

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

A Special Meeting (and Budget Workshop) of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. on Monday, March 8, 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 <i>absent</i>	(IW)	Mr. W. Douglas Caskey <i>absent</i>	(IW)
Mr. Joseph Leafe	(NO)	Ms. Regina Williams <i>absent</i>	(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 Mr. Eric Nielsen (SU), Mr. Stanley Stein (NO) and Mr. Mark Popovich (IW); SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director, Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer; and 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 Chairman Leafe. He called upon Mr. Everett Williams (FR) to give the invocation. The invocation was followed by the Pledge of Allegiance and Roll Call. A quorum was present.

Mr. Mark Popovich was recognized as the newly appointed alternate ex-officio member of the Board with Isle of Wight County. He was seated at the table during this meeting in place of both Mr. Hardison and Mr. Caskey who were unable to attend.

PUBLIC COMMENT PERIOD

There were no speakers for the Public Comment period at this meeting.

1. INFORMAL ITEMS; DISCUSSION ONLY:

A. UPDATE ON DEQ WARNING LETTER (LANDFILL ODOR) PROGRESS

Chairman Leafe called upon Mr. Rowland Taylor to give an update on the odor issue at the Suffolk Regional Landfill. Mr. Bucky Taylor said there had been a warning letter issued on air odor and we received a copy of on it February 24, 2010, at our last meeting.

Mr. Taylor said he wanted to bring the Board up to date on the things SPSA has been doing to remedy the situation. Mr. Taylor said SPSA had reviewed two emergency procurement proposals from engineering firms and have selected SCS Engineers at a cost of \$39,900. He said that work will entail evaluating the potential on-site source of the odor and the air sampling within the facility boundaries as well as surrounding the facility, laboratory testing, monitoring and developing a sampling work plan, review of odor complaints, conduct a field investigation when odors are evident in the surrounding community, and developing an air dispersion modeling analysis, preparing a draft and final report of their findings, and an outline of the necessary steps that need to be taken to mitigate further odor events as a result of the landfill operation. Mr. Taylor said SCS feels this work can be done by the last part of April or the first part of May. Mr. Taylor said the testing involves ten samples being tested. He said if there is a need to do additional testing, once the program is entered into, there will be some additional cost for that.

Mr. Taylor said SPSA will be meeting the DEQ response time line to the warning letter. SCS will also be reviewing our response to the warning letter and we will send the Board a copy of our response prior to actually submitting it to DEQ. We hope that everything will be begun and finalized and be on schedule by the end of April, first part of May.

Mr. Oksman (PO) said that last time one of the Board members made a suggest that SPSA set up a hotline for citizens to call and report the odor (any time they experience it) and to have a staff person available who will respond immediately to the complaint and investigate and he asked if we had looked into whether this was possible. Mr. Taylor said he believed this was already being done and called upon Mr. Scott Whitehurst, Landfill Superintendent to comment further. Mr. Whitehurst said SPSA has not set up a hotline but is working with DEQ and the hotline they have established and we have been getting the reports from DEQ since they are the primary regulatory agency. If the Board wants SPSA to move forward with a hotline of our own, it is something we can look at doing. Mr. Oksman reemphasized that the previous request had been to have a staff person available who could respond immediately to the complaint to investigate and take air samples and he felt this was a reasonable suggestion and asked that we do that. Chairman Leafe asked that we look into what it would cost to be able to do that and if we have the staff who could handle such action. Ms. Fleming (FR) asked that the Board be told when the hotline is up and working. Mr. Everett Williams (FR) suggested that a letter be sent to the residents from SPSA about what we are doing and if they have any complaints they can call a specific number. Additionally, there will be an access line on the website where residents/citizens can contact SPSA to report odors.

The Board also directed Mr. Taylor to write a letter to residents/citizens in the area surrounding the Landfill informing them of the website and the hotline, and the other actions

SPSA has taken thus far to try and mitigate the odor. They also requested a news release be sent out detailing the same information. The Chair asked that an update on the progress of these initiatives be sent to the Board by Friday. The Suffolk Landfill odor issue will continue to be the first item on the Board's agenda for the foreseeable future.

