed before anything is brought before this Board.

Mr. Barnes (VB) said from a timing standpoint a lot of things have to happen and part is public notice periods and so forth, is there a schedule for these things and where do we stand in terms of meeting those schedules because the cities have to do things, VRA has to do things and we have got to get our folks together on this; have these things been laid out that far.

Mr. Nowlin replied that the only public notices that he is aware of are at the member communities that relate to the resolutions to be adopted for the execution of the guarantee by the member communities. And each of the member communities is on notice and is working with us and VRA counsel to work that through the process. So those notices as well as the draft resolutions themselves have been distributed and I believe one or more of the member communities has already got a notice out for an upcoming meeting I believe. So that's all in process. As for SPSA notices and approvals there are none. We will address it at Board meeting here for the approvals that are required of SPSA. And with respect to VRA I believe they will have it on their agenda for March 29th meeting and I believe that's all that is required.

Chairman Leafe said he thought the question is directed toward the completion of the agreements so the member communities have the agreements that they will have to approve so they can in addition to noticing it and getting it on the agenda they will have the documents and know. Mr. Nowlin said the resolutions are in final form and an attachment to the resolutions is the guaranty agreement itself which is in negotiations but will be finalized before the first meeting occurs which is upcoming very quickly. Sidley Austin is working to finalize that but there is work to be done. I believe Southampton may be the first meeting which is eminent. Mr. Johnson (SH) indicated that they have already done it and Ms. Cuffee-Glenn said but you are basing it on 2009 and Mr. Johnson said that was correct. Ms. Fleming (FR) said theirs is 8th of March. Mr. Nowlin said the guarantee agreement is modeled after the 2009 agreement and is subject to these open items that relate to some of the covenants in the earlier bond resolutions. Mr. Hardison (IW) said, "Don't take this wrong, you had a good pep talk, I enjoyed it, but I didn't hear the first date mentioned as we went through the process and we have a date, we have a May 1st date to sell a component. We have an April 1st date that we need to establish to start the physical process of selling that component and we say we are doing good but we're not doing very good if we are not supporting those dates and I haven't heard any comment made to support those dates yet. And in talking with Ms. Bailey a few minutes ago after the first meeting after her presentation, their meeting they will have March 29th and 30th, the localities have gone through everything and having to her by March 19th so that's a milestone date, March 19th so he can get it together for the board back on the 29th. I don't see enough numbers being presented to keep this group together and on line to meet their commitments. Mr. Nowlin said they are working overtime to get everything done in time to meet that time frame and he believes they will get it done and if the parties need to we will get together in one room but I do believe you may be getting a notice of a special

meeting here for meeting in the interim between now and the 19th so that we can make sure we have done everything on our side.

Chairman Leafe said he thinks it is important particularly for the member communities that they know what they are dealing with and have notice requirements and they are able to know they will have whatever they need to have in time to do those things. Mr. Nowlin said there is an active dialogue with the CAO's, both between counsel and VRA.

Ms. Fleming said perhaps you may not hear it the way you want to hear it in terms of being outlined but everyone has a CAO here, we have all heard it and three or four of us say here we now have it scheduled after consultation in time to meet those dates. We knew those dates from various meetings. If you may have heard in my voice that I said I have to have the supporting documentation to go with it. I am not the only one. We have been assured we will have it so I think we are in good shape. Some entities do have some scheduling problems but previously we have been able to notify VRA and SPSA and say it is on the agenda just because of legal posting requirements we could not get it actually. You may not hear the dates you want to hear but some of us can give you some assurance.

Mr. Williams (FR) said he was assuming we will get VRA approval on or about April 1st. Will that in fact with the other dominos that have got to fall in place, will that in fact support a closure date on May 1st; I have some concerns. Mr. Nowlin said I will not say it will, in fact, happen. I will say it should in fact happen. It should. It is sufficient in timing. It is sufficient within our time frame and with our expected closing conditions it should permit us to close on time and I would expect that we will but I am not going to stand here and tell you it will close on May 1st but that is certainly our target date. The schedule has slipped by about three weeks to accommodate this VRA schedule because they couldn't get a quorum. I do believe we should be able to close as expected and in fact I was on the phone with Wheelabrator counsel on that very issue last night.

The second component is to give a quick up date on the overall transaction. VRA is one component; I'll just give you a very quick run down. We are continuing to complete our dialogue and consent process with Wachovia, Ambac and the Trustee. We don't have finals from any of them but we are moving forward and expect to have them timely probably at or before the time we finish with VRA. Likewise we have gotten more consents in from our various contracting parties; we do have a variety of consents to assignment as is standard in a transaction like this and they are moving the way they are supposed to be moving. We continue in our regular dialogue with the Navy and have asked for an upcoming meeting to make sure we finalize that. Again right now the ball is in the Navy's court. We are waiting on their response on a couple of drafts of documents including the revised steam agreement, the real estate easements but we are in a regular dialogue with them and hopeful everything there will conclude soon. And then finally, a couple of other items, we met, we had very good meeting with Wheelabrator and its counsel last week here in Norfolk and worked through some of the items with them including the C. O. control issues. I think we have an understanding on how to address the open issues on that. We finalized the phase two environmental assessment and access agreement, that's out for signature and the phase two environment assessment should commence shortly. We have been working on the permit transfers; we have circulated a revised operations and maintenance agreement that allows for

the transfer of the various permits including the use of the fire suppression system, the storm water system and the sanitary sewer permit. There are a lot of moving parts. They are moving. They are moving and we do expect to be able to close on or about May 1st if not before. Questions?

Chairman Leafe then called John Schopfer with Mesirow Financial to the podium to give his portion of the update. Mr. Schopfer gave a PowerPoint presentation which is attached herein as Appendix D. There were no questions from the Board to Mr. Schopfer.

#### **ITEM NO. 5: EXTENSION OF RECYCLING SERVICES FOR NORFOLK**

Mr. Taylor stated that we have a request from the City of Norfolk for SPSA to extend recycling service to them until around May 31st, approximately a 60-day. Norfolk is in the process of continuing to review their RFP's and proposals for their recycling program. Staff is recommending that we move forward and let them continue and provide them the service for the 60 days.

Mr. Hardison (IW) made a motion to approve the 60-day extension of the recycling services to Norfolk which was seconded by Ms. Cuffee-Glenn (SU). All present voting yes; opposed none; motion carried by unanimous and recorded vote.

Before continuing on with the next agenda item, Mr. Williams said he agreed with Tim (Oksman-PO) in a slightly different fashion and brought up the issue of a timing manager and list with all the different pieces involved and everyone having a responsibility and a date by which that action was supposed to be completed. Mr. Taylor said that was done several months back. Mr. Nowlin said we do have that; the latest version is February 15th. We haven't updated it in about a week. It is thirteen pages; it's a standard closing checklist. It is detailed and has responsible parties. It has the status of the various items and we will circulate this to the Executive Director and you and anyone else who wants it and that is the way we run transactions. Chairman Leafe asked Mr. Nowlin to update the checklist and then get it to Mr. Taylor and then he can distribute it to the Board.

Mr. Woodall (CH) asked who negotiated this contract from SPSA's standpoint, not the legal standpoint, but staff; who was your management team, who did it. Mr. Taylor replied that it was the Chairman, Don Williams, himself, and Liesl. He also said that at one point in time it was somebody else before Liesl got here, but they were the three. Mr. Woodall said, "No operating people?" Mr. Taylor replied that they were involved in it but they did not sit in on the actual negotiations around the table unless we were specifically that day going to do something in that area. Jeff [Harbin-Operations Manager] had been in there before. Dick [Cheliras-Director of WTE] had been in there before. Toney Saunders, the Transportation manager and when we had relevant issues the various line and operation heads were involved.

Ms. Fleming (FR) said her comment was not directed to Mr. Nowlin, not anything he was saying. It is my observation that if we continue as we are now that every issue that comes up being discussed, appropriately because people need information, these meetings will be become rather tedious and not an efficient use of time. I would suggest that we think about a

structure for this Board and how it works, knowing what your needs are, and how they can best be met since you have sufficient information so that when we come here our discussions can be totally focused, thought out and staff will know and not be surprised, the Board will know and not be surprised. I have no magic pill for you but I suggest there are some here who could help with that but to continue this way, when you think about the busy people you have here, personally, purely personally, don't think it is a good use of time. Chairman Leafé said that was a good observation and asked that at least in the short term that the Board give the Chairman a little leeway in working with the staff on the agenda to see what we can do with appropriate in-puts. But if you would then we can work at that and try and do what we need to do as efficiently as we can with everyone being included and having the in-puts they need to have.

## **ITEM NO. 6: FINANCIAL REPORTS**

Ms. DeVary presented the Financial Reports. She said for the month ending January 31, 2010, our revenues exceeded expenditures year-to-date by \$11.6 million. The revenues as a whole are in line with the budget. We continue to see a reduction in the electrical sales as reported to you previously. Operating expenses are under budget by about 10%. And that's largely in the area of contracted services as well as the cost for fuel. The total waste stream is in line with the budget however we have are seeing some variances. For instance in the municipal waste, from the City of Chesapeake, they implemented their own 95-gallon cart recycling program recently and we are seeing a reduction in the waste stream for Chesapeake. We are having a similar situation with the tonnage received from the City of Suffolk even though that doesn't impact the revenues directly we are seeing a drop. We understand that is also due to the city's implemented collection fee for bulk waste that started last July 1st; their bulk waste collection dropped considerably because of that fee. But they have since removed that fee, so we would anticipate that tonnage to come back up some. As for the City of Virginia Beach, their waste stream has well exceeded what we had budgeted and that's primarily because they continue to bring their yard waste and vegetative waste to us which was not previously budgeted but it is our understanding they will be implementing their own yard waste program in coming months so those numbers will come back to our budgeted amounts. But overall the total waste stream is in line with the budget. Capital expenditures, through January 31st, we have spent approximately \$4.1 million with another \$5 million encumbered. The expenditures are largely attributable to the WTE system. And our cash balances remain healthy; we have a total of over \$38 million available for operating purposes of which \$4.9 million of that has or is set aside for operating reserve so we are nearly 50 percent of the way there to meeting the \$10 million goal.

Mr. Woodall (CH) asked Mr. Taylor why we lost \$1.4 million last month. Mr. Taylor said that in the electrical line, there is \$414,000; that's way below what was anticipated. Ms. DeVary said the main thing that is driving that is shown here because we stopped the deferral to the City of Virginia Beach effective November 1st. She said she made an adjustment as noted in the front memo to that. The revenue amount is the amount that we actually deferred so the deferred fees that we recognize as revenue from July 1st through October 31, so that's \$7.4 million that's the actual that we deferred from them. Then beginning November 1st, we are paying those monthly fees back which consists of the

operating and maintenance expenditures for Virginia Beach landfill plus excess tipping fees that are paid above the cap that Virginia Beach has.

