

SPSA
BOARD OF DIRECTORS
REGULAR MEETING AGENDA

November 28, 2012

START TIME: 9:30 a.m.

Location:

Regional Board Room
SPSA/Regional Building
723 Woodlake Drive
Chesapeake, VA 23320

1. INFORMAL ITEMS: DISCUSSION ONLY

- A. MONTHLY REPORT ON WTE OPERATIONS Paul Grego
- October 2012 (pg. 2-6)
- B. EXECUTIVE DIRECTOR UPDATES (pg. 7). Rowland Taylor
- C. CHAIRMAN’S COMMENTS (pg. 7). Chairman Leafe

2. ACTION AGENDA

[Motion will be needed to approve any actions]

- A. MINUTES OF THE BOARD MEETING Chairman Leafe
- Meeting of October 24, 2012 (pg. 8-16)
- B. PRESENTATION OF THE ANNUAL AUDIT FOR THE FISCAL YEAR
ENDING JUNE 30, 2012 BY DIXON, HUGHES & GOODMAN (pg. 17). . Hugh Barlow
- C. FINANCIAL MATTERS Liesl DeVary
 - (1) Financial Reports (pg. 18-27)
 - (2) Contracts
 - (a) HDR Engineering Renewal (pg. 28-29)
- D. 2013 BOARD MEETING DATES (pg. 31-32). Chairman Leafe

4. CLOSED SESSION

[MOTION NEEDED TO APPROVE CLOSED SESSION REQUEST]

[Closed Session per a) Virginia Code Section 2.2-3711(A)(7), and/or (b) Virginia Code Section 2.2-3711(A)(29).]

- A. Service Agreement – Wheelabrator Portsmouth Incorporated (pg. 33)

5. ACTIONS ARISING FROM CLOSED SESSION

[MOTION WILL BE NEEDED TO APPROVE ANY ACTIONS]

6. MISCELLANEOUS

- Executive Committee Meeting Minutes – 9/21/12 (pg. 35-36)

OLD/NEW BUSINESS

ADJOURN MEETING

Agenda

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

BOARD OF DIRECTORS Regular Meeting

WEDNESDAY, NOVEMBER 28, 2012

REGIONAL BOARD ROOM, SPSA REGIONAL BUILDING

723 WOODLAKE DRIVE, CHESAPEAKE, VIRGINIA

9:30 A.M.

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. MONTHLY REPORT ON WTE OPERATIONS Paul Grego

Mr. Paul Grego will present the monthly Wheelabrator reports for October

November 15, 2012

Mr. Rowland L. Taylor
Southeastern Public Service Authority
723 Woodlake Drive
Chesapeake, VA 23320

Dear Mr. Taylor:

Please find attached the Monthly Report for Wheelabrator Portsmouth Inc. facility required by Schedule 15 of the Service Agreement. Should you have any questions on any of the items covered herein please do not hesitate to contact me.

Sincerely,

Paul Grego
Plant Manager, Wheelabrator Portsmouth

enclosure

Wheelabrator Portsmouth Inc.

Monthly Report for the Month of October 2012

This report is submitted as required by schedule 15 of the Service Agreement for the period indicated above. Paragraphs below are keyed to the items of Section 1.2 contained therein.

Environmental Issues:

Tests Completed:

Monthly HRSD Waste Water Sample(s)
Fuel Oil Sample

Tests Planned:

Monthly Industrial Discharge Samples
Ash Residue Tests
Fuel Oil Sample(s)
Stormwater Samples
Quarterly GHG Biogenic CO2 Test
Annual Stack Test

Inspections:

VA DEQ Stormwater Inspection

Air Quality Violations:

None

Safety Issues:

OSHA Recordable Accidents this period:	1
OSHA Recordable Accidents YTD:	5
Lost Time Accidents this period:	1
Lost Time Accidents YTD:	3

Op Stats: see attached spreadsheet

Upcoming Planned Outages:

2012 September 23-28	Boiler 4
2012 October 14-20	Boiler 3
2012 November 4-10	None
2012 December 7-10	Boiler 1
2013 January 6-15	Boiler 2
2013 January 30-4	Boiler 4
2013 February 17-26	Boiler 3
2013 April 7-12	Boiler 1
2013 May 12-17	Boiler 2
2013 May 29-6	Boiler 4
2013 June 23-28	Boiler 3
2013 August 4-13	Boiler 1
2013 September 8-14	Boiler 2
2013 September 29 -4	Boiler 4
2013 October 20-25	Boiler 3
2013 December 8-13	Boiler 1

**WHEELABRATOR PORTSMOUTH INC
 TONNAGES REPORT
 CALENDAR YEAR 2012**

MONTH	SPSA ACCEPTABLE WASTE (TONS)	THIRD PARTY ACCEPTABLE WASTE (TONS)	OUT-OF-STATE WASTE (TONS) *	OUTSIDE-AREA WASTE (TONS)	TOTAL TONNAGE	NAVY STEAM DELIVERED (K- LBS)	ALL WASTE ACCEPTED AT RDF (TONS)	PROCESSIBLE/N P REMOVED FROM RDF (TONS)	PROHIBITED WASTE	WASTE DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	ASH DELIVERED TO LANDFILL (TONS)	MW SOLD TO THE GRID (MWhr)
JAN	31,089.18	34,828.73	70.74	87.90	66,076.55	66,368.20	52,573.63	3,734.96	-	3,840.86	44,997.81	45,691.79	13,605.75	14,606.00
FEB	29,757.92	35,229.45	35.28	114.99	65,137.64	59,880.50	53,479.53	2,765.27	-	-	50,714.26	47,607.63	14,012.50	16,816.00
MAR	37,803.79	39,408.97	35.82	76.27	77,324.85	61,592.10	64,020.56	3,068.75	-	-	60,951.81	57,804.12	16,189.17	20,544.00
APR	35,048.40	37,535.06	57.97	22.77	72,664.20	49,550.50	58,661.14	4,899.13	-	-	53,762.01	54,648.43	16,764.29	19,796.00
MAY	41,251.52	42,101.50	46.87	98.15	83,498.04	40,114.40	66,651.68	3,448.29	-	2,831.29	60,372.10	55,398.03	15,601.96	17,601.00
JUN	37,818.45	42,047.18	63.12	109.24	80,037.99	35,513.00	66,651.77	4,934.10	-	1,700.00	60,017.67	59,850.52	17,685.46	21,891.00
JUL	37,459.82	42,336.17	24.53	45.38	79,865.90	31,706.40	65,914.45	6,008.25	-	679.68	59,226.52	59,163.96	16,334.17	19,615.00
AUG	41,371.04	45,321.65	17.25	84.08	86,794.02	32,280.60	72,521.08	6,340.10	-	-	66,180.98	62,763.94	16,345.81	20,320.00
SEP	34,440.53	36,212.05	13.02	65.65	70,731.25	25,581.90	60,305.48	4,090.86	-	-	56,214.62	60,378.16	15,025.09	22,142.00
OCT	34,717.54	41,041.87	35.02	16.70	75,811.13	36,817.00	62,776.85	5,143.15	-	1,300.00	56,333.70	52,648.60	14,613.79	18,622.00
NOV														
DEC														
YTD TOTAL	360,758.19	396,062.63	399.62	721.13	757,941.57	439,404.60	623,556.17	44,432.86	-	10,351.83	568,771.48	555,955.18	156,177.99	191,953.00
12 MO	36,075.82	39,606.26	39.96	72.11	75,794.16	43,940.46	62,355.62	4,443.29	-	1,035.18	56,877.15	55,595.52	15,617.80	19,195.30

* NOTE: This is material brought in from the nearby counties in NC provided for under the Service Agreement.

**WHEELABRATOR PORTSMOUTH INC
AVAILABILITY
CALENDAR YEAR 2012**

MONTH	BOILER AVAILABILITY (%)	BOILER PLANNED OUTAGES (HRS)	BOILER UNPLANNED OUTAGES (HRS)	TURBINE AVAILABILITY	TURBINE PLANNED OUTAGES (HRS)	TURBINE UNPLANNED OUTAGES (HRS)
JAN	74%	517.20	248.90	100%	-	4.60
FEB	85%	296.20	132.50	92%	-	178.40
MAR	88%	8.00	342.10	94%	-	123.10
APR	88%	119.37	228.00	94%	-	124.50
MAY	78%	275.82	366.12	93%	159.80	-
JUN	90%	168.00	133.02	100%	-	-
JUL	84%	-	482.90	100%	-	-
AUG	85%	292.00	158.00	96%	-	145.00
SEP	89%	118.35	189.57	97%	-	70.88
OCT	82%	168.00	368.82	97%	-	55.02
NOV						
DEC						
YTD TOTAL	84%	1,962.94	2,649.93	96%	159.80	701.50

SPSA BOD MEETING
SUPPLEMENTAL INFORMATION
October 2012

	<u>Oct</u>	
Total Waste received by SPSA:	34,718	tons
Waste delivered to RDF:	62,777	tons
Total RDF processed:	56,334	tons
Ash sent to landfill:	14,614	tons
Electric power sold:	18,622	MW
Steam sold to Navy:	36,817	K-LBS
Overall Boiler availability:	82%	
Overall Generator availability:	97%	
Environmental Incidents	None	
OSHA Recordable Accidents this period:	1	
OSHA Recordable Accidents YTD:	5	

General Notes:

B. EXECUTIVE DIRECTOR UPDATES Rowland Taylor

C. CHAIRMAN’S COMMENTS Chairman Leafe

2. **ACTION AGENDA**

[Motion will be needed to approve any actions]

A. MINUTES OF THE BOARD MEETING Chairman Leafe

The minutes of the October 24, 2012 Board meeting are attached for you review and approval.

RECOMMENDED ACTION: Approve the minutes as presented.

MOTION: I move that the October 24, 2012 minutes of the SPSA Board of Directors meeting be approved as presented.