B. STATUS ON THE LANDFILL GAS PPEA PROCESS

Mr. Taylor said that SPSA met on February 24th regarding landfill gas and then met the following Friday in Richmond with the Lieutenant Governor. GPC Green Energy, Suffolk Energy Partners, BioGas was there; the lobbyist for the Virginia Manufacturers Association and SPSA was there. The meeting lasted about 30 minutes. The Lt. Governor asked what the status of this project was. Mr. Taylor said we hope to be able to have this contract ready for Board review and approval at the March 24, 2010 Board of Directors meeting. Mr. Taylor said we had anticipated getting a red-line version of the contract back from Suffolk Energy Partners on Friday, however; we did not receive that but we do feel we will have it for the March 24th meeting. We will have our legal counsel and our consultant, Cornerstone, review it and make sure it is in order to present to the Board. Mr. Taylor said one of the things we may have to do is since it is a contract that will be extending past 2018, probably not having a final decision on whether the landfill will be SPSA's or Suffolk's or a combination thereof, Suffolk may have to become a party to that particular contract. We don't know specifically right now but if that happens to be the case we would have to go to Suffolk City Council for its consideration following the meeting on March 24th. Mr. Thiel said there is a provision in the Second Amendment of the Suffolk agreement that had given SPSA full ownership rights in the landfill, in these areas where the gas is being produced and if SPSA's Board is to act as we anticipate they will and decide not spend the money on Cell VII and the transfer stations then those old provisions come in unless Suffolk decides it wants to stay with that approach and not take on ownership interest. Mr. Thiel said we need to talk with Suffolk about what their intentions are regarding ownership of the landfill after we close out of the last cell.

C. REVIEW OF WTE CLOSING CHECKLIST INCLUDING A BRIEF REVIEW OF ACTIONS REQUIRED AT THE MARCH 24TH MEETING

Mr. Warren Nowlin gave an update on the status of the WTE sale (a copy of the handout is attached as Appendix A), reviewing the requested Closing Checklist and the conditions required for closing. It is still anticipated that closing will take place on or by May 1st. Closing conditions outlined included receiving the bond volume cap allocation which is currently pending, an IRS closing agreement which Sidley Austin is actively working, four lender consents (VRA, Wachovia Bank, AMBAC, and the Trustee) with planned finalization and approval of these documents hopefully at the March Board meeting, the Department of the Navy consents which are progressing, and agreement on the Portsmouth Lease and Good Neighbor agreement (there are two of them; one between Portsmouth and SPSA and one between Portsmouth and Wheelabrator). Mr. Nowlin said he needed to apprise the Board that there is a structural issue on the Wheelabrator document that is driven by procurement considerations of Portsmouth but he feels that can be worked out and perhaps "assigned" at closing. He also stated that we had an extensive conference call with Wheelabrator on all of

the closing checklist items last week. One of the items addressed at length was the CO control measures and the key here is there will be a meeting with DEQ on March 17th. SPSA's counsel will be present as well as Wheelabrator's and the objective will be to resolve the Notice of Violation (NOV) so that at closing Wheelabrator will assume all responsibility for any future violations and SPSA will have at that point resolved the outstanding NOV and isolated the liability for that. In terms of other regulatory consents and approvals, permit transfers, the item that is still in discussion is for the discharge permits which are covered by an Operations and Maintenance Agreement. We have had extensive discussions with Wheelabrator and that document is targeted to go out by Wednesday of this week. The Phase II Environmental Assessment, we have received the Navy signature on that document so the environmental assessment can now proceed; that is a Wheelabrator contract and assessment with appropriate indemnities back to SPSA.

Chairman Leafe asked if there was anything that this Board needed to do or act upon to further the process and Mr. Nowlin replied that he would be receiving an e-mail from Mr. Taylor to help SPSA conduct their dialogue with the Navy on the steam agreement but that was the one item we needed to wrap up. Chairman Leafe stated for the record that the steam agreement was something he has been requested to assist with and he will be glad to do that. Mr. Everett Williams (FR) asked if there were any glitches with what we needed to get to VRA from the city managers and Mr. Nowlin said it was his belief that we have had a great response and cooperative effort from all of the member communities. Mr. Nowlin said the approvals do have to go through the various communities and that they are being queued up through the notice of process.