Mr. Woodall asked if we have copies; you are auditing this tonnage and all that stuff in Virginia Beach, do you have copies of those audits. Mr. Taylor replied that SPSA has never audited Virginia Beach; that is has never been ordered. Mr. Woodall said we need to call for an audit; you can't just arbitrarily let it go and he said he would like to see three years, not just one or 6 months but 3 years. And I do want that audited, so note that or tell me when or how you are going to do it. Mr. Taylor replied that all the Board has to do is make motion to do it. Mr. Woodall then made a motion that we audit. Chairman Leafe asked that we put the audit of the contract on the agenda for next month. Ms. DeVary said she believed under the current contract with our auditors we can request them to do those additional services. She added that she had not spoken to them to get price or cost estimate but could do that before our next meeting. Chairman Leafe said that would be a good information piece to have so we know what we are dealing with. Ms. DeVary said then once the Board receives the proposed budget we have included additional funding in there in anticipation of that question.

Mr. Oksman (PO) said he would like to add his voice in support of the procedure of doing it at the next meeting in part out of respect for Virginia Beach. He said he didn't want to put them in an awkward position having to respond to something on the spot right now where they have not had an opportunity to think about it and prepare thoughtful response.

Ms. Williams (NO) made a motion to receive the financial reports subject to audit and the motion was seconded by Ms. Cuffee-Glenn. All present voting yes; opposed none; motion carried by unanimous and recorded vote. Chairman Leafe then made note that the audit was to go on the agenda for the next meeting.

#### **ITEM NO. 7: PRESENTATION OF THE PROPOSED FY2011-12 CAPITAL AND OPERATING BUDGET**

Chairman Leafe called upon Ms. DeVary for her presentation of the proposed budget. Ms. DeVary then gave her PowerPoint presentation which was handed out and is attached herein as Appendix E. She said that the budget books would be given out at the end of her presentation.

As you heard earlier we are still in the process of negotiating a new landfill gas contract, so at this point the budget does not include any additional revenue for that since we don't have a contract just yet so that certainly can affect this favorably. Due to all of these out comes we are very hopeful that the \$170 tipping fee, will not need to be increased and possibly could decrease. But we want to wait until we get a few more of these 'unknowns' known. But we will certainly keep you apprised as we go through this. But we are hopeful it will go below the \$170.

Chairman Leafe asked if there was any chance we will get it down to what is normal, in the \$50 to \$60 range. Ms. DeVary said no. Something I learned very quickly is that the news and everybody continually compares us to other tipping fees. But our tipping fees are just a standard tipping fee it is not just a gate fee. We are a different beast because ours also

includes a transportation cost. And that's something I think a lot of people forget about and having nine transfer stations where the localities are bringing it to the transfer stations but then SPSA is taking it from there; that is a cost. When you get the budget book you will see in the budget message that probably the next logical service that we will look at contracting out is to see if private hauler or private business can transport the trash in more cost effective way than we can. That's something we will look at. But no, sir, I don't believe we would ever get down to \$50 dollars.

Ms. DeVary told the Board they need to establish public hearing date on the tipping fee schedule. She advised them that if any of the tipping fees are going to increase we will have to abide by the 60-day advertising requirement, adding that at this point we do not believe that we will be increasing any of the tipping fees so you should be able to meet the 15- day advertisement requirement. But you still have to have a public hearing on the tipping fee schedule. You do not have to have a public hearing on adopting the budget. You are free to adopt the budget at any time. Ms. DeVary also said we anticipate a Reduction in Force as a result of the sale of WTE and these will be positions that, it is an indirect effect of this sale because of the downsizing but since we don't have a firm closing date and the sensitive nature of this, we have not revealed the specific positions. You will see that in the budget book, the number that I believe we will achieve by this reduction but at this point in time we have not disclosed the actual positions and perhaps at the March 8th meeting we may discuss that in detail with you (in closed session).

Ms. DeVary said there is a budget message, the individual cost centers are itemized in detail, and there are a couple of other schedules included for reference but this is a work in progress and if there is any information you would like to see in there that you don't, please let me know.

Ms. Williams (NO) said that she knows it says when we are ready to adopt the budget we can but I want to put my city manager hat on and encourage us to really focus and adopt a budget as soon as is practical because the cities are waiting to know what that is because for some of us we pass that on to the rate payers but other cities they absorb that and it will have an impact on their budget deliberations. So I encourage us to have a time-line and be sensitive to the fact the cities are adopting their budgets in May. She also said the second point she wanted to make not related to specifically to this an observation something at some point I hope we get through probably won't at the budget workshop but at some point that is that our whole fee structure is predicated on volume of waste. And that goes very counter to recycling and sustainability and we have got to have, I think, some very strategic discussions on how we change that. Not for today but just for thought. Thank you

Chairman Leafe said there has been some mention from time to time about our 'dire finances' and bankruptcy and so forth. We are not subject to bankruptcy. What we have got in addition to that, we have a group of eight sovereign communities that are also very 'solvent communities', their upcoming budgets aside. They are solvent communities and while we work through a small aspect of some serious financial situations, sometimes the use of terms like 'bankruptcy' and stuff gives a false picture to the public and anybody else who is listening. That just needs to be clarified as far as that technicality of that and we are going to

with our communities work through and meet all of our obligations and we certainly have the ability to do that.

### **ITEM NO. 8: CONTRACTS**

Chairman Leafe stated that we had one contract, for the R.W. Beck annual report, which was something that was sent out to the Board. He then called upon Mr. Taylor to elaborate stating that this is a required contract that somebody else designates. Mr. Taylor further stated that this report is a requirement of all of our bond documents. We must have an independent engineering firm do an analysis of the system and report it to the bond trustees every year. R. W. Beck has been doing it for twenty- two or twenty-three years and we are recommending again that R. W. Beck perform this analysis this year. The likelihood is it may be just a little tardy, about 30 days or so, but we are hoping that they can meet that schedule. The estimated cost is at \$50,000 and that is in line with what it has been. Last year I believe it was \$54,000 and several years before, \$28,000; \$48,000; and \$33,000. So it is in line with what it has been.

Mr. Taylor said when you get the document and read it, that this is undoubtedly one of the best summary documents of the SPSA organization that is done by SPSA or anyone throughout the course of the year. It has more information in it about what SPSA does, where SPSA is, and how things are than any other document that you will obtain.

Ms. Fleming (FR) asked how many years have we used Beck and Mr. Taylor replied twenty plus. Mr. Adams (SU) asked when will we receive the document and Ms. DeVary replied on or before May 1st. Mr. Adams then made a motion to approve the contract which was seconded by Mr. Johnson (SH). Ms. Williams (NO) said she would like before next year to do an RFP for this report and Mr. Taylor said we can do that.

### **ITEM NO. 9: PRESENTATION OF THE MINUTES OF THE BOARD MEETING**

Chairman Leafe said the minutes of the previous Board meetings have been distributed and asked if there were any additions or corrections. There were none and Mr. Woodall (CH) made a motion to approve them as presented. The motion was seconded by Mr. Caskey (IW). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

### **ITEM NO. 10: DISCUSSION REGARDING OPERATING CONTRACTS**

Chairman Leafe said the contracts and agreements related to the Cell VII had been addressed by Mr. Nowlin when he noted that all those documents were coming a long in good order. Mr. Taylor said he tries to provide the Board with a succinct white paper of where we have come from and where we are and what is needed with each particular item or contract, adding that we also provided copies of contracts, but that if you at least read the executive summary you will have good idea of what's in the contract. Mr. Thiel, General Counsel, said we never did an executive summary on the Bi-Metal agreement but he had one that he would be happy to send to the Board. He added that this is part of the WTE program and involves a third party service provider and involves getting that contract basically split in two because part of

the contract involves SPSA letting the service provider use a portion of the landfill and the other part provides ferrous metal services to Wheelabrator after the deal. The parties are meeting this afternoon so we will have more information about the Bi-Metals contract this afternoon. There is no reason for the Board to delve into the details but we feel like we need to provide you copies of these contracts. You have the Bi-Metals contract; the other contract, the First Tee contract, it too will come into play in connection with the sale of WTE to Wheelabrator. Basically Wheelabrator is negotiating for our service provider to take over the route that First Tee provides for us now and that is in the works but again these are contracts that you may have to address in some modified form as we go forward and we wanted to provide that information to you as early in the game as possible.

In an effort to streamline the agenda, Chairman Leafe said what he would suggest is that if there is information or items that the Board does not need to take action on, then it doesn't need to be on the agenda unless some member of the Board particularly wants it to be on the agenda. It may get back to that point at some period in time but informational things can be handled that way as opposed to being on the agenda and then us not really needing to do anything to when in most cases the information has been sent to the Board already. So you know.

Mr. Taylor said on Item E, the value of the landfill, needed to be addressed under Closed Session and that Bob Gardner with SCS Engineering is here and has a brief presentation which is something the Board specifically asked for at the last meeting.

Ms. Cuffee-Glenn (SU) said she and Mr. Taylor had already chatted as relates to Item A (Cell VII) because there is some inaccuracy in what went out to the Board and said she will submit comments on behalf of Suffolk so it can be submitted to everyone.

Discussion evolved surrounding the issue of when questions are submitted to Mr. Taylor and the idea of them then being circulated with the answer to the remaining Board members to keep them informed as well, however; it was acknowledged that some conversations will take place with Mr. Taylor that would need to remain in confidence. Further discussion also involved the use of PowerPoint presentations and the length of them as well as the need. Mr. Hardison (IW) expressed a desire to have a very brief, five minute presentation on each item with a time schedule showing the purpose, the schedule for when it was to be accomplished, and if it needed to be voted on and if so when so the Board doesn't lose the continuity. Chairman Leafe said they can be put in the form of a consent agenda item that says 'the following pieces were sent to the Board' and if anybody wants to pull one of those off as we did at one of our last meetings for consideration on the regular agenda.

Mr. Hardison said he feels the Board needs the ability to address whoever the presenter was on each topic rather than doing away with all the topics. He said he is not advocating, if you took the agenda we had today for example and we had the data and you reduce the presentations to five minutes for each one with the key points that you wanted to drive out of the agenda and allow us to ask questions, this is the type of thing he is referring to.

Mr. Woodall (CH) asked what kind of time frame staff works toward with regard to the agenda and Mr. Taylor said it is usually the Wednesday before the meeting. Mr. Woodall then said the Board usually gets a lot of material after that deadline date and asked why we

don't adhere to the deadline date unless it is an emergency and that might shorten the agenda. Mr. Taylor said part of the problem is that the attorneys love to do things at the last minute. Chairman Leafé said that some of the items that relate to this transaction [sale of the WTE facilities] are things that you can't control. It is stuff that comes up and comes up when it does and you can't control that. But together we need to work hard to make sure that our agendas and our subjects are open and available to everyone but at the same time that we try to do it in an efficient and professional way which we are all used to.