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

October 24, 2012

The Regular Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. Marley Woodall	(CH)	Mr. Eric Martin	(CH)
Mr. Everett Williams	(FR)	Mr. H. Taylor Williams	(FR)
Mr. Theodore Hardison <i>absent</i>	(IW)	Mr. W. Douglas Caskey	(IW)
Mr. Joseph Leafe	(NO)	Mr. Ronald Williams <i>absent</i>	(NO)
Mr. G. Timothy Oksman	(PO)	Mr. George M. Willson *	(PO)
Mr. Roy Chesson	(SH)	Mr. Michael Johnson <i>absent</i>	(SH)
Mr. James C. Adams, II	(SU)	Ms. Selena Cuffee-Glenn **	(SU)
Mr. Page Johnson	(VB)	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 Alternate Ex-Officio Members Chad Edwards (FR), and Jon Mendenhall (SH)*, and the following SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director, Ms. Liesl R. DeVary, Deputy Executive Director and Treasurer, and Mrs. Blanche Christian, Technical Support Coordinator, Trey Huelsberg, General Counsel, and staff from SPSA and the Hampton Roads Planning District Commission.

The meeting was then called to order by Chairman Leafe and was followed by the invocation by Mr. Everett Williams, the Pledge of Allegiance, and Roll Call. A quorum was present.

Chairman Leafe (NO) commented that before we move along with our informal agenda, I wanted to introduce Mr. John Keifer from the City of Norfolk. John has been appointed by the City as their alternate member for Ron Williams who needed to be away today.

Chairman Leafe (NO) welcomed Paul Grego on behalf of Wheelabrator.

1. INFORMAL ITEMS: DISCUSSION ONLY

A. MONTHLY REPORT ON WTE OPERATIONS

Mr. Grego began his September operational stats for Wheelabrator Portsmouth. The total waste received by SPSA was 34,441 tons and the waste delivered to RDF facility was 60,305 tons. The total tons processed were 56,215, and there were 15,025 tons of ash sent to SPSA regional landfill. There were 22,142 megawatts of electricity sold to the grid was and 25,582 K-pounds of steam sold to the Navy. The overall boiler availability was 89% and the generator availability was at 97% with no environmental incidences. Overall we completed minor maintenance on boiler number four and the unit was back up on schedule. Overall it's been a solid month in all areas.

Mr. Grego also commented that if any of the City Managers, Board Members or anyone else wants to tour the facility they are more than welcome. He requested that requests be made to him or Joel and we will be happy to coordinate the tour. Mrs. Cuffee-Glenn came for a tour about a week ago.

Chairman Leafe (NO) asked if there were any questions.

B. EXECUTIVE DIRECTOR UPDATES

Mr. Taylor began his monthly reports. The landfill has not received any odor complaints since the last meeting. The additional cover project that the board approved several months back for Cell V is still scheduled to begin in the December time frame. The primary purpose for that is to reduce temperatures in the landfill. There are various other preventive maintenance-type items going on at the landfill.

The CAO presentation was made to the City of Virginia Beach by Dave Hansen, Virginia Beach Deputy City Manager, on October 16th and I sent a copy of that presentation to each member. A subsequent presentation was made by John Carlock to the CAO's last Thursday regarding post 2018 and that presentation was sent out as well. Over the next couple of months the communities will begin to provide information and possible recommendations to the respective governing bodies regarding post 2018 and developing a Memorandum of Understanding or Memorandum of Action.

Over the next few months we will begin to see other communities discussing it and hopefully making a determination of what their particular positions would be moving forward with a post 2018 SPSA organization or choosing some other means of disposal of waste. The recommendation to the CAO's was that the SPSA organization was the organization that they feel is in the best interest of the region. There is a technical committee meeting sometime in the first part of November to begin the process for development of a resolution for the communities to consider as well as a Memorandum of Understanding. There are a couple of other people around the table who have attended those meetings and they might feel like there is another bit of information that might be important to add.

Ms. Cuffee-Glenn (SU) commented that the critical piece now as Bucky certainly indicated is the desire to have a regional entity. We just have got to work out what those details will include. What has been encouraged by the communities' representatives and CAO's is to find out what the pleasure might be of the elected bodies as it relates to a regional entity and what may be some of the provisions or conditions that cities or counties will make as a part of the decision to be part of a regional organization so we need to find out where everybody is and

that's the first step. Then based upon that, those findings would be conveyed to the respective representatives, creating some type of Memorandum of Understanding agreement that could be researched to come up with the details of what such a structure could be going forward that we could recommend to the SPSA board for consideration. We are still going through some of the information exploratory stages and really finding out who wants to be in and who does no. Now is time to make sure the elected officials can give us some direction.

Mr. Oksman (PO) commented that I salute the CAO's for the great leadership and great work they are doing. I think we all know Regina was the one who started this going and in her absence I salute her also. Is there anything this board can do to help the CAO's move that process along?

Ms. Cuffee-Glenn (SU) responded that I think because we really accelerated the schedule to 2013, but having the meetings and the technical committee really vetting a lot of the suggestions is sufficient at this time. With Virginia Beach's deputy city manager really helping us understand some of those technical possibilities. It is important for us to find who is in and out and be respectful of that and for those who want to be in what does that really mean and what would you see as conditions or provisions or options that you want considered and then they can be vetted and make some plausible recommendations to the SPSA Board once we get that guidance from those elected officials because we think that is critical.

Mr. Martin (CH) commented that I wanted to echo that everyone laid their cards on the table and explained what the things they really prefer are and what are the things that are deal breakers and are being honest about why. Having everyone understand why people are taking certain positions that need to be translated to our elected bodies and validated as the official policy positions so that we can begin the honest negotiations towards a final solution. In Chesapeake I briefed our City Attorney's office and council liaisons and scheduled for our work schedule on November 13th where we will hit all the deal points we discussed and at least get them briefed on the 13th and then subsequent meeting may be working with the Beach's draft MOA, going back to the council and say is this the policy position you want to have that we can move forward with and perhaps, as it has been pointed out, there may be some local issues that certain councils or boards want to take that need to be considered in the later discussions. We want to have all those things out and I think the time line that was presented in the last couple slides of the last CAO presentation laid out the time line and I would call your attention to that. It is an accelerated time line in some respects when it deals with Wheelabrator, timing of negotiations but I think we are on a track to get good policy positions from our boards and councils, and draft MOA. We will work for the next several months on a final position that we can then take back and every council and board can say, yep, that's what we want, SPSA 2019 to be. And I think it is has been a very active and fruitful discussions.

Ms. Cuffee-Glenn (SU) commented that having Bucky at the table as well to help provide comments and thoughts because it is truly going to require the partnership to make something a reality for the region and look at the future of our communities.

Mr. Barnes (VB) commented that SPSA today is a lot different than it was four or five years ago and four or five years ago the thought of more SPSA was not on the table. Because of the changes that have been made it is a viable option and in fact it is actually a pretty attractive option. We have got some things to work through but there is a lot that has been done and that's

to be applauded and to be continued. The one other things and I think it is probably worth mentioning that would impact this board, is going to be looking at the comprehensive conditional use permit for the landfill. I don't know exactly what the timing is for that but it is something that will ultimately come before this Board and in particular for SPSA staff.

Chairman Leafe (NO) stated that one other thing is it seems to me when this Board was restructured it was done obviously legislatively, and there are some parameters that are set out in that. It would appear to me that any restructuring is going to need to go through that process and as a consequence based on the schedule that you put out; I didn't see a particular reference to it. Ms. Cuffee-Glenn (SU) commented that we recognize governance is a part of the discussions we will have to have as part of our working discussions. Chairman Leafe (NO) responded that this coming session is way too early for legislation based on the schedule, but it would seem that the time frame would permit that legislative action to take place probably at the 2014 session, and ought to fit within some framework.

Mr. H. Taylor Williams (FR) commented that it is worth mentioning that everybody has expressed a desire to stay in SPSA. I think it ought to be clearly understood that everybody has indicated they want to stay in the regional organization and no one has said they are ready to get out at this point and I think that is an important fact that ought to be made publicly.

2. ACTION AGENDA

A. MINUTES OF THE BOARD MEETING

Chairman Leafe (NO) stated we have the minutes of the previous meeting which have been distributed, is there a motion to approve.

Mr. Woodall (CH) moved, seconded by Mr. Martin (CH), that the minutes of the September 26, 2012 meeting be approved as presented. The vote of the motion was unanimous.

Ms. DeVary commented that before I get started I just wanted to take a minute and introduce you to SPSA's controller, Ellen Doherty. She has been with us since February and she comes to us from Hampton Roads Bank Shares. She has a very strong background in banking and that is certainly one of the areas we are utilizing her specialties in so I guess you can say she has been in boot camp training for the last several months. You will probably be hearing and seeing more of her. Chairman Leafe (NO) commented that we are pleased to have you on board. I think this is your first visit to the board meeting, but probably not the last.

B. FINANCIAL MATTERS

(1) Financial Reports

Ms. DeVary began by stating that for the month ending September 30th our total revenues exceeded total expenses by approximately \$1.97 million as compared to \$3.4 million in the prior year. You will note that the tipping fees are less than 15.5% decrease from the prior fiscal year and the bulk of that was budgeted; in that we reduced the tipping fee from \$145 to \$125.

Our municipal tonnages declined from August to September unlike in any of the previous years during that same time frame. We are not doing anything out of the ordinary and there is not necessarily any reason to be alarmed at this point. We will continue to monitor it. We are aware of some of the localities doing some different things with their yard waste and just based on the number of days collecting in September there are all kinds of different fluctuations.

The total municipal tonnages fiscal year date are approximately 109,952 compared to 113,000 a year ago. When you look at total municipal waste, it represents a 3.5% decrease fiscal year to date. However, what skews the number is if you exclude the Suffolk waste taken directly to the landfill then looking at the total tonnages for municipal fiscal year to today date it is down 5% for the total tonnage. So we will continue to monitor it and note if anything out of the ordinary should arise.