Chairman Leafe said he understood that we have agreement with the Portsmouth as it relates to the Good Neighbor and ancillary piece and Mr. Oksman (PO) said Portsmouth has agreement on all terms of the Good Neighbor agreement and are close with Wheelabrator who they plan to meet with next week and expect to resolve then.

Chairman Leafe said there will be a large number of financial documents that will come out of bond counsel and will be part of what we will need to sign off on. He said they are very extensive and very technical and these are the things we are paying bond counsel to do so it doesn't seem to make sense to have these documents distributed to all the members of the Board and in the event that there is somebody who has a very important need to look at something in one of these documents then there will be a collection of all of the documents available here with Mr. Taylor. Chairman Leafe said we will not go over them extensively at our formal meeting and if that meets with the Board's approval that is how we will proceed. Vice Chair Williams (FR) asked if there was any member of the Board participating in drafting those documents and Mr. Thiel, General Counsel, said there has not been to date. Chairman Leafe said that is something the Board will look at and discuss and that was not the part he was talking about. Mr. Nowlin said with respect to the post-closing repayment, there will be other documentation that we don't have at this time that will deal with the tender of the bonds and/or the defeasance of the bonds and those documents aren't ready yet but they will be circulated to the Board post haste once the closing occurs. He also said that the Portsmouth Lease and Good Neighbor agreement would be an agenda item once it has been finalized. Mr. Oksman said if anyone had questions on that they could just give him a call.

Chairman Leafe asked that if issues come up that the Board be made aware of them as they arise and don't get to the closing and not know what they are dealing with.

Additionally, an update on the WTE sale will also continue to be on the Board's agenda as an Informal item for the foreseeable future.

2. PUBLIC COMMENT PERIOD

(This was addressed earlier in the meeting).

3. ACTION ITEMS

A. FINALIZING THE CELL VII DEQ PART "B" PERMIT APPLICATION

Mr. Taylor reported on the Cell VII DEQ permit application and noted that Part "A" of the application has been approved. He said the Part "B" application has been at the DEQ since it was submitted in August of 2008 and we have not heard any follow-up on it nor has it been approved as of this date. Chairman Leafe said that it appears the Board's position is that we are going to do everything we can to complete the permitting for Cell VII and that once we have the permit then we won't move forward with Cell VII until such time as the Board makes that decision, however; once we have the permit it clearly enhances the value of the landfill for whoever's benefit. Mr. Taylor said we have spoken with DEQ on a regular basis regarding the permit and have almost \$1 million involved in obtaining the permit.

Mr. Martin (CH) made a motion to have staff prepare a letter for the signature of the Chair to go to DEQ requesting the expedient review and approval of the Part "B" permit and the motion was seconded by Mr. Woodall (CH). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

B. CONTRACT WITH HRPDC FOR THE 5-YEAR REQUIRED UPDATE ON THE REGIONAL SOLID WASTE MANAGEMENT PLAN

Mr. Taylor said the next item deals with the contract for the update for the Regional Solid Waste Management Plan and recycling annual report that is required to be done by the communities. The five-year plan is a plan that is required to be updated every five years. It is a DEQ item that has to be submitted to them and approved by them. Anytime there is an application for a change in the Plan it has to go through a specific process and that process will eventually come to DEQ. DEQ has to approve that the plan is modified in accordance with that amendment. The amendment process does require a public hearing and does require notice. In the past SPSA has been doing those but with the removal of the recycling program, recycling along with environmental used to do those amendments and the recycling reporting that is required on an annual basis. Without those particular personnel there is not additional personnel for the organization to do it, however; in the past the Chief Administrative Officers considered it and realized that especially in regards to the recycling portion of it, that if you had to do it individually, each eight communities, we are not sure that anyone would meet the