Mr. Oksman (PO) said he had had a brief comment earlier with regard to the Board adopting rules of procedure and feels that at some point when this Board is comfortable adopting rules of procedure this is exactly the type of thing that can be included in rules of procedure, how you set the agenda, who sets it, what the process is, and what the timetable is for setting it. He said he is not looking to reopen that question again but is asking the Board to start thinking that this is something that could be included in the rules when the time comes.

#### **ITEM NO. 11: REQUEST FOR CLOSED SESSION**

Chairman Leafé called upon Mr. Tony Thiel, General Counsel, to make the request for Closed Session. Mr. Thiel said the Board needed to approve the motion items in Roman numeral one and two as set forth in the agenda, the two motions for Closed Session.

Mr. Taylor said we would like to have the first agenda item and the discussion as far as Portsmouth is concerned with nobody in the room but the Board and who is at the table right now. If Portsmouth wants to stay that's totally up to the Board. Mr. Oksman (PO) said he was prepared to leave unless the Board would like him to stay. He said he would like to talk to the Board at some point. He thinks there are some things the Board needs to talk about without him so his preference would be to leave and if you wish to invite me back in later on he will be glad to come back in. Chairman Leafé asked the Board to do the motions first, noting that the Lease and Good Neighbor Agreement would be dealt with first without Portsmouth by their voluntarily excluding themselves as opposed to us excluding them to talk about that item and then they will be back in.

Mr. Adams (SU) made a motion to approve the noted requests for Closed Session and the motion was seconded by Ms. Cuffee-Glenn (SU). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

Upon completion of the Closed meeting, the following certification was read:

*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 were discussed in the closed meeting to which this certification applies; and (b) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.*

A motion to approve the certification of the Closed Meeting as read and resume the Open Meeting was made by Ms. Fleming (FR) and seconded by Mr. Martin (CH). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

**ITEM NO. 12: ACTIONS RESULTING FROM CLOSED SESSION**

There were no action items resulting from the Closed Session.

**INFORMATIONAL ITEMS**

**ITEM NO. 13: MISCELLANEOUS ITEMS**

There were no Miscellaneous Items.

**OLD/NEW BUSINESS**

There was no old or new business discussed at this meeting.

**ADJOURNMENT**

There being no further business to come before this Board of Directors, the meeting was adjourned.

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Rowland L. Taylor  
Executive Director

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Submitted by: Lou Ann Ivory  
Secretary, SPSA Board of Directors

**B. UPDATE ON WTE SALE AND APPROVAL OF ASSOCIATED FINANCIAL**

Warren Nowlin, Frank Robinson

The below-listed documents will be presented for your approval. These documents are not attached but are available on the Board of Directors website or at Administration for viewing. A motion will be needed to approve each document.

1. Resolution Amending SPSA's Senior Bond Resolution
2. Resolution Amending SPSA's Senior Bond Resolution
3. Resolution Amending SPSA's Guaranteed Subordinated Bond Resolution
4. Form of the Guarantee Agreement between VRA and 8 member jurisdictions
5. Form of the Reimbursement Agreement between SPSA and 8 member jurisdictions
6. Amendments to the 2009 Financing Agreement with VRA
7. Form of Intercreditor Agreement
8. Form of Escrow Agreement with U.S. Bank
9. Obtain Release from VRA of the 2009 Guarantee Agreement
10. Terminate the Line of Credit with Wachovia Bank
11. Repay the Balance owing under the forbearance agreement with Virginia Beach

Approval of motions to adopt three resolutions amending:

- (1) SPSA'S Senior Bond Resolution, With Consent Of Ambac Assurance Corporation, Wachovia Bank, National Association, Virginia Resources Authority And The Trustee, U.S. Bank National Association;
- (2) SPSA'S Senior Subordinated Bond Resolution With Consent Of Virginia Resources Authority, Wachovia Bank, National Association, And The Trustee, U.S. Bank National Association; And
- (3) SPSA'S Guaranteed Subordinated Bond Resolution With Consent Of Virginia Resources Authority And The Trustee, U.S. Bank National Association.

Approval Of Motions To:

- (4) Approve The Form Of A Guaranty Agreement, For The Benefit Of Virginia Resources Authority, By SPSA'S Eight Members To U.S. Bank National Association In Its Capacities As Trustee Under SPSA'S Senior Subordinated Bond Resolution And Guaranteed Subordinated Bond Resolution;
- (5) Approve The Form Of A Reimbursement Agreement Between SPSA And Its Eight members;
- (6) Approve Amendments To The 2009 Financing Agreement With Virginia Resources Authority;
- (7) Approve The Form Of An Intercreditor Agreement With Ambac Assurance Corporation, Wachovia Bank, National Association, Virginia Resources Authority And U.S. Bank National Association In Its Capacities As Trustee Under Each Of SPSA'S Three Bond Resolutions;

(8) Approve The Form Of An Escrow Agreement With U.S. Bank National Association In Its Capacity As Escrow Agent To Provide For The Custody, Investment And Application Of The Cash Proceeds Of The Sale Of The Waste To Energy Facilities And Authorize Staff And Consultants To Undertake To Purchase Virginia Resources Authority And SPSA Bonds If And To The Extent Staff Determines It Cost Effective;

(9) Obtain Release From Virginia Resources Authority Of The 2009 Guaranty Agreement In Consideration Of SPSA And Its Members' Delivery Of The 2010 Guaranty Agreement;

(10) Terminate the Line Of Credit With Wachovia Bank, National Association And Obtain Release From The Bank Of The 2009 Guaranty Agreement By, And Release Of SPSA'S Repayment Agreements With, Norfolk And Chesapeake;

(11) Repay the Balance Owning Under Forbearance Agreement with Virginia Beach And Obtain Termination And Release Of The Forbearance Agreement With, And Cancellation Of SPSA'S Junior Subordinated Revenue Note To, Virginia Beach;

(12) Authorize Executive Director, Treasurer and Counsel to carry out actions so authorized.

(13) Authorize Counsel To Restate The Three Bond Resolutions And Present Them To The Board For Adoption Following The Closing Of The Sale Of The Waste To Energy Facilities

**Recommended Action:** Approve each WTE closing document.

[A MOTION WILL BE NEEDED TO APPROVE EACH DOCUMENT]

C. **FINANCIAL MATTERS** . . . . . Liesl DeVary

1) **Financial Reports**

The financial reports for February 2010 will be presented and are attached for your review.

**Recommended Action:** Accept financial reports.

[A MOTION WILL BE NEEDED TO ACCEPT THE FINANCIAL REPORTS]

# Memo

To: Board of Directors, Southeastern Public Service Authority  
From: Liesl R. DeVary, Deputy Executive Director  
CC: Rowland L. Taylor, Executive Director  
Date: March 12, 2010  
Re: Monthly Financial Report

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## **Statement of Revenue and Expenses – Budget to Actual Comparison**

This report provides a snapshot of the fiscal year to date revenues and expenses as compared to the approved budget. For the month ending February 28, 2010, year to date revenues exceeded year to date expenses by \$9.3 million. Total revenues are down by approximately 3%, primarily driven by the reduction in tonnage, which is typical for the month of February, and the decline in recycling collection fees due to the termination of the program. Additionally, electrical sales are down 24% or \$2.2 million relative to the budget.

Total expenses year to date are under budget by approximately 11% primarily in the areas of contracted services, fuel, utilities, capital projects and debt service.

The \$2.26 million loss for the month of February is attributable to the decline in electrical sales coupled with the termination of the deferral to the City of Va. Beach and the increase in the appropriation to the operating reserve fund. (See highlighted items on statement)

## **Waste Stream Report**

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. The tonnages are grouped based on the budgeted line items referred to as “Tipping Fees” and “Contract Commercial Processible Waste”. As of February 28, 2010, total tonnages are down approximately 3% as compared to the budget.

## **Schedule of Capital Projects**

The Schedule of Capital Projects provides the actual expenses and encumbrances incurred to date for budgeted capital projects and equipment replacement. As of January 31, 2010, total expenses incurred for capital projects was approximately \$6.2 million with an additional \$3 million encumbered.

## **Treasurer’s Report of Cash Balances**

This report captures the activity in each of the thirty (30) respective depository/trust/construction fund accounts for the month of February 2010. Cash balances remain healthy with approximately \$33.5 million available for operating needs.

## **Performance Indicators**

Attached are various performance indicators that have been utilized in the past.

**Southeastern Public Service Authority  
Statement of Revenue and Expenses - Budget to Actual Comparison  
For the Period Ending February 28, 2010**