As of September 30th, total expenses fiscal year to date was \$8.7 million as compared to \$9.3 million in the prior fiscal year. Our total unrestricted cash is about \$28.9 million. \$11.5 million is what we have sitting in our operating bank account, and as you know we have \$7.4 million in our landfill closure fund. There is also \$10 million as required in the operating reserve. I wanted to make sure you are aware the unrestricted cash is not restricted by any trust or any other legal requirement and is a total of \$28.9 million.

Mr. Martin (CH) asked if, in fact, the tonnage drop is a long term item due to the economy, yard waste diversion or whatever, if we take a 5% cut across the board this year, how do we make up for that shortfall? Ms. DeVary responded that in the current fiscal year we would likely look at cutting back on some of the capital projects from a cash perspective. Our operating expenses are currently under budget slightly so that very well may offset it as well. I am not alarmed or concerned at this point. Our revenue is right at budget. If you look at it from straight line perspective the tipping fees are about 25% which would be about one fourth of the year.

Mr. Barnes (VB) asked if the commercial declined as well. Ms. DeVary responded yes. It had a similar decline. Mr. Barnes (VB) commented that's economy then. Mr. Martin (CH) commented that there were 3 less days of collection that month which may skew it that 5%. Mr. Barnes (VB) commented that it is a point on the map at this point as opposed to a trend but it's worth watching.

Mr. Mendenhall (SH) commented that I notice the overtime for September is up compared to August, yet tonnage is down. Can you talk about that a little bit what is going on there? Ms. DeVary responded that it likely has to do with Labor Day. Being closed it pushed some of the schedules and it's primarily in our transportation and hauling.

Mr. Taylor commented that our overtime is primarily geared towards transportation actually being able to get the waste from the transfer stations to the RDF plant. You start off on Monday where most of the vehicles are in but that's because the only locality that collects on Monday from Suffolk eastward is Portsmouth. So you have a lot of waste not coming in that day; you get into Thursday and Friday there is a lot on the tipping floor or in the pit and then lines end up being longer and it just takes longer to be able to get that trash from the destination to the RDF plant. We are beginning to do a process called "drop and hook". What we are looking at is being able to utilize the operations facility for approximately 15 trailers. If they

come in and see the line is too long they go immediately to Operations drop the trailer and then they go back on the road to get another one. We met with Paul and there are certain hours during the day that is basically dead time so we are trying to maximize that dead time and use that time to be able to bring those trailers then to the RDF plant. The whole effort is not permanent ye but, we want to make a determination to see if it is saving us the time we anticipate it will save us and thus overtime expenditures. We feel it will but we want to make sure it will and we are beginning that now so hopefully it will make an impact.

Chairman Leafe (NO) asked if there is a motion to approve the financial report subject to audit.

Ms. Cuffee-Glenn (SU) moved, seconded by Mr. Caskey (IW), that the SPSA financial reports subject to audit be approved as presented. The vote of the motion was unanimous.

Ms. DeVary continued her report on her approach on investments. As mentioned earlier the best route for us is to pool all of our unrestricted cash instead of having designated bank account. We pool all the cash together and invest as a pool laddering maturities no longer than two years. Everything that we read and advisors we have spoken to don't recommend going past that. As of September 30th, that was \$28.9 million. Just to give you an idea of what interest rates we are talking about, the Local Government Investment Pool (LGIP) which is managed by the Department of Treasury currently has a daily rate of .2% and it changes daily. It is similar to a money market fund and there is no risk of loss of principal. When you look at six-month to two-year maturities, and these are ranging from commercial paper, discount note, government sponsored obligations like Freddy Mac and federal loan banking all of those they are ranging from .12% to .41%. Per our investment policy we want to minimize the concentration to any one security type so based on \$28.9 million the maximum allowable amount that we can put into government sponsored debt would be \$14.5 million, and then about \$7.2 million in CD, bank deposits, level investments. With that methodology, going forward is to allocate that we would have \$7.2 million in our operating account since that is the minimum balance required in order to offset fees and charges that we would otherwise receive through Wells Fargo. Currently we have \$14.5 million in LGIP which is .2%, place about \$2.2 million in a 6 month CD-type investment and go ahead and put \$5 million in a one year CD bank deposit type investment. That brings you to the total \$28.9 million. We are monitoring the investment rates weekly and we will see if that \$14.5 million in LGIP would be better suited in another investment. Of that \$28.9 million it's important to note on the balance sheet the funds are designated as follows: \$4.9 million in operating. \$14 million designated for landfill closure. That is all in line with what we told you earlier and how the current year's budget was based on and then there is \$10 million dollars designated for an operating reserve. All of the interest earnings throughout will just go into the operating account and once again, every week and optimally every month look at reallocating it based on the largest rate. Based on current rates today and allocating it as mentioned above we are looking at \$50,000 interest earning.

So with all of that, I want to tell you about a program called CDARS, certificate of deposit account registry service. This is a special network of banks that are offering CD level interest rates but they also have FDIC insurance coverage. Currently there are approximately 3,200 banks nationwide that are participating in the program. There are no fees associated with it. It

is approved under the Code of Virginia for public funds. They have CD's that are offered with maturities of one month to five years but they are varying deposit limits by maturity. For one year you can't put any more than \$15.5 million in it and they have certain limitations. The CD's will be issued in denominations of no more than \$250,000 since that is current FDIC coverage. Basically how it works is we go through one bank here locally and then we give them \$5 million. They broadcast it to this network and all the banks will go ahead and submit bids based on a maximum of \$250,000 principal and interest so you never have risk of losing any money. The primary benefit of this program is one bank, one rate and one statement. With having a large amount of money you wouldn't want to be looking over 20 different CD's. So they put this together to help many people not just public entities but to help administratively as well. The Bank of New York actually acts as the settling agent for this program. Currently there are five local banks that participate in the CDARS programs and we contacted them. However TowneBank is the only one to respond. And when we looked at the other ones that are in this group, TowneBank is larger capitalized than some of these other smaller ones and we feel they would be able to meet our needs. So we are requesting that you adopt the resolution to put it into place for designating TowneBank as a depository for SPSA. You don't need to approve the CDARS program, per se, but the board has to approve any depository bank account that we want to establish and need the board's approval to do so.

Chairman Leafe (NO) asked if there is a motion to approve the following resolution to designate TowneBank as a depository bank.

RESOLVED, that TOWNEBANK ('Bank') is designated a depository of funds for the Corporation;

RESOLVED, that any prior resolutions remain in effect except as changed by those adopted today. The Corporation ratifies all transactions purportedly done on its behalf with the Bank before the delivery of this resolution to the Bank. Any change(s) to these resolutions will take effect only after the Bank has received written certification of the change(s) and has had a reasonable time to verify and act on the change(s);

RESOLVED, that the Corporation agrees to be bound by the Bank's Commercial Deposit Account Agreement for each account permitted by these resolutions;

RESOLVED, that the Bank is authorized to honor, pay, and charge the Corporation's account(s) for any item purporting to have been signed on behalf of the Corporation with a facsimile signature that resembles a specimen the Corporation has certified to the Bank, no matter by whom or by what means the actual or purported signature may have been made;

RESOLVED, that the persons named below, whose manual and/or facsimile signatures are provided next to their respective names, are authorized to perform the powers listed based on number(s) following their respective names. The Bank has no duty to inquire into any power before executing it, even if the power benefits the signer individually. The required number of signatures immediately follows the description of that power;

Powers:

- 1. Open and close deposit accounts, sign account agreements, and sign contracts for deposit-related or other services. Signatures required: 2**
- 2. Sign and authorize checks, drafts, withdrawal slips, and any other orders for the payment of money, whether by paper, electronic, or any other means, even if payable to the signer or used to discharge or reduce any obligation of the signer. Signatures required: 2**
- 3. Borrow money by signing promissory notes, checks, drafts, credit agreements, agreements for letters of credit, and any other contracts that obligate the Corporation to repay funds. Signatures required: 0**
- 4. Assign, endorse, discount, transfer, mortgage, or pledge any of the Corporation's property as collateral for any obligation, direct or indirect, absolute or contingent. Signatures required: 0**
- 5. Lease, have access to, and terminate leases for safe-deposit boxes. Signatures required: 0**
- 6. Give releases, waivers, receipts, and notices of all kinds that relate in any way to any relationship of the Corporation with the Bank. Signatures required: 0**

RESOLVED, that the secretary of the Corporation is directed to certify and deliver a copy of these resolutions to the Bank, the signature cards bearing the genuine signatures of the persons named below, and any other documents that the Bank requires.

Mr. Adams (SU) moved, seconded by Mr. Oksman (PO), to approve the resolution designating TowneBank as the depository bank. The vote of the motion was unanimous.

3. CLOSED SESSION

Chairman Leafé stated that completes the regular agenda items. We have items for closed session. He then called on Mr. Huelsberg, General Counsel, to read the closed session request which read as follows:

I move that a closed session be held for discussions regarding (1) the Service Agreement with Wheelabrator Technologies, Inc., including certain financial, legal and other matters related to SPSA's relationship with Wheelabrator thereunder, (2) the Landfill Gas Agreement with Suffolk Energy Partners, including certain financial, legal and other matters related to SPSA's relationship with SEP thereunder, and (3) the Waste Disposal Agreement with the United States Navy, each in accordance with (a) Virginia Code Section 2.2-3711(A)(29) for the purpose of considering modifications to the terms of existing contracts where competition and bargaining are involved and where discussion in open session would adversely affect the bargaining position and negotiating strategy of the public body, and/or (b) Virginia Code Section 2.2-3711(A)(7) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Mr. H. Taylor Williams (FR) moved, seconded by Mr. Martin (CH), to approve the certification as read. The vote of the motion was unanimous.

4. ACTIONS ARISING FROM CLOSED SESSION

Immediately upon completion of the closed meeting, the following certification was read by Mr. Huelsberg, General Counsel:

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.

Mr. H. Taylor Williams (FR) moved, seconded by Mr. Willson (PO), to approve the certification as read. The vote of the motion was unanimous.

Chairman Leafe (NO) stated that we only have one item to be addressed from our closed session as it relates to the Navy Contract.