25% requirement that is state law. Some may come close; some probably wouldn't come close at all. So with that being the case, the strong portion of being able to determine whether or not to do away with recycling was the fact that as long as we can stay together and be a joint planning agency and what we are looking at doing is eventually turning it back over to the Hampton Roads Planning District Commission (HRPDC). They used to do it before SPSA took over in 2005. We are checking with the communities because they are the ones who need to make that decision and turn it back over to HRPDC. As part of that agreement was that the communities would pay for whatever the cost would be for updating the Plan as well as doing the annual recycling portion of the report that has to be done. At that time they were indicating it would be fine to do it through tipping fees but that might be an item for discussion this morning. We can go in any direction the Board so desires. What we would like to do is to go ahead and work through the contract with HRPDC, we would be contracting directly with HRPDC. They in turn will then be the responsible to contract with a third party to go ahead and actually have the plan developed, updated, and it has to be done by July 27, 2010. The previous Plan was done five years ago. The cost was \$40,000. HRPDC says they subsidized it considerably and it was an eighteen month process. Narrowing it down to the time frame we currently have will increase the cost somewhat but also things are a lot more complicated now then they were five years ago. So what we are looking at is we need authorization to contract with HRPDC to have the Plan done for the communities and also the recycling reporting. Chairman Leafe said the communities need to get together to decide how to pay for it.

Ms. Fleming (FR) asked if the recycling reporting needs to be done annually, will this update to the Plan take care of that and Mr. Taylor replied that the two items are different but the cost is included in the proposal. He said there is a cost and once you go ahead and designate HRPDC as the agency then the cost and everything will be associated with HRPDC. Mr. John Carlock, Deputy Executive Director of the Hampton Roads Planning District Commission, said when they did the 2005 Plan they did not have some of the complications that have entered SPSA's life and the region's lives over the last couple of years with where the regional solid waste system is going. During that time we have also picked up eight amendments that have to now be formally incorporated into this new document. He said he has gotten two requests for amendments that are sitting on his desk that are in addition to the work that has already been done. One is a City of Virginia Beach project and one is a material recovery facility in the City of Chesapeake. Chairman Leafe asked Mr. Carlock that since SPSA is getting out of recycling and since this is essentially a recycling endeavor....Mr. Carlock said there are a couple of pieces. The plan itself which has to include not only all of SPSA's facilities but any other facilities that the communities have as well as those that are run and operated by the private sector so that is a true regional plan and covers the eight localities that are at the table as well as the eight towns in Isle of Wight and Southampton Counties that have the same legal requirement to have a solid waste plan and to meet a 25% recycling grade on an annual basis. So they are two separate things but they happen to historically devolved to the regional agencies to handle. Chairman Leafe said his question is that given the evolution that has taken place with regard to SPSA and it no longer being in the recycle business after the Norfolk amendment, isn't this really something that ought to be back in the Planning District, noting that how it is paid by the communities or how it doesn't seem that SPSA ought to be the intermediary on this particular thing? Ms. Fleming said you have to admit no matter where you move to from this that SPSA is not recycling. And you

have to admit that each entity by law has a percent of it's waste stream that must be recycled so if you want to begin to think individually, it's each entity's responsibility to take care of that. And if you move to the next level of thinking, we have found out that in many cases you are better off if you do it cooperatively because what you have to report on is minute, detailed and costly to assemble. Not to smear the fact that it is difficult for many entities to meet the percentage so if you have it congregated you get a better break for some of us who are not as aggressive about the recycling. So that is why it is trying to be kept as a regional endeavor; there are advantages to doing it. There are some things, administratively, that you have to take care of; how are you going to pay for it? We already have people that are saying don't roll that into my tipping fee. Ms. Fleming said she thinks it is advantageous to keep it together. Mr. Johnson (SH) said that the Solid Waste Management Plan, while the recycling is one component of that, the Plan is much broader than that. Chairman Leafe said he was trying to make a case that at this stage of the game, that SPSA is not the entity to be doing this. Mr. Woodall (CH) said he understand that we want to keep SPSA as the umbrella but you guys have to pay for it; SPSA can't pay for it so you are going to have to do one thing or the other. SPSA shouldn't be responsible for it because we aren't doing recycling. Ms. Fleming said one thing is the transition and the other is what do you do long-range. Mr. Everett Williams (FR) said as he understands it we are talking about the \$87,000 that you have proposed here would cover an annual report, all of the SPSA communities for the calendar year of 2009 plus a five-year plan and asked if that was correct. It was clarified that was correct. He then asked if the report was separate from the five-year plan and it was noted that it was. He then said it seems to him sitting there, morally obligated and just got on board that SPSA is and should be obligated even through, begrudgingly, tipping fees to pay for the annual report. But the five-year plan, since we are out of the business, it seems to me like ought to go into another hopper that is not attached to the tipping fee. Mr. Thiel, General Counsel, said the five-year plan is only this part of recycling. The five-year plan is a requirement of the Solid Waste Management Act which required each individual, individually or as groups, to file this Plan and update it every five years regarding all of the solid waste activities conducted within the jurisdictional limits of either an individual locality or groups. This one, having retained SPSA to handle solid waste, said SPSA ought to do this because you know more about solid waste in this region than anybody but what has happened here is that SPSA is privatizing and his point is that this is a major plan that has to be done and it isn't just related to recycling and SPSA is the agent right now for purposes of representing these eight member localities for complying with that legal requirement. Ms. Fleming said recycling is a tiny bit of the plan. Chairman Leafe said we have apparently asked or the communities, I don't know which, had asked the Planning District Commission to be the agency to contract either to do it or to contract with somebody to do it because SPSA no longer has the internal capabilities to do it. The Planning District Commission has agreed to do that and so they have entered into a proposed contract with an agency to do it. We are no more than a contracting entity but the question is where is the money is coming from. Mr. Martin (CH) said he thought we were getting there, that there is one part of it which is the recycling element which SPSA had been the major recycling agent for the region for many years so in my mind doing the recycling report for this year still remains a SPSA responsibility and there is the separate who is going to prepare and be responsible for the five-year plan. The five-year plan is going to be a major element because its got all that information from all the private sector people and we have become a very small part, SPSA wise, of the five year plan. A lot of it is, we are just transfer stations and hauling and a