	February 2010				February 2009			
	Budget	Month	YTD	% of Budget	Budget	Month	YTD	% of Budget
<b>REVENUES</b>								
Tipping Fees	\$ 61,763,470	\$ 4,625,029	\$ 44,830,947	72.6%	\$ 62,723,534	\$ 2,444,842	32,917,424	52.5%
Contract Commercial Tipping Fees	10,800,000	833,627	7,742,228	71.7%	7,888,080	1,721,688	9,342,979	118.4%
Tire program	400,000	23,938	225,073	56.3%	600,000	33,904	290,104	48.4%
Recycling Collection Fees	4,100,000	259,675	2,561,632	62.5%	3,942,875	338,015	2,681,331	68.0%
Steam Sales	7,437,409	721,817	5,115,119	68.8%	7,260,743	667,250	4,945,892	68.1%
★ <b>Electrical Sales</b>	9,400,000	363,289	4,015,286	42.7%	13,300,000	240,300	9,547,601	71.8%
Proprietary Waste	1,700,000	73,673	1,048,100	61.7%	2,200,000	109,273	1,541,416	70.1%
Non-Ferrous Recovery Sales-RDF Plant	123,000	-	55,720	45.3%	250,000	5,606	105,403	42.2%
Recyclable Material Sales	73,000	6,144	66,733	91.4%	300,000	9,588	195,042	65.0%
Compost and Mulch Sales	-	-	-	N/A	285,000	32,953	189,626	66.5%
Bi-Metals Lease/Material Sales	244,750	38,926	242,178	98.9%	575,000	8,756	361,053	62.8%
Household Hazardous Waste Revenue	550,000	33,828	492,096	89.5%	400,000	39,242	383,473	95.9%
White Goods Program	350,000	14,469	121,604	34.7%	350,000	5,113	223,484	63.9%
HRPDC Share of Office Bldg Operating Cost	37,000	683	13,225	35.7%	37,000	2,063	31,089	84.0%
Landfill Gas Recovery	230,000	26,928	232,800	101.2%	230,000	50,374	193,323	84.1%
Miscellaneous Income	175,000	3,628	57,638	32.9%	200,000	2,464	223,287	111.6%
Interest Earnings	700,000	13,365	73,086	10.4%	1,700,000	27,037	1,274,716	75.0%
Virginia Beach Deferral (estimated excess tipping fees)	17,800,000	-	7,415,279	41.7%	-	-	-	N/A
<b>TOTAL REVENUES</b>	<b>115,883,629</b>	<b>7,039,019</b>	<b>\$ 74,308,743</b>	<b>64.1%</b>	<b>\$ 102,242,232</b>	<b>\$ 5,738,468</b>	<b>\$ 64,447,244</b>	<b>63.0%</b>
<b>OPERATING EXPENSES</b>								
Administration	\$ 7,032,000	\$ 420,617	\$ 3,713,142	52.8%	\$ 5,655,324	\$ 95,569	\$ 3,629,994	64.2%
Environmental Management & Safety	1,554,689	355,472	839,486	54.0%	1,605,369	426,478	990,053	61.7%
Operations	16,463,815	531,609	8,819,261	53.6%	17,429,216	1,010,907	13,328,753	76.5%
Recycling	2,485,805	120,953	1,357,811	54.6%	4,159,675	223,848	2,072,550	49.8%
Waste-To-Energy	26,199,673	1,915,445	17,273,593	65.9%	27,507,140	2,277,822	17,120,478	62.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 53,735,982</b>	<b>\$ 3,344,096</b>	<b>\$ 32,003,292</b>	<b>59.6%</b>	<b>\$ 56,356,724</b>	<b>\$ 4,034,624</b>	<b>37,141,827</b>	<b>65.9%</b>
<b>CAPITAL PROJECTS</b>	<b>\$ 17,999,900</b>	<b>\$ 2,180,599</b>	<b>\$ 6,268,608</b>	<b>34.8%</b>	<b>\$ 293,056</b>	<b>\$ 627,144</b>	<b>\$ 5,237,787</b>	<b>1787.3%</b>
<b>DEBT SERVICE</b>								
Principal (transfers to trustee)	\$ 20,480,000	\$ 889,862	\$ 10,089,361	49.3%	\$ 28,630,000	\$ 1,900,000	\$ 15,524,480	54.2%
Interest (transfers to trustee)	11,765,937	598,099	2,923,781	24.8%	10,607,342	580,215	6,287,728	59.3%
Interest / Fees - Variable Rate Debt	-	5,038	306,179	N/A	-	-	-	N/A
New Debt	-	-	-	N/A	1,500,000	-	-	0.0%
Total Debt Service	\$ 32,245,937	\$ 1,492,999	\$ 13,319,321	41.3%	\$ 40,737,342	\$ 2,480,215	\$ 21,812,208	53.5%
<b>OTHER USES</b>								
★ <b>O&amp;M - Virginia Beach Landfill (not deferred)</b>	\$ -	\$ 158,000	\$ 604,272	N/A	\$ 1,715,110	\$ -	\$ 2,804,236	163.5%
★ <b>Excess Tipping Fees Paid by Va. Beach (not deferred)</b>	-	1,112,314	6,720,508	N/A	-	-	-	N/A
Letter of Credit Fees - DEQ Financial Assurance	135,000	-	78,067	57.8%	125,000	130,120	130,120	104.1%
Virginia Beach Environmental Trust Fund	10,000	-	-	0.0%	10,000	-	10,000	100.0%
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	5,000	100.0%
Landfill Closure Fund	1,500,000	-	-	0.0%	1,500,000	-	-	0.0%
★ <b>VRA Operating Reserve</b>	7,500,000	1,014,767	5,940,926	79.2%	-	-	-	N/A
Total Other Uses	\$ 9,150,000	\$ 2,285,081	\$ 13,343,773	145.8%	3,355,110	130,120	2,949,356	87.9%
Reserve and Contingency Fund	\$ 2,751,810	-	-	0.0%	\$ 1,500,000	-	-	0.0%
<b>TOTAL EXPENSES</b>	<b>\$ 115,883,629</b>	<b>\$ 9,302,775</b>	<b>\$ 64,934,993</b>	<b>56.0%</b>	<b>\$ 102,242,232</b>	<b>\$ 7,272,103</b>	<b>\$ 67,141,177</b>	<b>65.7%</b>
<b>EXCESS REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ (2,263,755)</b>	<b>\$ 9,373,750</b>		<b>\$ -</b>	<b>\$ (1,533,635)</b>	<b>\$ (2,693,933)</b>	

Note: Total Estimated Virginia Beach deferral as of October 31, 2009 = \$18,928,302

Note: Total Net Expenses related to the WTE Divesture as of February 28, 2010 = \$2,609,778

## Southeastern Public Service Authority (SPSA)

### Waste Stream

Waste Category	FY 2008 Actual (Tons)	FY 2009 Actual (Tons)	FY 2009 Budget (Tons )	FY 2010 Budget (Tons )	FY 2010 Actual (Tons) as of 2/28/10	% of Budget
<b>Waste Stream Budgeted under Tipping Fees</b>						
Municipal Waste						
Chesapeake	112,350	110,390	111,000	110,700	65,682	59.3%
Franklin	4,617	4,922	4,900	4,800	2,991	62.3%
Isle of Wight	19,703	19,458	20,000	20,000	12,308	61.5%
Norfolk	84,064	82,036	85,000	82,000	51,573	62.9%
Portsmouth	51,817	45,830	53,000	48,000	28,973	60.4%
Southampton	9,408	9,445	9,500	9,500	6,090	64.1%
Suffolk <sup>4</sup>	65,538	62,120	65,000	65,000	29,337	45.1%
Virginia Beach <sup>5</sup>	144,175	158,838	147,000	147,000	118,098	80.3%
Residential (Free of Charge)	8,072	7,717	-	-	4,652	N/A
<b>Total Municipal Waste</b>	<b>499,744</b>	<b>500,756</b>	<b>495,400</b>	<b>487,000</b>	<b>319,704</b>	<b>65.6%</b>
Sludge - Norfolk	16,062	9,704	15,000	15,000	4,039	26.9%
Non-Contract Commercial Waste <sup>1</sup>	63,182	59,713	230,000	48,000	34,179	71.2%
Other Waste	90,042	56,204	80,000	80,000	41,928	52.4%
Yard Waste & Wood Waste (discontinued 1/2009)	57,692	32,766	62,154	-		N/A
Navy Waste	37,618	35,050	40,000	40,000	18,614	46.5%
Construction & Demolition Debris <sup>2</sup>	157,273	35,929	120,000	35,000	20,593	58.8%
Out-of-Area Contract Processable	132,545	8,109	50,000	8,000	2,137	26.7%
<b>Total Waste Stream Budgeted as Tipping Fees</b>	<b>1,054,158</b>	<b>738,231</b>	<b>1,092,554</b>	<b>713,000</b>	<b>441,194</b>	<b>61.9%</b>
<b>Contract Commercial Tipping Fees<sup>3</sup></b>	<b>459,309</b>	<b>399,697</b>	<b>276,000</b>	<b>300,000</b>	<b>214,979</b>	<b>71.7%</b>
<b>Total Waste Stream</b>	<b>1,513,467</b>	<b>1,137,928</b>	<b>1,368,554</b>	<b>1,013,000</b>	<b>656,173</b>	<b>64.8%</b>

<sup>1</sup> Non-Contract Commercial Waste actual tonnage realized in FY 2009 was underbudget as a result of flow control not being implemented.

<sup>2</sup> Construction & Demolition Debris was dramatically under budget in FY 2009 due to the downturn in the economy.

<sup>3</sup> Contract Commercial Tipping Fees dropped significantly in FY 2009 due to loss of the Waste Management contract.

<sup>4</sup> Tonnages are down for Suffolk primarily due to the implementation of a fee for bulk waste pick up being implemented by the City in July 2009. The City realized a 95% reduction in bulk waste collections. The fee was removed in December 2009.

<sup>5</sup> The City of Virginia Beach continues to bring its yard waste to SPSA, which was not budgeted. The City is in the process of implementing its own yard waste facility.

**SOUTHEASTERN PUBLIC SERVICE AUTHORITY**  
**FY 2009 SCHEDULE OF CAPITAL PROJECTS**  
**As of February 28, 2010**

<u>Project Name</u>	<u>Project Budget</u>	<u>Transfers/ Adjustments</u>	<u>FY 2010 Expenses</u>	<u>FY 2010 Encumbered</u>	<u>Remaining Budget</u>
<b><u>Operations Center (Shop)</u></b>					
Roof Repairs	100,000	200,000	13,062	165,513	121,425
<b><u>Fleet Maintenance</u></b>					
Truck Wash Nozzle Replacement	27,000		25,220	-	1,780
Replace Overhead Doors	118,000		87,794	22,155	8,051
<b><u>Transportation</u></b>					
MSW Trailers	2,500,000	(200,000)	-	-	2,300,000
MSW Tractors	801,500		-	492,273	309,227
<b><u>Safety</u></b>					
Defibrilators	39,600		-	-	39,600
<b><u>Household Hazardous Waste</u></b>					
Replace Norfolk Facility (DEFERRED TO F	65,000	(65,000)	-	-	-
<b><u>Regional Landfill</u></b>					
Cell 7 Permitting	2,356,769		35,435	-	2,321,334
Dodge Truck	31,500		-	-	31,500
Dual Wheels for Ford Tractor	3,500		-	-	3,500
Side Mower	7,500		-	-	7,500
Environmental Sampling Vehicle		12,762	12,762	-	0
Leachate Lagoon Pumpstation Improve	5,886	(5,886)	-	-	-
Monitoring Wells		62,700			62,700
<b><u>Tire Shredder Operations</u></b>					
Conveyor Belt Replacement	10,000		-	-	10,000
Main Rotors Replacement	238,905		-	-	238,905
<b><u>Chesapeake Transfer Station</u></b>					
Replace Inbound Scale	75,000		-	-	75,000
Roof Repairs	40,000		-	-	40,000
Tipping Floor Repairs	200,000		18,858	-	181,142
<b><u>Franklin Transfer Station</u></b>					
Hopper Repair	20,000		-	-	20,000
<b><u>Isle of Wight Transfer Station</u></b>					
Install Additional Lighting	5,000		-	-	5,000
Patch Asphalt Area	8,000	5,000	-	-	13,000
<b><u>Ivor Transfer Station</u></b>					
Extend Concrete Pad	5,000		-	-	5,000
<b><u>Norfolk Transfer Station</u></b>					
Replace Metal Hopper Chute	58,410		-	-	58,410
Replace Outbound Scale	30,000		-	-	30,000
Stabilize Building	50,000		-	-	50,000
Tipping Floor Repairs	215,685		21	136,123	79,541
Replace Cat Excavator #1522 (cancelled)	252,000	(252,000)	-	-	-
<b><u>Oceana Transfer Station</u></b>					
Replace Building	285,000		-	-	285,000
Repair Tipping Floor Retaining Walls	60,000		-	-	60,000
Tipping Floor Hopper	75,000		-	-	75,000
Tipping Floor Resurfacing	60,000		-	-	60,000
Wheeled Loader	365,000		-	-	365,000
<b><u>Recycling</u></b>					
Automated Curbside Collection Vehicle (ca	245,000	(245,000)	-	-	-