I move that the Board of Directors (a) approve the extension for four (4) months, through February 28, 2013, of SPSA's waste disposal agreement with the United States Navy at the rate of \$38.49 a ton for disposal waste, in substantially the form presented to the Board today, and (b) authorize and direct the Executive Director and/or Deputy Executive Director to finalize and execute the extension of such agreement.

Mr. Woodall (CH) moved, seconded by Mr. H. Taylor Williams (FR) that the Navy Contract be extended for four months at the rate of \$38.49.

ADJOURNMENT

There being no further business to come before this Board of Directors, the meeting was adjourned at 11:27.

Rowland L. Taylor

Executive Director

Submitted by: Blanche Christian

Secretary, SPSA Board of Directors

B. PRESENTATION OF THE ANNUAL AUDIT FOR THE FISCAL YEAR
ENDING JUNE 30, 2012 BY DIXON, HUGHES & GOODMAN . Hugh Barlow

Mr. Hugh Barlow from Dixon, Hughes, & Goodman will be in attendance to present the Audit to the Board. The Audit Committee met early November with the firm and discussed the audit in detail. Mr. Page Johnson will have comments relating to the audit. Hard copies will be distributed at the meeting.

RECOMMENDED ACTION: Approve the annual audit as presented.

MOTION: I move that the Annual Audit for the fiscal year ending June 30, 2012 be accepted as presented.

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 current and prior fiscal year. For the month ending October 31, 2012, total revenues exceeded total expenses by \$1.98 million as compared to \$4.2 million in the previous year. Tipping fee revenue received fiscal year to date (FYTD) is down approximately \$2.2 million or 14% as compared to the previous fiscal year. This reduction is primarily a reflection of the decrease in the municipal tip fee; however, municipal tonnages (excluding Suffolk waste taken directly to the landfill) are down approximately 3.2% as compared to the same time frame last year.

For the month ending October 31, 2012, total expenses FYTD were \$12 million as compared to \$12.7 million incurred in the previous year.

The expense for the O&M costs at the Va. Beach landfill for the months of August, September and October is estimated at 1/12 of the total budgeted amount, since invoices have yet to be received from the City.

Monthly Expense Line Items

This report provides the actual expenses by month by the type of expense. The majority of the line items vary in amounts from month to month because they are either: (1) dependent on usage, or (2) timing of payment and/or check date.

Monthly Comparison of Revenues and Expenses

This report illustrates the monthly revenues and expenses. An explanation is included under each graph if there is a sizeable variance. The straight line in each graph represents the fiscal year 2013 budget on a straight-lined basis and the line graph represents the prior fiscal year for comparison.

Waste Stream Report

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. For the month ending October 31, 2012, municipal waste tonnages (excluding Suffolk waste taken directly to the landfill) to date are down 4,608 tons or approximately 3.2% as compared to the previous year. Commercial waste and Navy waste received at the transfer stations and RDF plant are also down approximately 2.3% and 9% respectively.

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 October 31, 2012, total expenses for capital projects were \$554,223 with an additional \$291,789 encumbered.

Treasurer’s Report of Cash Balances

This report captures the monthly activity in each of the depository accounts grouped as either operating funds, trust funds or debt service funds. As of October 31, 2012 operating cash balances were \$6.375 million plus an additional \$10 million held in the operating reserve and \$14 million designated for landfill closure.

RECOMMENDED ACTION: Approve the financial reports as presented.

MOTION: I move that the SPSA financial reports subject to audit be approved as presented.

Southeastern Public Service Authority
Statement of Revenue and Expenses - Budget to Actual Comparison
For the Period Ending October 31, 2012

	October 2012				October 2011			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
REVENUES								
A Tipping Fees	\$ 41,442,649	\$ 3,169,051	\$ 13,472,880	32.5%	\$ 43,959,257	\$ 3,496,943	\$ 15,692,391	35.7%
Tire program	350,000	15,075	78,726	22.5%	350,000	23,710	86,128	24.6%
Household Hazardous Waste Revenue	375,000	26,789	98,211	26.2%	375,000	37,993	125,099	33.4%
White Goods Program	25,000	2,454	11,958	47.8%	150,000	610	9,961	6.6%
Landfill Gas Recovery	550,000	35,747	150,881	27.4%	550,000	45,073	123,551	22.5%
Miscellaneous Income	311,217	20,593	83,714	26.9%	299,217	71,360	329,542	110.1%
Interest Earnings	95,000	7,937	8,935	9.4%	95,000	11,711	14,899	15.7%
C Fund Balance / Capital	464,889	108,754	108,754	23.4%	2,348,652	488,501	488,501	20.8%
Fund Balance / Contingency	1,500,000	-	-	0.0%	1,500,000	-	-	0.0%
Fund Balance / Debt Retirement	-	-	-	N/A	16,368,200	-	-	0.0%
Fund Balance / Prior Year Rollovers	3,851	-	-	0.0%	-	-	-	N/A
TOTAL REVENUES	\$ 45,117,606	\$ 3,386,401	\$ 14,014,059	31.1%	\$ 65,995,326	\$ 4,175,902	\$ 16,870,073	25.6%
OPERATING EXPENSES								
Administration								
Salaries / Wages	\$ 906,906	\$ 69,954	\$ 262,385	28.9%	\$ 967,182	\$ 74,399	\$ 287,012	29.7%
Employee Benefits	295,892	37,331	100,006	33.8%	391,539	25,870	86,958	22.2%
Professional / Contracted Services	687,530	53,170	149,249	21.7%	852,417	40,313	146,131	17.1%
Materials / Supplies	11,805	1,102	3,946	33.4%	22,041	491	2,874	13.0%
Other Operating Expenses	189,469	15,057	52,321	27.6%	213,264	7,050	48,059	22.5%
Total Administration	\$ 2,091,602	\$ 176,615	\$ 567,907	27.2%	\$ 2,446,443	\$ 148,123	\$ 571,034	23.3%
Environmental Management								
Salaries / Wages	\$ 224,534	\$ 17,030	\$ 63,905	28.5%	\$ 230,512	\$ 16,770	\$ 65,324	28.3%
Employee Benefits	86,341	6,828	30,749	35.6%	100,029	7,131	31,128	31.1%
Professional / Contracted Services	91,951	322	3,387	3.7%	105,020	2,606	27,947	26.6%
Materials / Supplies	28,975	1,243	6,143	21.2%	20,500	505	1,465	7.1%
Other Operating Expenses	11,582	417	2,515	21.7%	13,457	401	1,856	13.8%
Total Environmental Mgmt & Safety	\$ 443,383	\$ 25,840	\$ 106,699	24.1%	\$ 469,518	\$ 27,412	\$ 127,720	27.2%
Operations								
Salaries / Wages	\$ 5,799,366	\$ 406,118	\$ 1,562,606	26.9%	\$ 5,489,285	\$ 432,072	\$ 1,643,562	29.9%
Employee Benefits	1,940,306	147,978	651,390	33.6%	2,134,610	149,877	649,454	30.4%
Professional / Contracted Services	1,936,774	134,158	559,493	28.9%	1,791,228	107,431	539,432	30.1%
Materials / Supplies	2,286,023	212,171	626,470	27.4%	2,184,206	136,516	620,103	28.4%
Other Operating Expenses	716,516	66,551	185,128	25.8%	626,053	40,271	171,156	27.3%
Total Operations	\$ 12,678,985	\$ 966,976	\$ 3,585,086	28.3%	\$ 12,225,381	\$ 866,168	\$ 3,623,706	29.6%
TOTAL OPERATING EXPENSES	\$ 15,213,970	\$ 1,169,430	\$ 4,259,691	28.0%	\$ 15,141,342	\$ 1,041,703	\$ 4,322,461	28.5%
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT	\$ 3,350,838	\$ 554,223	\$ 730,785	21.8%	\$ 2,328,152	\$ 125,397	\$ 488,501	21.0%
<small>(Please see attached schedule for detail)</small>								
DEBT SERVICE								
Principal (transfers to trustee)	\$ 908,750	\$ 46,667	\$ 637,917	70.2%	\$ 7,206,250	\$ 651,250	\$ 2,485,000	34.5%
Interest (transfers to trustee)	1,430,591	116,994	494,601	34.6%	1,944,824	161,939	668,223	34.4%
Interest / Fees - Variable Rate Debt	-	-	-	N/A	281,558	2,425	52,600	18.7%
Additional Debt Retirement	-	-	-	N/A	16,368,200	-	-	0.0%
Letter of Credit Fees - DEQ Financial Assurance	15,000	-	-	0.0%	130,000	-	-	0.0%
Total Debt Service	\$ 2,354,341	\$ 163,660	\$ 1,132,518	48.1%	\$ 25,930,832	\$ 815,614	\$ 3,205,824	12.4%