landfill; there are other landfills and such. What we are really getting to is making a decision as a SPSA Board to formally reassign the responsibility for the solid waste management plan from SPSA back to the Hampton Roads Planning District Commission. That is a separate and distinct item from preparing your recycling plan and as a regional plan more appropriate that it go through the HRPDC process for funding and allocation of that appropriately to the member localities and to give Mr. Carlock the resources, whether that is in-house or contract, to take care of the plan. Many things come back to the HRPDC; the HRPDC then has to take it up with its board and have the board agree to take it and agree to the funding mechanism. Because this is something that affects all eight members of this body, some of the discussion is based on the presumption that all eight would have responsibility on an equal basis or maybe it is on a per capita basis are on the share of the cost of this; is there a way for this to go back to HRPDC and have HRPDC then assign the funding side as well. Mr. Carlock said based on discussions he and Mr. Taylor had earlier we put this on the agenda at the HRPDC to get us authorized to work with SPSA back in January and that step has been done with the understanding that through SPSA the resources were available to take on this task. He and I have also been talking about this who 're-designation issue' where in 2005 the sixteen communities; the eight at the table plus those towns had taken formal action to request that SPSA be designated as the regional solid waste agency; DEQ had approved that. The next step in that process would be for either the communities to advise SPSA that they want to make a change and request HRPDC to take it on or for the SPSA Board to request that this go back to the HRPDC and through the HRPDC, the localities for consideration. Before today is out I will be putting the agenda together for next week's meeting so I guess this is the right time to make this decision. Chairman Leafe said the bottom line is that SPSA is still the regional waste agency and that part is true and in dealing with DEQ, we are appropriately designated and there is no point in messing that up at least for this year but every community that does recycling and handles their waste needs to be part in paying the bill. It is a very small bill in the scheme of things but the communities have to decide how they are going to pay it. Mr. Taylor said it was not in the budget for this year for SPSA to pay for it; it wasn't in the budget for recycling but could be covered under 'professional services'. The anticipated cost for this year is \$87,000. Mr. Oksman (PO) said in SPSA's overall budget this is a very small item but he is troubled by adding this to our budget because the only source of funds for us is tipping fees and what that means is the cost of this would be paid for by six of the eight localities; it would not be paid for by two that generate almost half of the solid waste. If we can find a way to get it done by HRPDC with whatever funding sources they have we'll come up with some way of funding it within SPSA that will be more equitable. Mr. Carlock said the HRPDC budget did not include, did not anticipate taking on the responsibility for this particular task this year and I don't think there are the resources to pull off the task in the time frame we are talking about. Chairman Leafe said the one thing we don't want to do is to say to the localities 'figure it out yourself'. He said he thinks this is a discussion that needs to take place. That this is not a primary function of SPSA. It is a function but it is a responsibility for a plan, a report that belongs to the localities that the localities did for years. Mr. Barnes (VB) said if you look at strategically what it is that Mr. Taylor and the SPSA Board are currently working to do at this point is to streamline operations and get out of things that we really should not be doing in the first place. If you look at the solid waste management plan it assumes everything and in fact that is what SPSA assumed for a long time; that they controlled and did everything and that was not a good assumption and it did not reap good results. Having the HRPDC handle that completely with