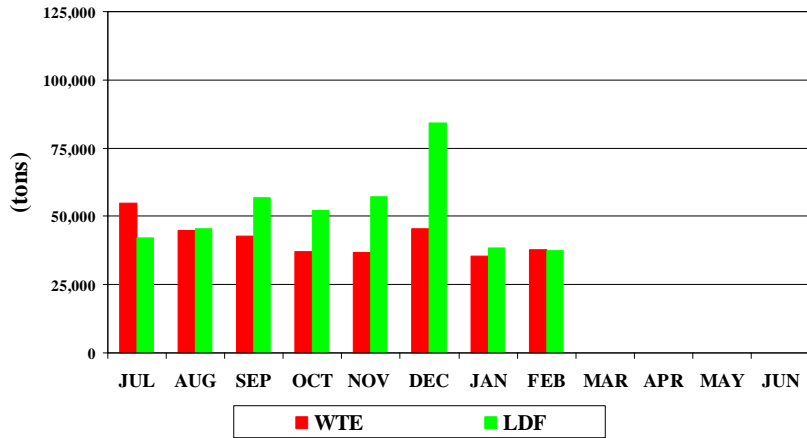
<u>Project Name</u>	<u>Project Budget</u>	<u>Transfers/ Adjustments</u>	<u>FY 2010 Expenses</u>	<u>FY 2010 Encumbered</u>	<u>Remaining Budget</u>
<b><u>Refuse Derived Fuel (RDF) Plant</u></b>					-
Convert T1C to Conveyor	880,000		638,200	95,935	145,865
Convert T1B to Conveyor	314,000		22,812	3,850	287,338
Replace Forklift #1373, DaewooDS30	38,000		-	-	38,000
Replace Loader, Cat980H, #16-56	600,000	(600,000)	-	-	-
Replace Tennant Sweeper 1385	160,000		-	-	160,000
Tipping Floor Resurface (Part A)	100,000		-	-	100,000
Tipping Floor Resurface (Part B)	900,000	(600,000)	-	-	300,000
M3 Magnet & Bridge Rails	67,440		17,500	37,540	12,400
C32 Belt Replacement	145,000		-	145,000	-
T1B Trommel Conversion	93,140		93,140	-	-
T1B Trommel Conversion	80,000		80,000	-	-
T1B Trommel Conversion	473,165		471,260	-	1,905
<b><u>Proprietary Waste</u></b>					-
Replace Barrel Tipper	9,000		-	-	9,000
<b><u>Steam Power Plant</u></b>					-
Replace Ash Trailers	241,300		-	-	241,300
Coal Slab Lighting	40,000		-	-	40,000
Compressed Air Piping	150,000		-	-	150,000
Concrete Floor Replacement, Boiler 1	125,000		-	39,100	85,900
Concrete Floor Replacement, Boiler 2	125,000		39,495	-	85,505
Concrete Floor Replacement, Boiler 3	125,000		39,495	-	85,505
Replace East Ash Conveyor	745,000		-	-	745,000
Carbon Monoxide Control	100,000	320,000	244,830	40,249	134,921
Fabric Filter Double Dump Valves, Phase	550,000	(550,000)	-	-	-
Replace Payloader #1648 Cat	400,000	(400,000)	-	-	-
Installation of PSH & SSH, Boiler #4	590,000		536,296	14,426	39,278
Refurbish Truck Loadout Conv & Gallery	450,000	(450,000)	-	-	-
SDA Repairs, Unit #3	100,000		-	-	100,000
Slope Wall RDF Storage Pit, Renovations	227,000		-	-	227,000
Slope Wall RDF Storage Pit, Renovations	614,000	(614,000)	-	-	-
Replace Transfer Conveyors A&C	587,600		-	-	587,600
Replace Waterwall Panels, Boiler #3	1,079,000		20,289	790,379	268,332
Replace West Ash Conveyor	675,000	(675,000)	-	-	-
Fire Detection System, Wiring Upgrades	75,000		-	-	75,000
Ash House & Conveyor Gallery	31,870		-	31,870	0
HVAC Renovation (Phase 1)	445,721		15,500	416,721	13,500
Replace Air Compression (Phase 2)	20,242		5,583	14,658	0.98
PLC Network Upgrades, Phase 1	422,511		326,233	96,278	0.00
WW PanelsInconel&FWWH Boiler #2	604,162		590,243	13,918	1
Superheater Tubes - Boiler #1		840,000	329,526	449,686	60,788
Turbine Generator		2,764,000	2,605,055	87,383	71,562
<b><u>Undesignated</u></b>		452,424			452,424
<b><u>Total Capital Projects</u></b>	<b>\$ 20,737,406</b>	<b>\$ -</b>	<b>\$ 6,268,608</b>	<b>\$ 3,093,058</b>	<b>\$ 11,375,740</b>

**Southeastern Public Service Authority  
Treasurer's Report of Cash Balances  
For the Month Ending February 28, 2010**

<b>Fund Type</b>	<b>Beginning Balance</b>	<b>Deposits / Transfers In</b>	<b>Interest Earnings</b>	<b>Debt Service</b>	<b>Payables / Transfers Out</b>	<b>Service Fees</b>	<b>Payroll</b>	<b>Ending Balance</b>
<b><u>Operating Funds:</u></b>								
Wachovia Operating	\$ 34,207,933.03	\$ 7,750,487.32	\$ 9,826.71	\$ 1,492,999.31	\$ 10,376,748.87		\$ 1,371,357.13	\$ 28,727,141.75
Checks Outstanding	(1,145,255.34)							(1,145,255.34)
Flex Med	14,653.03	4,895.92			8,530.37			11,018.58
Operating Reserve	4,926,159.00	1,014,767.00	-	-	-	-	-	5,940,926.00
<b>Total Operating Funds</b>	<b>\$ 38,003,489.72</b>	<b>\$ 8,770,150.24</b>	<b>\$ 9,826.71</b>	<b>\$ 1,492,999.31</b>	<b>\$ 10,385,279.24</b>	<b>\$ -</b>	<b>\$ 1,371,357.13</b>	<b>\$ 33,533,830.99</b>
<b><u>Construction Funds</u></b>								
2007A	1,462,163.37		279.75					1,462,443.12
2007B	1,695,912.96		-		1,602,493.66			93,419.30
2008A	4,977,192.14		952.27		-			4,978,144.41
<b>Total Construction Funds</b>	<b>\$ 8,135,268.47</b>	<b>\$ -</b>	<b>\$ 1,232.02</b>	<b>\$ -</b>	<b>\$ 1,602,493.66</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,534,006.83</b>
<b><u>Trust Funds:</u></b>								
Landfill Closure Trust	1,380,007.93		49.49					1,380,057.42
Environmental VB	386,443.78		45.68					386,489.46
Environmental Suffolk	375,882.97	-	23.15	-	-	-	-	375,906.12
<b>Total Trust Funds</b>	<b>\$ 2,142,334.68</b>	<b>\$ -</b>	<b>\$ 118.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,142,453.00</b>
<b><u>Debt Service Funds:</u></b>								
Senior Reserve	\$ 3,354,012.11		\$ 442.50					\$ 3,354,454.61
Excess Bond Funds	368,972.78		156.36		369,129.14			-
1998 P&I	202,152.42	94,052.86	39.77					296,245.05
Series 6 P&I	2,494,361.39	255,939.25	406.54					2,750,707.18
Series 8 P&I	219,910.87	28,089.59	36.36					248,036.82
Series 9 P&I	1,311,043.64	145,181.88	214.67					1,456,440.19
Series 10 P&I	257,447.04	28,721.25	42.17					286,210.46
Series 11 P&I	2,169,137.73	284,655.32	359.31					2,454,152.36
Series 12	641,693.56	160,388.03	113.39					802,194.98
Series 13	161,863.77	40,457.02	28.60					202,349.39
Series 14	596,204.24	149,018.19	105.35					745,327.78
Series 15	104,918.66	26,223.88	18.54					131,161.08
Series 16	241,768.41	60,428.76	42.72					302,239.89
Series 17	66,268.58	16,563.49	11.71					82,843.78
2007A	1,735,416.69	247,916.67						1,983,333.36
2008A	12.67	39,829.17	0.87		39,829.17			13.54
2009 A	1,098,819.90	274,686.75	168.59	-	-	-	-	1,373,675.24
<b>Total Debt Service Funds</b>	<b>\$ 15,024,004.46</b>	<b>\$ 1,852,152.11</b>	<b>\$ 2,187.45</b>	<b>\$ -</b>	<b>\$ 408,958.31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,469,385.71</b>
<b>GRAND TOTAL</b>	<b>\$ 63,305,097.33</b>	<b>\$ 10,622,302.35</b>	<b>\$ 13,364.50</b>	<b>\$ 1,492,999.31</b>	<b>\$ 12,396,731.21</b>	<b>\$ -</b>	<b>\$ 1,371,357.13</b>	<b>\$ 58,679,676.53</b>
<b><u>Line of Credit</u></b>								
Original Amount	\$ 17,200,000.00							
Draws to Date	9,195,834.88							
Repayments To Date	9,195,834.88							
Available Balance	\$ 17,200,000.00							