	October 2012				October 2011			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
OTHER USES								
B O&M - Virginia Beach Landfill								
Salaries / Wages	\$ 806,425	\$ 67,202	\$ 256,534	31.8%	\$ 794,643	\$ 74,428	\$ 310,099	39.0%
Employee Benefits	229,240	19,103	78,290	34.2%	259,803	20,754	84,227	32.4%
Professional / Contracted Services	166,950	13,913	42,413	25.4%	113,340	9,185	22,965	20.3%
Materials / Supplies	20,385	1,699	5,123	25.1%	47,543	1,541	5,617	11.8%
Other Operating Expenses	66,161	5,513	16,830	25.4%	101,031	2,234	34,701	34.3%
Internal Service Charges	416,632	34,719	135,932	32.6%	291,293	19,898	170,529	58.5%
Indirect Costs	284,262	23,689	94,754	33.3%	261,533	20,705	82,820	31.7%
Capital Equipment	7,650	638	1,913	25.0%	33,650	12,862	12,862	38.2%
Engineering Services	250,000	20,833	62,500	25.0%	400,000	-	27,322	6.8%
D Total O&M - Va. Beach Landfill	\$ 2,247,705	\$ 187,309	\$ 694,288	30.9%	\$ 2,302,836	\$ 161,607	\$ 751,142	32.6%
Service Fee to Wheelabrator								
Annual Fee Paid over 12 Months	\$ 21,000,000	\$ 1,750,000	\$ 7,000,000	33.3%	\$ 20,000,000	\$ 1,666,667	\$ 6,666,667	33.3%
Less: Steam Energy Revenue	(750,000)	(68,742)	(263,303)	35.1%	(750,000)	(63,547)	(248,358)	33.1%
Less: SPSA Hauling Fee	(2,150,000)	(275,765)	(1,112,844)	51.8%	(2,150,000)	(231,940)	(951,921)	44.3%
Less: Loading Fee	(525,000)	(30,672)	(129,464)	24.7%	(525,000)	(40,759)	(184,035)	35.1%
Less: Liquidated Damages Late Trailer	-	-	-	N/A	-	-	(5,000)	N/A
Less: Proprietary Waste Revenue	(120,000)	(6,485)	(23,842)	19.9%	(120,000)	(5,845)	(24,783)	20.7%
Less: Fuel Surcharge	(300,000)	(62,235)	(236,196)	78.7%	(300,000)	(47,276)	(196,909)	65.6%
Less: Overtime Per Addendum 4	(45,000)	(4,108)	(16,433)	36.5%	(45,000)	(4,023)	(16,093)	35.8%
Less: Diverted Waste Disposed by SPSA	-	-	-	N/A	-	-	(1,106,474)	N/A
Less: Credit for Property Taxes	-	-	-	N/A	-	-	-	N/A
Net Fee to Wheelabrator	\$ 17,110,000	\$ 1,301,993	\$ 5,217,918	30.5%	\$ 16,110,000	\$ 1,273,278	\$ 3,933,095	24.4%
Virginia Beach Environmental Trust Fund	10,000	-	-	0.0%	10,000	-	-	0.0%
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	-	0.0%
Landfill Closure Fund	-	-	-	N/A	2,000,000	-	-	0.0%
Transfer to Operating Reserve	-	-	-	N/A	-	-	-	N/A
D Reserve for Tip Fee Stabilization	3,325,752	-	-	0.0%	-	-	-	N/A
Contingency	1,500,000	-	-	0.0%	2,167,164	-	-	0.0%
Total Other Uses	\$ 24,198,457	\$ 1,489,301	\$ 5,912,206	24.4%	\$ 22,595,000	\$ 1,434,885	\$ 4,684,237	20.7%
GRAND TOTAL EXPENSES	\$ 45,117,606	\$ 3,376,615	\$ 12,035,199	26.7%	\$ 65,995,326	\$ 3,417,598	\$ 12,701,023	19.2%
EXCESS REVENUE OVER EXPENSES	\$ -	\$ 9,785	\$ 1,978,860		\$ -	\$ 758,304	\$ 4,169,050	

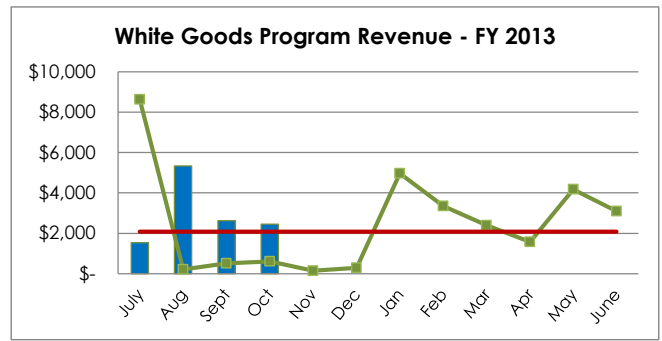
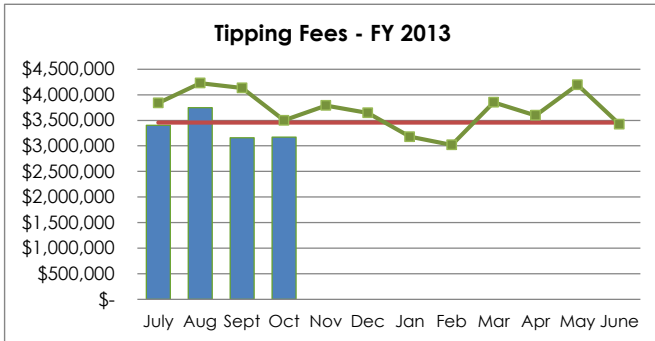
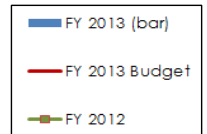
Footnotes:

- A Tipping Fees include fees paid by the City of Virginia Beach at its capped rate of \$65.35 per ton.
- B Monthly Expense shown for the months of August, September and October 2012 O&M - Virginia Beach Landfill is an estimate.
- C The capital budget has been increased by \$464,889 to reflect the purchases orders that were rolled from FY 2012.
- D The O&M for the Va. Beach Landfill has been increased by \$40,385 to coincide with the City's adopted budget. This amount has been deducted from the Reserve for Tip Fee Stabilization line item.

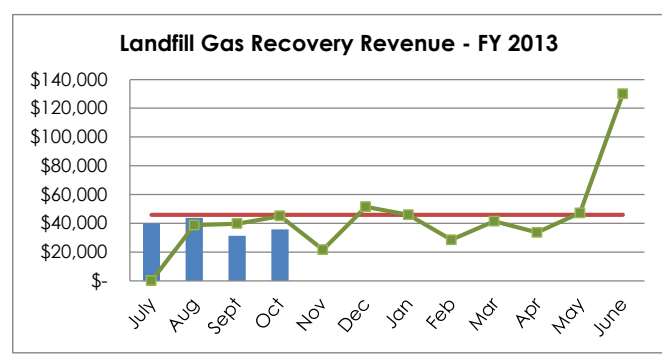
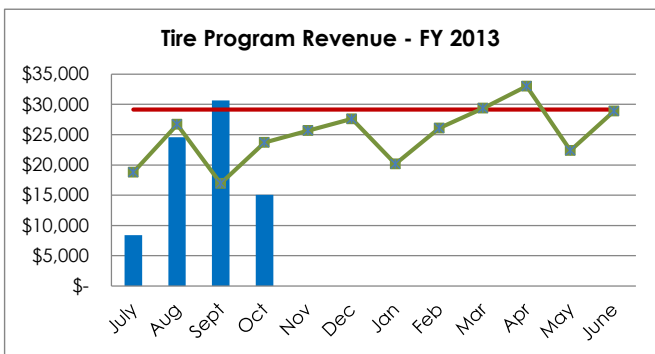
Southeastern Public Service Authority
Monthly Expense Line Items