input from SPSA and the private sector and whoever they need input from to complete that report in addition to updating that report there are amendments that need to be done on a periodic basis and those are all things that somehow have to be funded, we've got to come up with money to do those things. Ultimately it makes sense for the HRPDC to do those things and for SPSA to not be involved at all. Like most of those things with HRPDC, it is probably going to be distributed on a pro-rata basis. The question is do we have time this year to make that scenario happen or is this something that we need to figure out within ourselves as a SPSA Board for this year. Ultimately it makes a lot of sense for us to just get out of it, handle it as a HRPDC issue and I concur with Mr. Oksman it will cost Virginia Beach more to do it that way but it does make sense, it's a logical distribution of the resources and collectively as a region we are on the hook for doing those things. SPSA may or may not have that responsibility. Mr. Adams (SU) said if we need to do it this year why don't we base it on population. Ms. Cuffee-Glenn (SU) said that they [HRPDC] has a formula that they use on tonnage, per capita. Mr. Taylor said if SPSA does it, either on tonnage or whatever you want to do it and then we will send out a bill separately for that and we'll take it and pay HRPDC. Chairman Leafe then asked if that made sense, to put the bill out on a pro-rata basis to the communities and everyone agreed. Chairman Leafe then said so it will be done through SPSA and then the communities will be billed on a pro-rata basis or proportional basis. Mr. Taylor said all he needs to know if population or tonnage. Chairman Leafe then called for a motion to approve doing it and the amount of the contract that has been presented to SPSA, the \$87,000 cost will be billed to the SPSA communities on a per-capita, pro-rata basis; however it's been done in the past. Mr. Stein (NO) made such a motion and it was seconded by Ms. Cuffee-Glenn (SU). All present voting yes; opposed none; motion carried by a unanimous and recorded vote.

4. BUDGET WORKSHOP

Chairman Leafe announced that the formal part of the meeting was over and the Board would now move into the Budget Workshop portion of the day and turned the floor over to Ms. DeVary. Ms. Liesl DeVary gave a presentation, a copy of which is attached as Appendix B, on the budget highlighting several points as follows:

- The projected tonnage for Va. Beach should be reduced by 16,000 tons to 142,000 tons. The tonnage originally projected included yard waste, which Va. Beach will soon be implementing its own yard waste/mulching program and therefore not bringing SPSA the waste.
- The Operating & Maintenance at the Va. Beach landfill is projected to increase by approximately \$1 million due to projected equipment purchases (\$510,000) and a reduction in revenue generated from contracted waste. In previous years, the O & M expenses were offset by revenue received from waste. They anticipate discontinuing the acceptance of this waste due to the projected increase in ash volume. Discussion followed regarding the O & M expenses at Va. Beach and what type of expenses are allowable under the Ash & Residue Agreement.

- Correction to “Budget Message” (third paragraph page 3) SPSA will be open half days on the following holidays: Lee-Jackson Day, Martin Luther King, President’s Day, Memorial Day, Labor Day, Columbus Day, Veteran’s Day, and the Friday following Thanksgiving Day. All SPSA facilities will be closed on the day recognized for New Year’s Day, Independence Day, Thanksgiving Day and Christmas Day.
- Concern was raised as to the amount of legal and professional services budgeted. A list of budgeted items will follow.
- One Board member requested to see an itemized budget based on a \$125/ton fee. Although there was no consensus from other Board members on this issue, Ms. DeVary will provide a generalized list of budgetary cuts that would be necessary in order to achieve a \$125/ton fee. Ms. DeVary will prepare a tipping fee schedule to be advertisement for the Board’s consideration at the March 24, 2010 meeting.

Mr. Taylor instructed the Board to continue to contact them with any questions they may have. Approval of the proposed budget can occur at the March 24th meeting if desired.

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.

Rowland L. Taylor
Executive Director

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