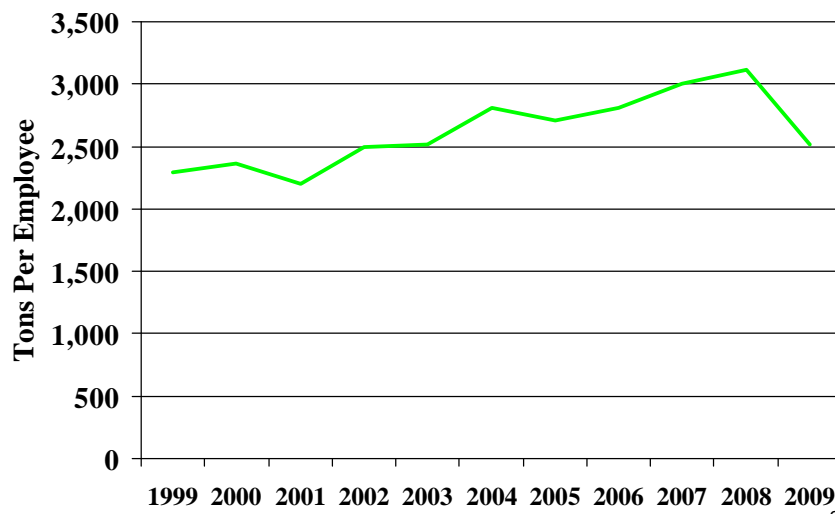
# Total MSW Tonnage

FY 09/10

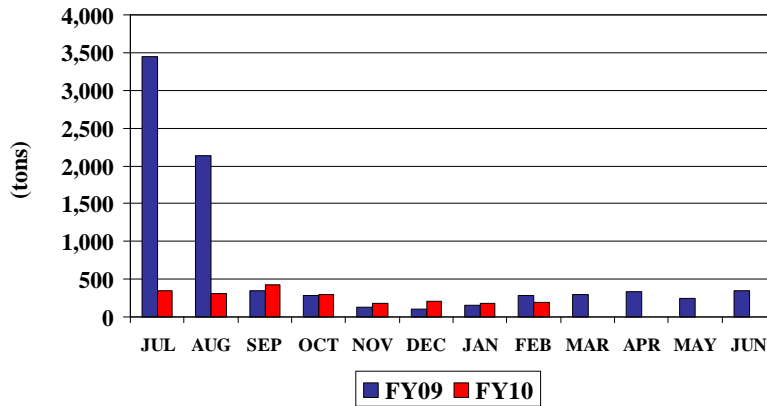


Cumulative Tons Thru Feb: 334,604 WTE 413,762 LDF

# Tons Handled per Employee



## Out of Area Waste

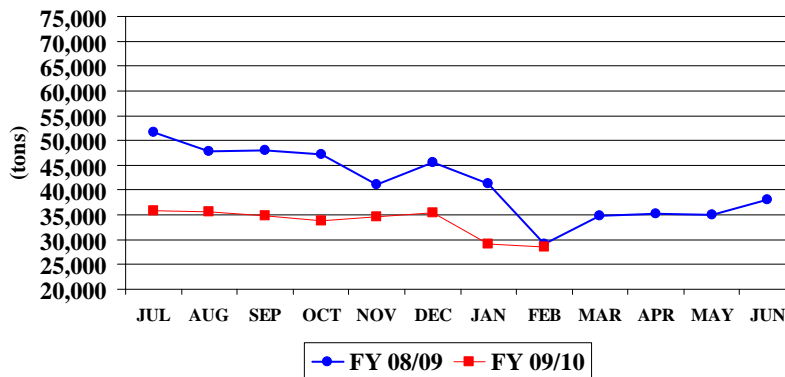


Cumulative Tons thru Feb:      6,882      2,137      -68.9%

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## Commercial Waste

(Commercial categories - including Commercial, Under Contract Commercial Processable, and Navy Waste)

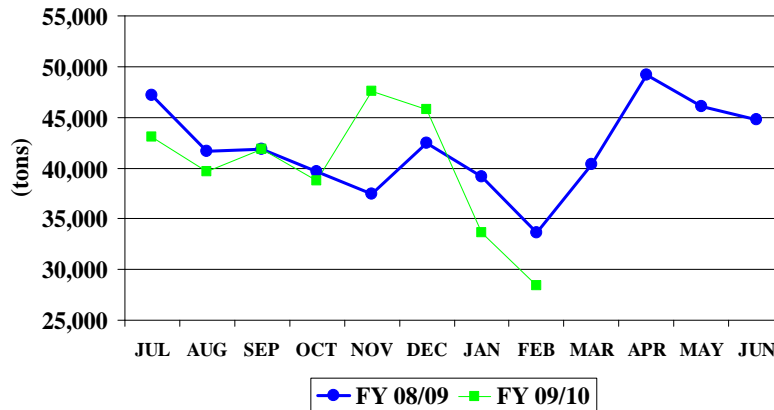


Cumulative tons thru Feb:      351,454      267,771      -23.8%

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# Municipal Waste

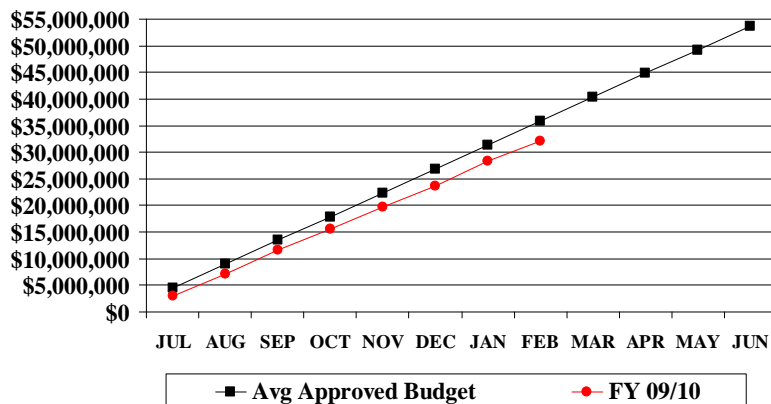
(includes Municipal, Suffolk Municipal, Industrial Waste and Vegetative Waste)



Cumulative tons thru Feb: 322,992 318,586 -1.4%

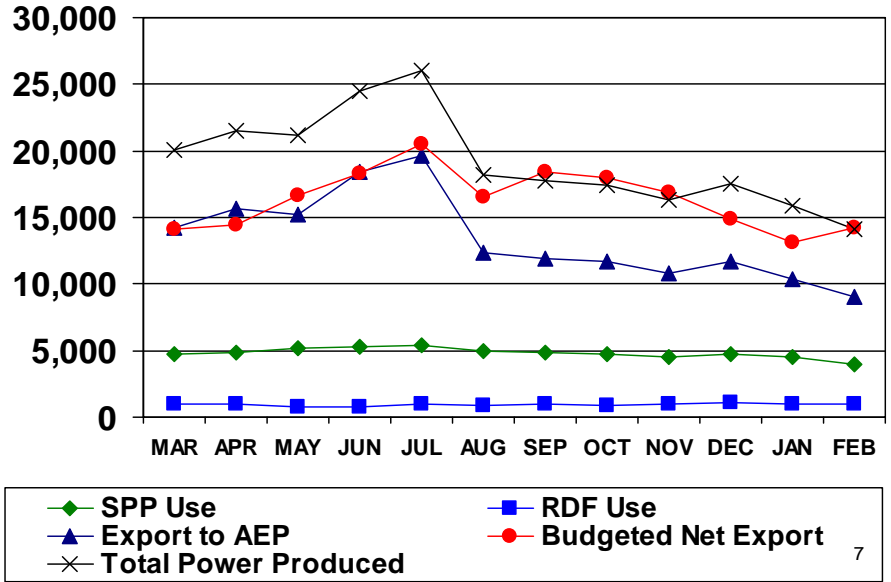
# Departmental Operating Budget Expenditures

(Cumulative for the Fiscal Year)



Cumulative dollars thru Feb: \$32,082,428

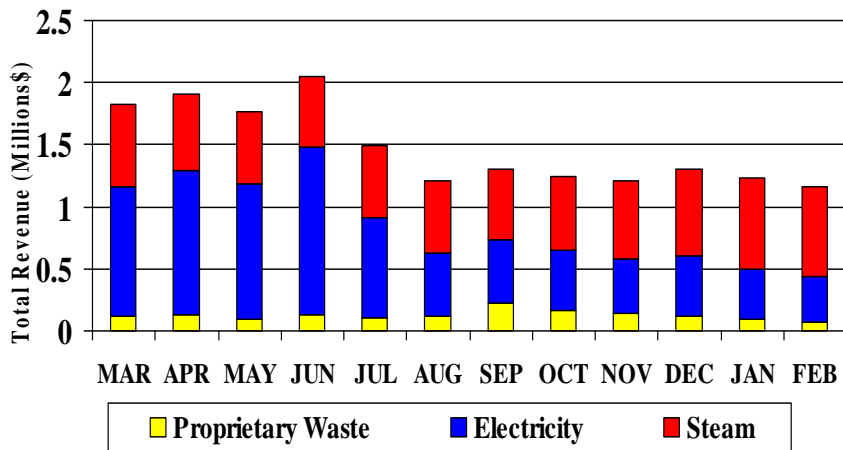
### SPP Electrical Generation (MWHrs) March 2009 – February 2010



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### Waste To Energy

Total Revenue From Sale of Proprietary Waste, Electricity and Steam March 2009 thru February 2010

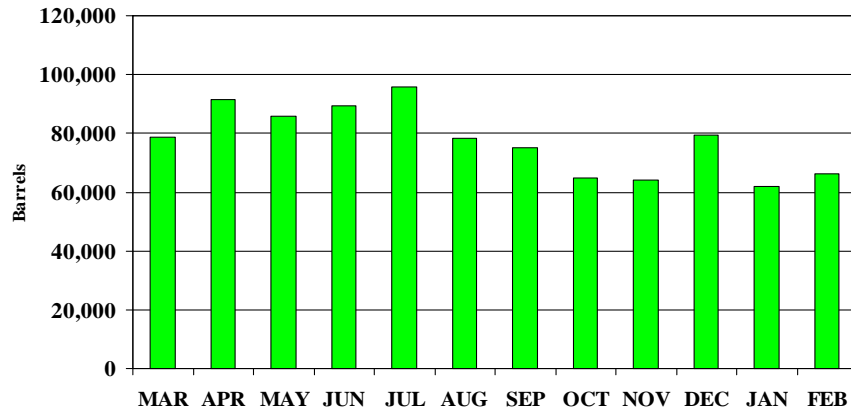


Cumulative FY10 Revenue thru Feb: \$9.792 mil

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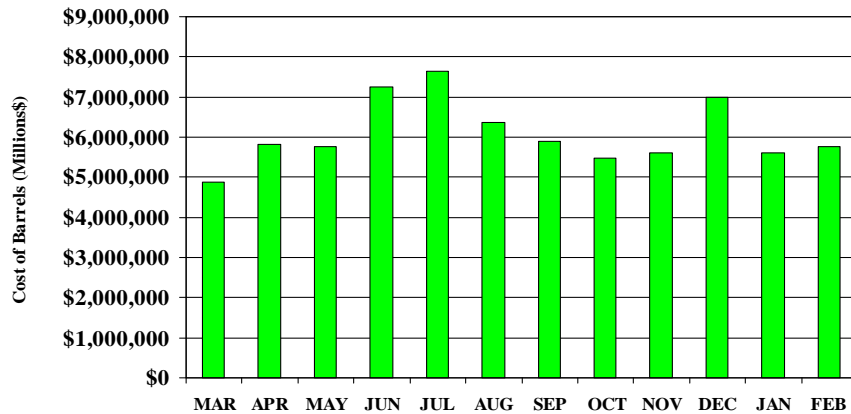
## Waste To Energy