Description	FY 2013 Budget	Aug-12	Sep-12	Oct-12	FYTD	From Previous Month \$ Change	% Change	FYTD % of Budget
Expenses								
Salaries Exempt	2,041,245	\$ 156,367	\$ 153,207	\$ 152,892	\$ 580,596	\$ (315)	-0.2%	28.4%
Salaries Non-Exempt	4,314,473	327,490	332,619	329,934	1,238,186	(2,685)	-0.8%	28.7%
Overtime	435,306	18,044	20,614	10,276	68,898	(10,338)	-50.2%	15.8%
Holiday Worked	139,782	-	-	-	1,216	-	N/A	0.9%
Fica / Medicare Tax	530,207	36,982	37,133	35,489	137,772	(1,643)	-4.4%	26.0%
Vrs Retirement	306,123	25,152	25,293	25,243	101,130	(50)	-0.2%	33.0%
Health Insurance	1,047,571	82,117	82,480	84,700	414,912	2,221	2.7%	39.6%
Vrs Group Life Insurance	74,496	6,121	6,143	6,155	24,611	12	0.2%	33.0%
Unemployment Insurance	52,307	332	430	381	1,565	(49)	-11.3%	3.0%
Workers Compensation	311,835	20,662	20,662	40,168	102,154	19,506	94.4%	32.8%
Medical Fees	4,000	-	-	-	-	-	N/A	0.0%
Security Service	110,423	5,759	6,902	7,014	21,249	112	1.6%	19.2%
Professional Services	179,500	6,181	6,665	38,740	51,776	32,075	481.2%	28.8%
Engineering Services	200,000	10,766	30,547	13,176	54,489	(17,371)	-56.9%	27.2%
Landfill Survey	25,000	-	-	-	-	-	N/A	0.0%
Legal Fees	300,000	12,302	13,703	10,983	36,988	(2,721)	-19.9%	12.3%
Environmental Testing	52,400	573	11,087	6,916	19,532	(4,171)	-37.6%	37.3%
Fire Protection	6,000	2,244	-	437	2,680	437	N/A	44.7%
Uniform Rental	31,036	2,407	1,994	2,444	8,888	450	22.6%	28.6%
Maintenance Service Agreements	153,555	28,834	13,071	2,228	48,542	(10,843)	-83.0%	31.6%
Grounds Maintenance	125,405	11,035	10,465	17,063	38,563	6,598	63.1%	30.8%
Hazardous Waste Disp/Cleanup	73,000	-	-	-	-	-	N/A	0.0%
Equipment Maintenance	872,611	70,090	59,425	66,259	237,229	6,835	11.5%	27.2%
Building / Site Maintenance	440,242	31,032	42,146	22,391	107,049	(19,756)	-46.9%	24.3%
Leachate Pumping Station Maint	20,000	-	6,487	-	8,872	(6,487)	-100.0%	44.4%
Printing	675	-	-	-	-	-	N/A	0.0%
Advertising	15,000	585	484	-	1,642	(484)	-100.0%	10.9%
Trustee Expense	32,000	7,000	205	-	7,205	(205)	-100.0%	22.5%
Permit Fees	75,408	3,351	64,073	-	67,424	(64,073)	-100.0%	89.4%
Electricity	246,123	19,440	19,476	19,928	68,792	452	2.3%	28.0%
Heating/Gas/Propane	20,650	76	96	128	435	32	33.0%	2.1%
Water / Sewer	26,199	1,693	3,599	6,258	11,315	2,659	73.9%	43.2%
Leachate Treatment	70,000	(6,153)	6,153	23,197	23,197	17,044	277.0%	33.1%
Telephone	100,000	7,406	8,751	7,402	29,455	(1,349)	-15.4%	29.5%
Postage	7,800	144	62	859	1,065	797	1289.8%	13.6%
Radio Communication & Repair	13,500	3,330	-	106	4,034	106	N/A	29.9%
Insurance & Bonding	265,733	19,873	20,373	19,873	79,992	(500)	-2.5%	30.1%
Equipment Rental	25,790	4,308	1,745	2,910	9,752	1,165	66.8%	37.8%
Land Lease Payment	2,500	208	208	208	833	-	0.0%	33.3%
Tire De-Rimming Service	12,000	3,323	1,178	-	4,500	(1,178)	-100.0%	37.5%
Travel And Training	33,222	946	2,391	956	5,071	(1,435)	-60.0%	15.3%
Road Tolls	82,500	-	-	-	-	-	N/A	0.0%
Membership & Professional Dues	3,250	165	-	169	494	169	N/A	15.2%
Bank Fees	-	46	251	(170)	150	(422)	-167.8%	N/A
Awards Programs	1,800	200	-	200	850	200	N/A	47.2%
Ems Support Program	1,500	-	-	-	-	-	N/A	0.0%
Office Supplies	16,420	2,791	113	1,738	5,105	1,625	1442.0%	31.1%
Dues & Subscriptions	800	90	1,313	-	1,403	(1,313)	-100.0%	175.4%
Computer Software	2,000	-	-	-	-	-	N/A	0.0%
Other Operating Supplies	86,553	3,319	3,772	4,636	12,853	864	22.9%	14.9%
Vehicle / Equipment Fuel	1,460,795	77,698	104,780	111,636	388,044	6,856	6.5%	26.6%
Vehicle / Equipment Tires	709,300	49,987	19,443	95,260	221,767	75,817	389.9%	31.3%
Safety Apparel & Equipment	29,300	1,359	1,634	754	4,499	(880)	-53.9%	15.4%
Small Equipment	21,635	1,376	1,018	492	2,886	(525)	-51.6%	13.3%
Computer Hardware	5,000	-	27	-	27	(27)	-100.0%	0.5%
Total Operating Expenses	\$ 15,213,970	\$ 1,057,051	\$ 1,142,218	\$ 1,169,430	\$ 4,259,691	\$ 27,212	2.4%	28.0%
Capital Projects/Equip Replaceme	\$ 3,350,838	60,977	115,585	554,223	\$ 730,785	\$ 438,638	379.5%	21.8%
Debt Service - Transfers to Truste	2,339,341	322,952	322,952	163,660	1,132,518	(159,292)	-49.3%	48.4%
Letter of Credit Fees - DEQ	15,000	-	-	-	-	-	N/A	0.0%
O&M - VB Landfill	2,207,320	187,309	187,309	187,309	694,288	-	0.0%	31.5%
Service Fee to Wheelabrator	17,110,000	1,266,334	1,350,339	1,301,993	5,217,918	(48,346)	-3.6%	30.5%
Va.Beach Environmental Trust Fund	10,000	-	-	-	-	-	N/A	0.0%
Suffolk Environmental Trust Fund	5,000	-	-	-	-	-	N/A	0.0%
Reserve for Tip Fee Stabilization	3,366,137	-	-	-	-	-	N/A	0.0%
Contingency	1,500,000	-	-	-	-	-	N/A	0.0%
Total Expenses	\$ 45,117,606	\$ 2,894,622	\$ 3,118,403	\$ 3,376,615	\$ 12,035,199	\$ 258,212	8.3%	26.7%

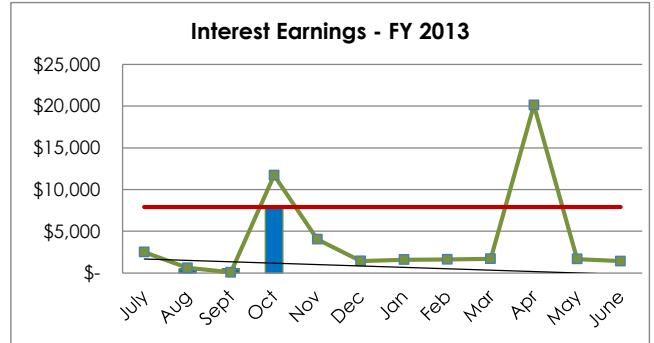
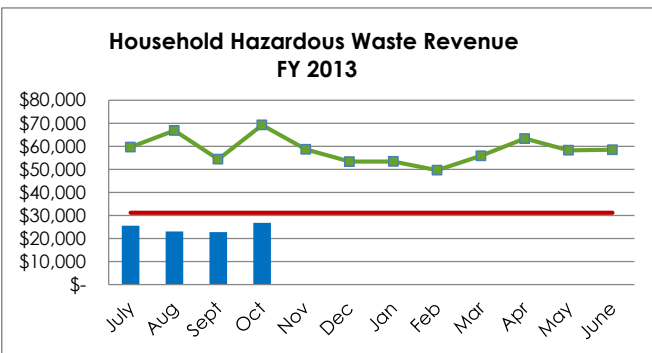
**Southeastern Public Service Authority
Monthly Comparison of Revenues and Expenses**



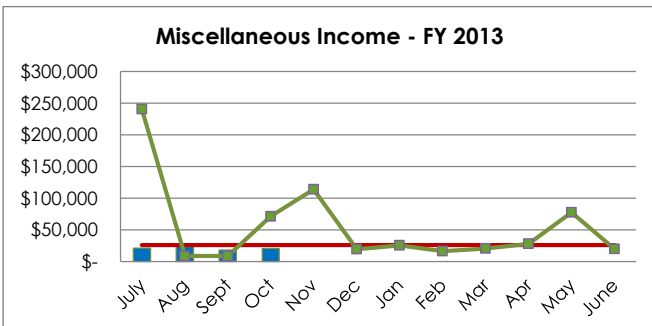
* Monthly revenue is dependent on users.



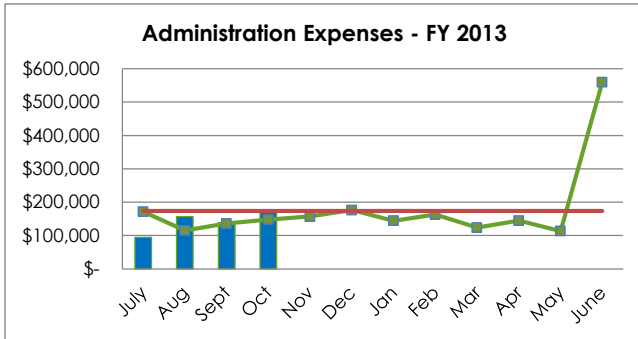
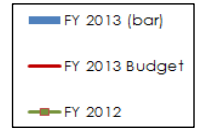
* Monthly revenue is dependent on users.



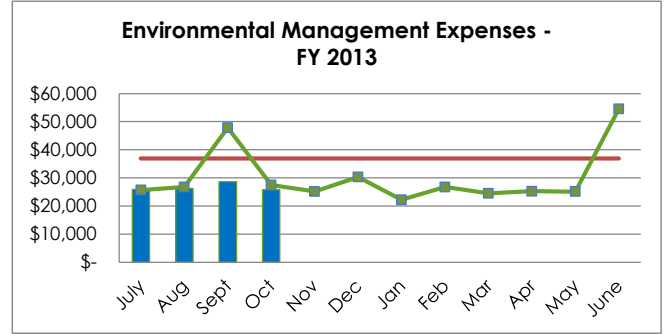
* Monthly revenue is dependent on users.



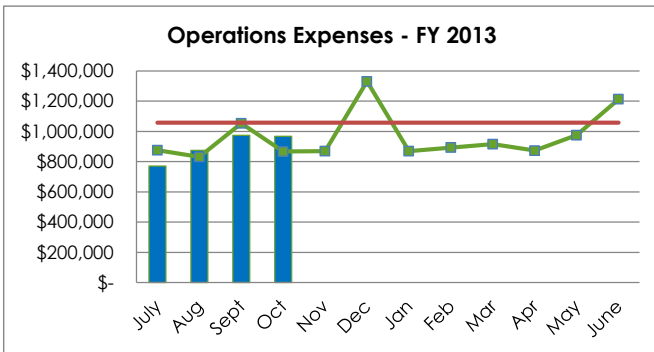
* Miscellaneous Income includes the sale of surplus equipment of approximately \$218,000 in July 2011



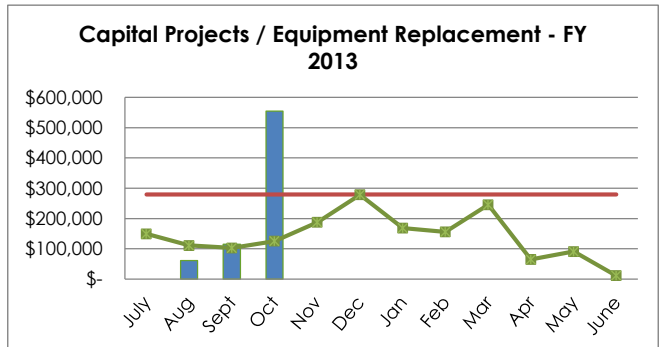
* FY 12 Increase in June represents 3 pay periods in the month vs. 2 and a \$358,632 payment for worker's comp. retrospective premium adjustments



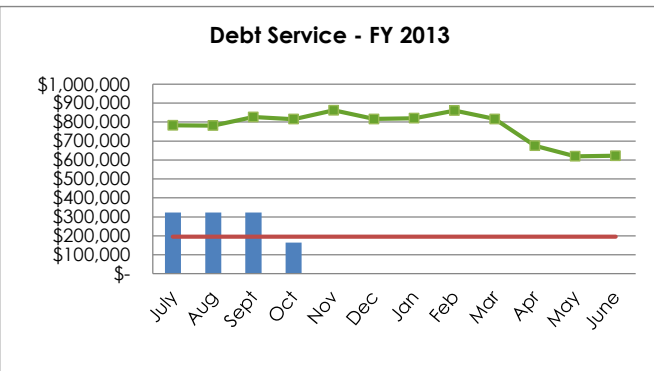
* FY 12 Increase in June represents 3 pay periods versus 2 and costs associated with household hazardous waste.