### Equivalent Barrels of #2 Fuel Oil March 2009 – February 2010

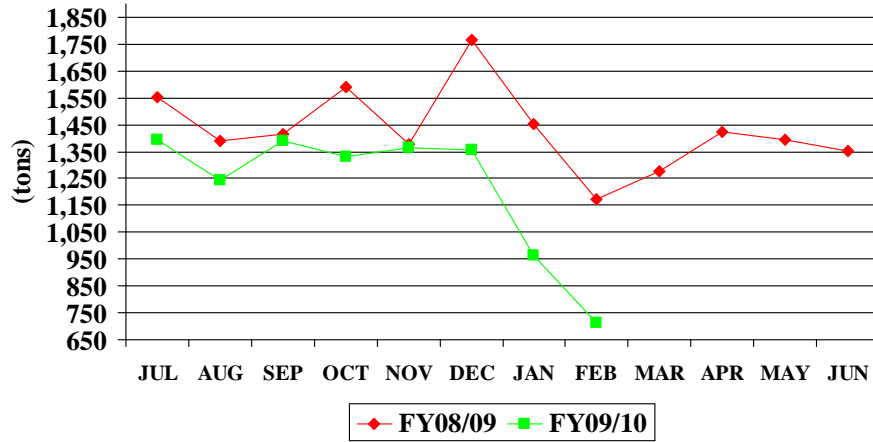


## Waste To Energy

### Avoided Cost of #2 Fuel Oil by Burning Waste March 2009 – February 2010

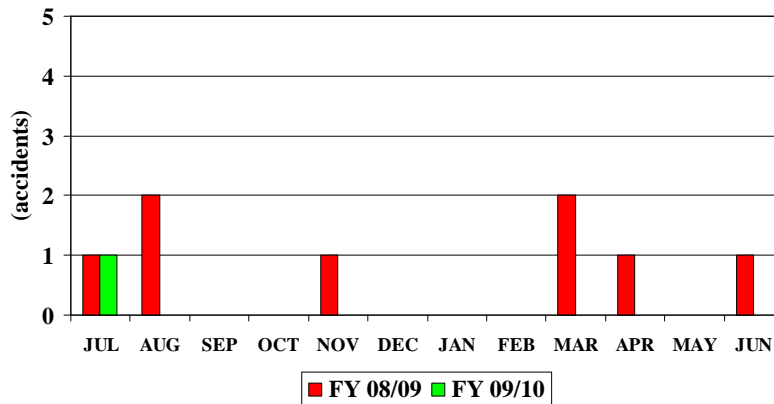


## Curbside Recycling Tonnage

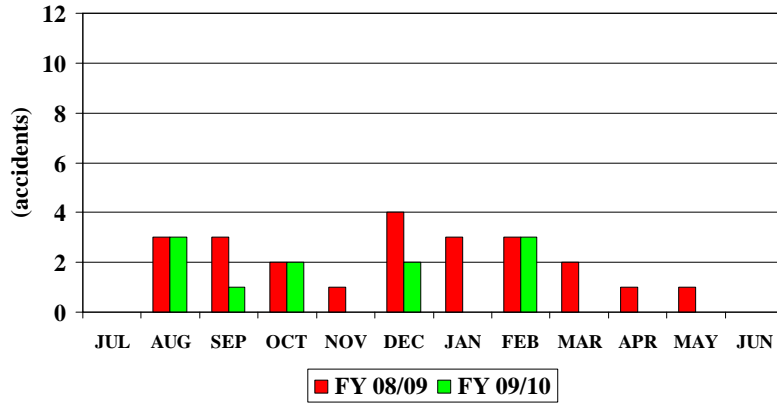


Cumulative tons thru Feb:                      11,719                      9,761                      **-16.7%**

## Lost Time Accidents



# Property Damage Accidents



## 2) **Contracts**

### (a) Extension of Mesirow Financial contract

The Board entered into a contract with Mesirow Financial in November 2009 to develop and execute a plan to retire \$150 million of its debt through the use of the proceeds of sale of the WTE system. The contract needs to be extended from March 31, 2010 to the date of final execution of debt retirement plan, but no later than July 18, 2010. The additional cost is approximately \$60,000.

See Attachment.

**Recommended Action:** Approve contract extension.

[MOTION WILL BE NEEDED TO APPROVE CONTRACT EXTENSION]

### (b) Installation of Waterwall Panels in #3 Boiler

#3 Boiler is scheduled for an outage involving the replacement of waterwall tubes commencing May 8th. Bids to conduct this installation have been received. In order to enable the selected contractor to properly schedule his workforce and mobilize for this action the contract for this work must be awarded no later than April 16. Closing of the sale of Waste to Energy will be occurring before the completion of this effort, WTI, through e-mail from Mark Schwartz, has indicated that it will pay the cost of this contract work. The approval is needed as the contractor must book the dates and prepare for mobilization. This cost is \$500,000.

See attachment.

**Recommended Action:** Authorize the Executive Director to contract to install waterwall panels in #3 boiler at Waste to Energy.

[MOTION WILL BE NEEDED TO APPROVE CONTRACT FOR INSTALLATION OF WATERWALL PANELS]

### (c) Electrical Separation at RDF-Operations Center

This work is required to allow Dominion Power to provide electricity to the RDF-Operations Center once the WTE sale is completed as they will not be able to receive it through the Power Plant. The RFP is due back Friday, March 19th therefore there is no attachment to this agenda. The information will be prepared and sent to the first of next week.

**Recommended Action:** Approve contract for the split of electrical service.

[MOTION WILL BE NEEDED TO APPROVE CONTRACT FOR SPLIT OF ELECTRICAL SERVICE]

Project Name: Financial Advisory and Tender Agent Services	Project No: #0030-10
Southeastern Public Service Authority of Virginia (SPSA) 723 Woodlake Drive Chesapeake, VA 23320	Date of Issuance: October 28, 2009
Project Contractor: (Name, Address) Mesirow Financial, Inc. New York, NY	Date of Contract: October 28, 2009
	Contract Period: November 18, 2009 - March 31, 2010

It is agreed to modify the Contract referred to above as follows.

Item and Description of Changes	Contract Price		Contract Time	
	Decrease	Increase	Decrease	Increase
Extend contract period to date of final execution of debt retirement plan, but no later than July 18, 2010.				3.5 months
Monthly retainer will be \$15,000 per month beginning April 18, 2010.		\$60,000		
Total fees paid for duration of contract shall not exceed \$500,000.				
Sub-Total		\$60,000		3.5 months
Difference Net		\$60,000		3.5 months

**Summary: It is agreed to modify the Contract referred to above as follows:**

Contract Price prior to this Change Order \$ 135,000 plus \$6 per \$1000 bond tendered	Contract Time prior to this Change Order Approximately 4 months.
Net increase (decrease) of this Change Order \$60,000	Net Increase (decrease) of this Change Order Approximately 3.5 months
Revised Contract Price with all approved Change Orders \$ 195,000 plus \$6 per \$1000 bond tendered not to exceed \$500,000	Revised Contract Time with all approved Change Orders November 18, 2009 – July 18, 2010

**The changes included in this Change Order are to be accomplished in accordance with the terms, stipulations and conditions of the original contract as though included therein.**

Accepted for Contractor by:	Date:
Approved for SPSA by:	Date:

Distribution:  Owner  Contractor  Office  Field  Other

# memo

**To:** Rowland Taylor  
**From:** Millard Grant  
**Date:** 1/22/10  
**Re:** Contract Award

Pursuant to § 15.2-5102.1 subsection 11, the Executive Director of the Authority shall not be permitted to execute or commit the Authority to any contract, memorandum of agreement or memorandum of understanding without an informed vote of approval by the Board, except as otherwise provided in or contemplated by such subsection.

<b>BID:</b>	IFB 0031-10	<b>PROJECT:</b>	Waterwall Panels Installation		
<b>INITIATED:</b>	J. McMichael	<b>PRE-BID CONFERENCE:</b>	1/5/10	<b>OPENED:</b>	1/21/10
<b>Capital Budget Code: 202013</b>					
<b>\$ Available:</b> 1,079,000.00					
<b>BIDDER</b> Wachs Energy Services B & D Boilers WEC Carolina Energy Solutions Aquilex SMS			<b>BID COST</b> \$500,000.00 \$592,417.09 \$507,375.00 \$576,492.00		
<b>STAFF RECOMMENDS AWARD TO:</b>			Wachs Energy Services Belmont, NC 28012		
<b>Proceed with Contract Award</b>	Signature _____ Date _____ <b>Chairman Board of Directors</b>				
<b>Hold until further notice</b>	Signature _____ Date _____ <b>Chairman Board of Directors</b>				

**COMMENTS:** Provide equipment, labor, and incidentals to replace waterwalls and perform other associated repairs to Boiler #3 at Waste to Energy Power Plant, located at 3809 Elm Avenue, Portsmouth VA, 23704.

### 3) **Tipping Fee Schedule and Public Hearing**

Staff recommends the Board approve a preliminary tipping fee schedule as illustrated on the attached and set a public hearing for same at the Board's April 28, 2010 meeting.

**Recommended Action:** Approve resolution adopting preliminary tipping fee schedule and setting public hearing date.

[MOTION WILL BE NEEDED TO APPROVE THE RESOLUTION ADOPTING THE PRELIMINARY TIPPING FEE SCHEDULE AND SETTING THE PUBLIC HEARING DATE]

## **RESOLUTION ADOPTING PRELIMINARY SCHEDULE OF FEES AND CHARGES AND SETTING DATE FOR PUBLIC HEARING ON SAME**

**WHEREAS**, Section 15.2-5136 of the Virginia Water and Waste Authorities Act requires the adoption of a preliminary schedule setting forth the rates, fees and charges to be levied by the Southeastern Public Service Authority of Virginia for the disposal of solid waste at its facilities. **NOW, THEREFORE BE IT RESOLVED**, the Board of the Southeastern Public Service Authority hereby adopts the preliminary schedule of fees and charges, as set forth on the attached pages and establishes April 28, 2010 at 9:30 a.m. as the date and time for the public hearing on these rates, fees and charges.