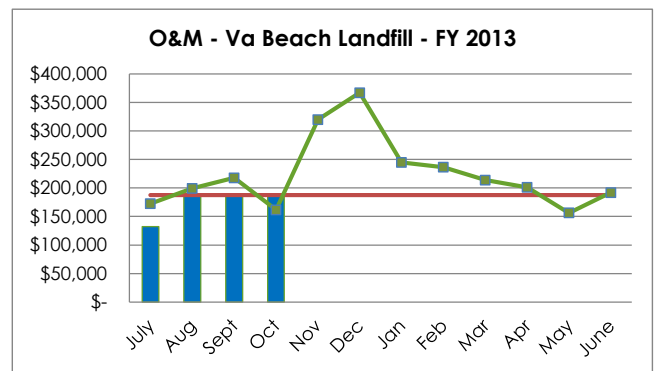
* FY 12 Increase in December and June was the result of 3 pay periods occurring in each month



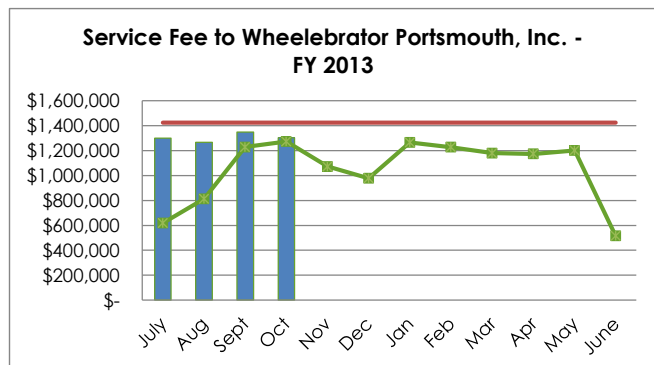
* Capital projects rarely follow a straight lined budget.



* FY 12 Line excludes \$16.6 million in additional debt paid off.



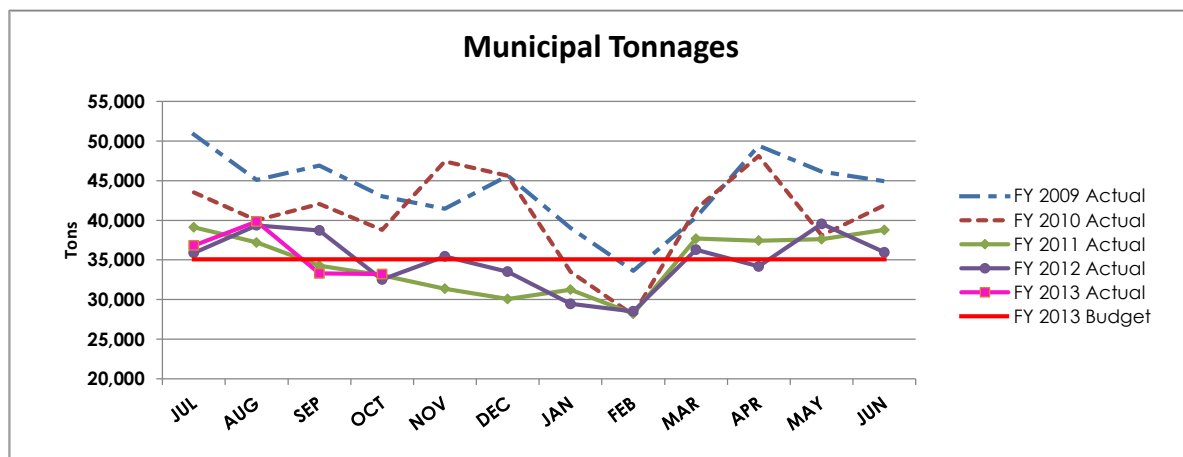
* O&M Expense for the month of July is an estimate



Southeastern Public Service Authority (SPSA) Waste Stream

Waste Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2013	
	Actual (Tons)	Actual (Tons)	Actual (Tons)	Budget (Tons)	Actual (Tons) as of 10/31/12	% of Budget
Waste Stream Budgeted under Tipping Fees						
Municipal Waste						
Chesapeake	99,969	92,935	93,978	95,723	31,986	33.4%
Franklin	4,596	3,840	3,795	3,955	939	23.7%
Isle of Wight	18,676	17,395	17,464	17,917	5,973	33.3%
Norfolk	77,874	71,141	67,662	73,275	21,811	29.8%
Portsmouth	44,057	39,729	40,005	40,921	15,047	36.8%
Southampton	9,263	7,957	8,187	8,196	2,680	32.7%
Suffolk	46,607	42,703	42,571	43,984	15,402	35.0%
Virginia Beach	180,135	133,066	137,624	137,058	46,430	33.9%
Residential (Free of Charge)	7,299	7,317	8,074	-	2,887	N/A
Total Municipal Waste	488,476	416,083	419,360	421,029	143,155	34.0%
Sludge - Norfolk	6,017	5,990	6,577	6,000	2,262	37.7%
Non-Contract Commercial Waste	42,572	-	-	-	-	N/A
Other Waste	65,164	-	-	-	-	N/A
Yard Waste & Wood Waste (discontinued 1/2009)	-	-	-	-	-	N/A
Navy Waste	28,790	27,940	27,774	30,000	8,895	29.7%
Construction & Demolition Debris	30,951	29,005	14,797	18,000	3,714	20.6%
Out-of-Area Contract Processible	2,862	-	-	-	-	N/A
Total Waste Stream Budgeted as Tipping Fees	664,832	479,018	468,508	475,029	158,026	33.3%
Contract Commercial Tipping Fees	268,074	-	-	-	-	N/A
Total Waste Stream	932,906	479,018	468,508	475,029	158,026	33.3%

Note: Municipal waste totals above include yard waste and CDD received from Suffolk contractors at regional landfill



Southeastern Public Service Authority (SPSA)
Regional Landfill Waste Stream

Types of Waste (tons)	FY 2013							
	FY 2010	FY 2011	FY 2012	July	Aug	Sept	Oct	FYTD
Construction Demolition Debris	26,596	29,005	14,798	768	867	886	1,193	3,714
Sludge	6,017	5,990	6,577	547	690	544	481	2,262
Industrial Waste	4,226	2,843	1,427	58	92	115	69	334
Fines C&D	42,114	-	-	-	-	-	-	-
Soils	8,751	38,327	16,845	523	620	266	410	1,819
Brick & Block	1,859	-	-	-	-	-	-	-
Clean Fill	11,505	7,733	14,741	2,234	2,726	1,846	934	7,740
Municipal Solid Waste ¹	7,667	5,968	8,778	1,580	1,077	880	728	4,265
Navy Waste ²	1,518	781	875	21	17	2	11	51
Contract Processible Waste	2,281	-	-	-	-	-	-	-
Non-Processible Commercial Waste ²	1,434	586	628	56	42	37	37	172
Fluff from BiMetals	1,444	1,896	3,029	227	292	327	362	1,208
Shredded Tires	4,040	3,321	2,792	183	143	331	238	895
Ash	75,821	-	162,663	16,334	16,346	15,025	14,614	62,319
Non Processible Waste (from Tsf Stations)	238,647	-	-	-	-	-	-	-
Diverted Processible Waste (from Tsf Stations)	61,786	8,152	22,478	-	-	-	-	-
Total	495,705	104,603	255,631	22,531	22,912	20,259	19,077	84,779

¹ Represents CDD from Suffolk Contractors

² Boats, Flour, Frozen Foods, Other items too large for Suffolk Transfer Station

SOUTHEASTERN PUBLIC SERVICE AUTHORITY
FY 2013 SCHEDULE OF CAPITAL PROJECTS
As of October 31, 2012

Project Name	Project Budget	Transfers/ Adjustments	Revised Budget	FY 2013 Expenses	FY 2013 Encumbered	Remaining Budget
Regional Landfill						
Site Improvements (carryover)	\$ -	\$ 343,141	\$ 343,141	\$ -	\$ -	\$ 343,141
Pick Up Truck, 1/2T, 4WD	24,000		24,000	21,683	-	2,317
Pick Up Truck, 3/4T, 4WD, Extended Cab	24,000		24,000	21,683	-	2,317
Fleet Maintenance						
Power Sweeper (LDF Shop)	42,000		42,000		-	42,000
Transportation						
MSW Trailers (25)	450,000		450,000		-	450,000
Chesapeake Transfer Station						
Replace Tunnel Floor, Entrance, Exit	120,000		120,000		-	120,000
Tipping Floor Drainage System	190,000		190,000		-	190,000
Asphalt Paving and Repair	300,000		300,000	2,506	33,519	263,975
Yard Dog	74,700		74,700		-	74,700
Re-Skin Main Bldg and Scalehouse	85,000		85,000		-	85,000
Household Hazardous Waste Program						
Pick Up Truck, 1/2T, 4WD, Extended Cab	36,000		36,000	24,674	-	11,326
Isle of Wight Transfer Station						
Yard Dog	74,700		74,700			74,700
Tunnel Structure Repairs	-	15,325	15,325	15,325	-	-
Landstown Transfer Station						
Wheeled Excavator 39,000 lb.	280,000		280,000		255,100	24,900
Hopper Repair Holes 1,2,3	65,000	(5,516)	59,484	31,500		27,984
Capping of Crane Walls	17,250		17,250	10,200	-	7,050
Norfolk Transfer Station						
NTS Replace Steel Tip Floor (carryover)		121,748	121,748	108,754	2,970	10,024
Pressure Washing / Painting Exterior	100,000		100,000			100,000
Pressure Washing / Painting Interior	75,000		75,000			75,000
Wheeled Loader 55,000 lb.	470,000		470,000	413,000	-	57,000
Power Sweeper	42,000		42,000	28,261	200	13,539
Tunnel Reinforcement / Concrete Pad	34,500		34,500			34,500
Asphalt Resurfacing All Roadways	149,500		149,500			149,500
Replace Flooring in Office Building	18,400		18,400	18,394	-	6
Oceana Transfer Station						
Yard Dog	74,700		74,700			74,700
Expanding Gate Exit	82,118		82,118			82,118
Sidewalk Replacement	15,059	(9,809)	5,250	5,190	-	60
Asphalt Employee Parking Lot	9,707		9,707			9,707
Outbound Ramp Off Tipping Floor	26,450		26,450	23,965	-	2,485
Outbuilding for Equipment	5,865		5,865	5,650	-	215
Total Capital Projects	\$ 2,885,949	\$ 464,889	\$ 3,350,838	\$ 730,785	\$ 291,789	\$ 2,328,264

FY 2013 Capital Budget \$ 2,885,949
FY 2012 Carryover 464,889
\$ 3,350,838

**Southeastern Public Service Authority
Treasurer's Report of Cash Balances
For the Month Ending October 30, 2012**

Fund Type	Beginning Balance	Deposits / Transfers In	Interest Earnings	Debt Service	Payables / Transfers Out	Payroll	Ending Balance
<u>Unrestricted and Designated Funds (see footnote below):</u>							
Wells Fargo Operating	\$ 11,534,676.96	\$ 19,547,156.42		\$ 163,660.47	\$ 23,584,635.45	\$ 471,219.55	\$ 6,862,317.91
Operating Reserve	10,000,000.00				10,000,000.00		-
LGIP Investment	11,400.12	16,250,926.78	\$ 795.42				16,263,122.32
CDARS	-		39.62		15.00		24.62
6 Month, .32%, 5/1/13	-	2,250,000.00					2,250,000.00
12 Month, .35%, 11/1/13	-	5,000,000.00					5,000,000.00
	-	-	-	-	-	-	-
Total Unrestricted and Designated Funds	\$ 21,546,077.08	\$ 43,048,083.20	\$ 835.04	\$ 163,660.47	\$ 33,584,650.45	\$ 471,219.55	\$ 30,375,464.85
<u>Trust Funds:</u>							
Landfill Closure Fund	\$ 7,448,100.74				7,448,100.74		\$ -
Environmental / Va. Beach Landfill	418,102.98		63.36				418,166.34
Environmental / Regional Landfill	396,208.36	-	32.13	-	-	-	396,240.49
Total Trust Funds	\$ 8,262,412.08	\$ -	\$ 95.49	\$ -	\$ 7,448,100.74	\$ -	\$ 814,406.83
<u>Debt Service Funds:</u>							
1998	\$ 24.22	\$ -	\$ -				\$ 24.22
Series 9	214,146.72	35,652.92	5.95		8,917.50		240,888.09
Series 14	410,286.72	-	-	410,200.00	86.72		-
Series 16	1,451,128.48	-	-	1,451,082.50	45.98		-
Series 17	148,519.91	12,920.84	0.29	148,229.50			13,211.54
2009 A	691,835.61	115,219.43	21.17	691,778.78	-	-	115,297.43
Total Debt Service Funds	\$ 2,915,941.66	\$ 163,793.19	\$ 27.41	\$ 2,701,290.78	\$ 9,050.20	\$ -	\$ 369,421.28
GRAND TOTAL	\$ 32,724,430.82	\$ 43,211,876.39	\$ 957.94	\$ 2,864,951.25	\$ 41,041,801.39	\$ 471,219.55	\$ 31,559,292.96

Unrestricted Funds Designated as follows:

Operating Account	\$ 6,375,464.85
Operating Reserve	10,000,000.00
Landfill Closure	14,000,000.00
Total Designated Funds	\$ 30,375,464.85

- (2) Contracts
 - (a) HDR Engineering Renewal

RECOMMENDED ACTION: Extend the contract with HDR Engineering for period January 1, 2013 through December 31, 2013. This is to exercise the first of four option years in accordance with the Request for Proposal.

MOTION: I move that the HDR Engineering contract be renewed for the period from January 1, 2013 through December 31, 2013 as presented.

memo

To: Rowland Taylor
From: Steve Coomer
Date: November 15, 2012
Re: Contract Renewal 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.

BID:	RFP 0013-12	PROJECT:	Professional Engineering Services		
INITIATED:	S Coomer	PRE-PROPOSAL CONFERENCE:	8/11/11	OPENED:	8/25/11
Original Bid	Calendar Year 2012		Options	4 through Calendar Year 2016	
Projected Cost: Estimated \$125,000 – \$150,000					
Proceed with Contract Award		Signature _____ Date _____ Chairman Board of Directors			
Hold until further notice		Signature _____ Date _____ Chairman Board of Directors			

COMMENTS: Contract Renewal with HDR Engineering for period January 1, 2013 through December 31, 2013. This is to exercise the first of four options years in accordance with the Request For Proposal.

Projects may include the evaluation, programming and design of public facilities; professional services associated in evaluation repair and/or rehabilitation of structural, electrical and mechanical systems; professional services associated with landfills and landfill gas; facilities; professional services associated with emergencies and natural disasters, environmental and regulatory compliance, regulatory issues; and, site plan, engineering, surveying, environmental, geotechnical, construction management and inspection services associated with capital improvement projects.

D. 2013 BOARD MEETING DATES Chairman Leafe

A schedule of proposed 2013 Board meeting dates is attached for your review and approval.

RECOMMENDED ACTION: Approve the 2013 Board Meeting dates as presented.

MOTION: I move that 2013 Board Meeting dates be approved as presented.

BOARD MEETING DATES - 2013

Wednesday, January 23, 2013

Wednesday, February 27, 2013

Wednesday, March 27, 2013

Wednesday, April 24, 2013

Wednesday, May 22, 2013

Wednesday, June 26, 2013

Wednesday, July 24, 2013

Wednesday, August 28, 2013

Wednesday, September 25, 2013

Wednesday, October 23, 2013

* Wednesday, December 4, 2013

All meetings will commence at 9:30 a.m.

* in place of regular November meeting date due to
Thanksgiving Holidays

2013

January

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

4. CLOSED SESSION

[Closed Session per a) Virginia Code Section 2.2-3711(A)(7), and/or (b) Virginia Code Section 2.2-3711(A)(29).]

I move that a closed session be held for discussions regarding the Service Agreement with Wheelabrator Technologies, Inc., including a proposed resolution of the real estate tax dispute between the parties thereunder, in accordance with (a) Virginia Code Section 2.2-3711(A)(7) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, and/or (b) Virginia Code Section 2.2-3711(A)(29) for the purpose of considering modifications to the terms of existing contracts where competition and bargaining are involved and where discussion in open session would adversely affect the bargaining position and negotiating strategy of the public body.

5. ACTIONS ARISING FROM CLOSED SESSION

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.

6. MISCELLANEOUS

- Executive Committee Meeting Minutes – 9/21/12

**MINUTES OF THE
EXECUTIVE COMMITTEE
SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**

September 21, 2012

A meeting of the Executive Committee was held at 9:30 a.m. in the second floor conference room of the SPSA Regional Building in Chesapeake, Virginia, and was called to order by Chairman Joseph Leafe. The other Committee Members present at this meeting was Mr. Everett Williams, Mr. Tim Oksman and Mr. Woody Woodall. Also in attendance by invitation were Executive Director Bucky Taylor, Deputy Executive Director Liesl DeVary (also Treasurer to the Board), General Counsel Trey Huelsberg, and Secretary to the Board Blanche Christian.

1. EXECUTIVE COMMITTEE MINUTES – 7/20/12

The minutes of the May 18th meeting were approved unanimously.

2. VIRGINIA BEACH UPDATE

Mr. Huelsberg commented that he will be meeting with Mark Styles on October 3rd to continue with negotiations. Virginia Beach has agreed that the original 80 acre estimate that their engineers came up with was incorrect and has agreed that it should be 70 acres. Trey stated that he will update the Board with any progress that is made in resolving this issue.

3. WHEELABRATOR TAX APPEAL TO THE PORTSMOUTH COMMISSIONER OF THE REVENUE

Mr. Huelsberg commented that we received a notice that Wheelabrator appealed to the Portsmouth Commissioner of Revenue how the real property tax assessment categories were made up. Wheelabrator feels that some of the property that was classified personal property should have been listed under real property. This appeal could affect the \$697,000 credit that we received based upon our contract. SPSA will have to wait and see what decision is made in regards to the appeal process.

4. POST 2018 CAO TECHNICAL COMMITTEE MEETING

Mr. Taylor indicated that the CAO technical committee met on September 10th and will be meeting again on Monday, September 24th. At the meeting they came up with 11 deal points that need to be agreed upon before going any further. Some of the deal points are the organizational structure, the host fee, conditional use permits for 8 & 9, ownership/operating of transfer stations, how will the assets be disposed of, and the possibility of an early withdrawal condition. The hope is to have these figured out by Monday's meeting so that the committee can make the recommendations to the CAO's on October 18th.

5. AUDIT PROGRESS

Ms. DeVary indicated that the on-site field work by the auditors has been completed. They had no problem and said this was the best audits they have been on. The field notes will be received next week and the audit report will be presented at the November board meeting.

Mr. Leafé also noted that Page Johnson will be the chairman of the audit committee.

6. TRANSFER STATION FIELD SPECIALISTS

Mr. Taylor commented that we looked at 4 different temp agencies. As to part-time workers, any employee who works over 35 hours a week is considered full time by SPSA's personnel policies. The rates that we received from the Temp Agencies (non-negotiated) were higher than our rates with the 35% benefits included. Mr. Taylor indicated that we will present these as full time positions to the Board again. He also noted that we plan on following the suggestion that when SWA positions become available we will seek to use temp or part-time employees.

7. ADJOURNMENT

There being no further business to come before this Executive Committee, the meeting was adjourned at 10:51 a.m.

OLD/NEW BUSINESS

ADJOURN MEETING

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