Adopted this 24<sup>th</sup> day of March, 2010

Attest: \_\_\_\_\_  
Joseph A. Leafe, Chairman



**\*\*\*CURRENT SCHEDULE\*\*\*  
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA  
Fees and Charges for Solid Waste Management**

**WASTE DISPOSAL - ALL LOCATIONS**

<b>WASTE DELIVERED TO ALL DISPOSAL POINTS:</b>	<b>RATE PER TON</b>
Municipal Solid Waste (delivered by any SPSA Member Jurisdiction)	<b>\$170.00</b>
Contract Municipal Solid Waste (delivered on behalf of a SPSA Member Jurisdiction)	<b>\$170.00</b>
Commercial Solid Waste (delivered by any non-SPSA entity unless qualified for any other Rate/Fee)	<b>\$60.00</b>
U.S. Navy Waste under contract with SPSA *	<b>\$28.58</b>
Residential Solid Waste Delivered in private automobile or low-side pickup truck	<b>No charge</b>
Weighing Charge Per Vehicle, Per Incident	<b>\$20.00</b>
<b>**REGULATED MEDICAL WASTE IS PROHIBITED AT ALL SPSA FACILITIES. A PENALTY WILL BE CHARGED PER OCCURRENCE OF \$250.00, PLUS ANY COSTS INCURRED/REVENUES LOST**</b>	
<b>CONTRACT COMMERCIAL PROCESSIBLE WASTE:</b>	<b>RATE PER TON</b>
Commercial processible waste delivered to SPSA Facilities (except Regional Landfill), contract ending June 30, 2010 (if signed by 12-17-08) *	<b>\$35.00</b>
(if signed after 12-17-08) *	<b>\$40.00</b>
Out of SPSA Service Area Processible Waste delivered to SPSA's RDF Plant	<b>\$35.00</b>

**WASTE DISPOSAL - LANDFILL ONLY**

<b>WASTE DELIVERED TO SPSA's REGIONAL LANDFILL:</b>	<b>RATE PER TON</b>
Suffolk Municipal Solid Waste (delivered by the City of Suffolk)	<b>No charge</b>
Suffolk Contract Municipal Solid Waste (delivered under contract with the City of Suffolk)	<b>No charge</b>
Non-Processible Solid Waste	<b>\$60.00</b>
Industrial Process wastes (acceptable only with prior approval)	<b>\$60.00</b>
Dead Animals (household pets only, i.e., dogs and cats)	<b>\$10.00 each</b>
Dead Animals - Bagged (household pets only, i.e., dogs and cats)	<b>\$25.00/bag</b>
Water Treatment Plant Sludge from any member community transported by SPSA	<b>\$46.00</b>
Construction and Demolition Waste	<b>\$30.00</b>
Special Handling Waste (accepted only with prior approval)	Handling Cost, plus 25%

**WASTE DISPOSAL - WTE ONLY**

<b>Proprietary Waste (see attached schedules)</b>	<b>N/A</b>
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**RECYCLING**

<b>CURBSIDE &amp; DROP-OFF RECYCLING:</b>	<b>RATE PER MONTH</b>
Curbside Recycling Collection Fee (per home) Manual	<b>\$1.47</b>
Curbside Recycling Collection Fee (per home) Fully Automated	<b>\$3.58</b>
Drop-Off Recycling Container (per pull)	<b>\$107.00</b>
<b>BUSINESS RECYCLING:</b>	<b>MONTHLY RATE PER CART</b>
Carts (one)*	<b>\$11.83</b>
<i>*Reduced rates per cart are available based on volume and location</i>	

**TIRES**

<b>WHOLE TIRES ACCEPTED AT LANDFILL ONLY:</b>	<b>RATE PER TON</b>
Automobile and Light Truck	<b>\$77.50</b>
Truck and Light Industrial (up to 24.5" rim diameter)	<b>\$140.00</b>
Heavy Equipment and Off-the-Road	<b>\$155.00 each</b>
Tires with Rims	<b>Add \$2.00 per tire</b>
Hauling and Disposal of Used Tires	<b>\$950.00 per pull</b>

**HOUSEHOLD HAZARDOUS WASTE**

<b>USER FEES:</b>	<b>RATE PER TRIP</b>
Rate Per Resident Visit charged to customer's local Govt	<b>\$35.00</b>
<b>WASTE ACCEPTED AT SPSA'S REGIONAL LANDFILL (FROM BUSINESSES):</b>	<b>RATE PER TON</b>
Batteries (lead & rechargeable)	<b>\$60.00</b>
Cell Phone Batteries	<b>\$60.00</b>
Alkaline Batteries	<b>\$0.75/lb</b>

**MISCELLANEOUS**

<b>SERVICES FOR MEMBER COMMUNITIES</b>	<b>SPSA'S COST INCURRED</b>
<b>APPLIANCES WITH CFC DISPOSED AT SPSA's REGIONAL LANDFILL OR VIRGINIA BEACH LANDFILL:</b>	
Virginia Beach Residents	<b>NO CHARGE</b>
Member Communities or Residents (Billed to customer's local Govt)	<b>\$12.00 each</b>
Businesses	<b>\$12.00 each</b>
White Goods Containers (based upon distance from the Suffolk Regional Landfill)	<b>\$75.00-125.00 per pull</b>
<b>LIGHT FRACTION MATERIAL</b> (delivered to SPSA's Power Plant)	<b>\$25.00/ton</b>
<b>TRASHANATOR PERFORMANCE:</b>	<b>RATE PER SHOW</b>
One Show: \$145.00 Two shows (same day/site): \$220.00	
<b>GRAY SOILS FOR USE AS ALTERNATIVE DAILY COVER (See attached Fees and Charges)</b>	As negotiated by Contract to be effective on approval

\*Subject to adjustment per contract.

**Fees and Charges for Solid Waste Management**

**GRAY SOILS AS ALTERNATIVE DAILY COVER**

<i>Material Type</i>	<i>Disposal Rate Per Ton</i>
ADC5	\$5.00
ADC6	\$6.00
ADC7	\$7.00
ADC8	\$8.00
ADC9	\$9.00
ADC10	\$10.00
ADC11	\$11.00
ADC12	\$12.00
ADC13	\$13.00
ADC14	\$14.00
ADC15	\$15.00
ADC16	\$16.00
ADC17	\$17.00
ADC18	\$18.00
ADC19	\$19.00
ADC20	\$20.00
ADC21	\$21.00
ADC22	\$22.00
ADC23	\$23.00
ADC24	\$24.00
ADC25	\$25.00
ADC26	\$26.00
ADC27	\$27.00
ADC28	\$28.00
ADC29	\$29.00
ADC30	\$30.00

**General Rate Explanation**

The \$10 rate would be appropriate for dry ADC of screened quality with the \$15 rate applying to material with manageable amounts of football sized debris. The \$20 rate would be applicable to material which requires SPSA to remove larger pieces of debris prior to its' beneficial reuse. All materials must be gradable (sufficiently dry) and have the same basic characteristics and appearance of clean fill before SPSA will consider using the material as cover.



**SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA  
Fees and Charges for Solid Waste Management**

**Effective July 1, 2010**

**WASTE DISPOSAL - ALL LOCATIONS**

<b>Waste Delivered to All Disposal Points:</b>	<b>Rate Per Ton</b>
Municipal Solid Waste (delivered by any SPSA Member Jurisdiction)	\$170.00
Contract Municipal Solid Waste (delivered on behalf of a SPSA Member Jurisdiction)	\$170.00
U.S. Navy Waste under contract with SPSA	\$35.35
Residential Solid Waste Delivered in private automobile or low-side pick-up truck	No Charge
Weighing Charge Per Vehicle, Per Incident	\$20.00
Non-Processible Solid Waste (non-contract)	\$60.00
Suffolk Municipal Solid Waste (delivered by the City of Suffolk)	No Charge
Suffolk Contract Municipal Solid Waste (delivered under contract with the City of Suffolk)	No Charge

\*\*Regulated Medical Waste is Prohibited at all SPSA Facilities. A Penalty will be charged Per Occurrence of \$250, Plus any Costs Incurred/Revenues Lost\*\*

**WASTE DISPOSAL - LANDFILL ONLY**

<b>Waste Delivered to SPSA's Regional Landfill:</b>	<b>Rate Per Ton</b>
Industrial Process Waste (acceptable only with prior approval)	\$60.00
Dead Animals (household pets only, i.e. dogs and cats)	\$10.00 each
Dead Animals / Bagged (household pets only, i.e. dogs and cats)	\$25.00 / bag
Water Treatment Plant Sludge from any Member Community Transported by SPSA	\$46.00
Construction and Demolition Waste	\$30.00
Special Handling Waste (accepted only with prior approval)	Handling Cost plus 25%

**TIRES**

<b>Whole Tires Accepted at Landfill Only:</b>	<b>Rate Per Ton</b>
Automobile and Light Truck	\$77.50
Truck and Light Industrial (up to 24.5" rim diameter)	\$140.00
Heavy Equipment and Off-the-Road	\$155.00 each
Tires with Rims	Add \$2.00 per tire
Hauling and Disposal of Used Tires	\$950.00 per pull

**HOUSEHOLD HAZARDOUS WASTE**

<b>User Fees:</b>	<b>Rate Per Trip</b>
Rate Per Resident Visit Charged to Customer's Local Government	\$35.00
<b>Waste Accepted at SPSA's Regional Landfill (from Businesses)</b>	
	<b>Rate Per Ton</b>
Batteries (lead & rechargeable)	\$60.00
Cell Phone Batteries	\$60.00
Alkaline Batteries	\$0.75 / lb.

**MISCELLANEOUS**

**Appliances with CFC Disposed at SPSA's Regional Landfill or Virginia Beach Landfill:**

Virginia Beach Residents	No Charge
Member Communities or Residents (Billed to Customer's Local Government)	\$12.00 Each
Businesses	\$12.00 Each
White Goods Containers (Based upon Distance from the Suffolk Regional Landfill)	\$75.00 - \$125.00 per pull

**GRAY SOILS FOR USE AS ALTERNATIVE DAILY COVER**

<b>Material Type</b>	<b>Disposal Rate Per Ton</b>	<b>Material Type</b>	<b>Disposal Rate Per Ton</b>
ADC5	\$5.00	ADC18	\$18.00
ADC6	\$6.00	ADC19	\$19.00
ADC7	\$7.00	ADC20	\$20.00
ADC8	\$8.00	ADC21	\$21.00
ADC9	\$9.00	ADC22	\$22.00
ADC10	\$10.00	ADC23	\$23.00
ADC11	\$11.00	ADC24	\$24.00
ADC12	\$12.00	ADC25	\$25.00
ADC13	\$13.00	ADC26	\$26.00
ADC14	\$14.00	ADC27	\$27.00
ADC15	\$15.00	ADC28	\$28.00
ADC16	\$16.00	ADC29	\$29.00
ADC17	\$17.00	ADC30	\$30.00

**General Rate Explanation**

The \$10 rate would be appropriate for dry ADC of screened quality with the \$15 rate applying to material with manageable amounts of football sized debris. The \$20 rate would be applicable to material which requires SPSA to remove larger pieces of debris prior to its beneficial reuse. All materials must be gradable (sufficiently dry) and have the same basic characteristics and appearance of clean fill before SPSA will consider using the material as cover.

5) **Budget Update/Questions**

Liesl DeVary will provide an update to the FY 2011 budget, if any, and answer any questions the Board may have. There are no attachments for this item.

3. **REQUEST FOR CLOSED SESSION:**

[Closed Session per Va. Code §§ 2.2-3711(A)(7), and 2.2-3711(A)(29)]

[MOTION WILL BE NEEDED TO APPROVE CLOSED SESSION AND CERTIFICATION]

The members of the Board will be asked to make, second and approve the motions as stated at the meeting.

**A. CONTRACTS**

4. **ACTIONS RESULTING FROM CLOSED SESSION** . . . Chairman Leafe

**OLD/NEW BUSINESS**

**ADJOURN MEETING**

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