

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

November 12, 2008

At the regular meeting of the Southeastern Public Service Authority of Virginia beginning at 8:30 a.m., in the Regional Board Room, Chesapeake, Virginia, there were:

ROLL CALL

Members:

Don Williams, Chair	(NO)
Bryan L. Collins	(CH)
Barry Cheatham	(FR)
James B. Brown, Jr. *	(IW)
Leroy Bennett <i>absent</i>	(SU)
Ray A. Smith, Sr. (Vice Chair) <i>absent</i>	(PO)
Dallas O. Jones	(SH)
Michael J. Barrett	(VB)

Alternates:

William E. Harrell	(CH)
June Fleming	(FR)
W. Douglas Caskey *	(IW)
Stanley A. Stein	(NO)
Kenneth L. Chandler	(PO)
Mike Johnson	(SH)
Selena Cuffee-Glenn <i>absent</i>	(SU)
Bill DeSteph <i>absent</i>	(VB)

Others present at the meeting included SPSA executives Mr. Rowland (Bucky) Taylor, Executive Director, Mr. Louie Jordan, Deputy Executive Director for Operations, Mr. Walt Hunter, Deputy Executive Director for Administration and Treasurer to the Board, and Mrs. Lou Ann Ivory, Executive Assistant and Secretary to the Board.

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

* Indicates Late Arrival (but prior to any voting)

** Indicates Early Departure

The meeting began with the invocation by Mr. Johnson (SH), the Pledge of Allegiance by all attendees, and was followed by Roll Call. A quorum was present.

PUBLIC COMMENT PERIOD

Mr. Williams opened the public comment period and said we had one person signed up to speak, Mr. Joel Rubin, who he then called to the podium.

“Thank you, Mr. Chairman. Thank you very much for this opportunity to speak once again on behalf of the members of the Virginia Waste Industry's Association. Like you, the VWIA is vitally interested in the future of waste delivery and disposal in Hampton Roads. Our members are some of your largest customers, and the trash we collect from stores, office buildings, apartment complexes, government centers, restaurants, and hotels have been able to fund the budget and provide steam and electricity to the Navy. We have been critical of many of the decisions made by the Board and management over the years, many of which have been ratified by the public comment. However, it gives us no great satisfaction to see SPSA in the news media. In recent months, the Board and staff have taken steps to reign in some costs and bring revenues in line with expenditures. There is still much work to do. However, the DWIA members have the knowledge and experience to help SPSA and its member communities to determine the best way to move forward. To that end, we have sent a letter to the city and county managers offering to meet with them and their staffs and elected officials to help them make intelligent decisions about the future of solid waste management in Southside Hampton Roads. We have already had a session with the public works leadership in one city, and we'll be glad to make our members available to others. You're probably aware that we provided input upon request to the public auditor staff and to the preparing the report for CAO. We are quite certain that study will call for continuation of a regional approach, but it does not have to look like the current one. The Virginia Waste Industry's Association urges you as a group and as representatives of your individual localities to establish a formal process that enables to private sector and your leadership to participate jointly in future decision making, that will decide what is best for all of our citizens, and I have copy not only of what I said, but also the letter that we sent out to all the city managers, and we're here to help you.”

Mr. Williams thanked Mr. Rubin, and said copies of what Mr. Rubin said were available from the secretary for anyone who wants them.

SPECIAL PRESENTATIONS:

ITEM NO. 1: EMPLOYEE RETIREMENT CERTIFICATE-WILLIAM NEWBY

Mr. Williams stated that we were honoring one employee today who retired effective October 31, 2008 and called Mr. William Newby forward. He then asked Mrs. Ivory to read the Certificate of Appreciation aloud. It is printed herein for the record.

*Southeastern Public Service Authority of Virginia
Chesapeake, Franklin, Isle of Wight, Norfolk, Portsmouth,
Southampton, Suffolk, and Virginia Beach*

Certificate of Appreciation

This Certificate of Appreciation is presented upon the retirement of

William Newby

*as a token of esteem for his devoted service to SPSA
from June 22, 1992 through October 31, 2008.*

*The SPSA Board of Directors and Executive Staff wish to convey their respect
and gratitude, along with an expression of highest commendation for his
commitment to SPSA, its employees and customers, as well as his
support of its nationally recognized comprehensive solid waste management program.*

*In recognition, the Board of Directors wishes to publicly thank and congratulate
William Newby and orders a copy of this Certificate of Appreciation
officially spread upon the minutes of this meeting.*

Presented this 12th day of November, 2008

Donald L. Williams
Chair

Rowland L. Taylor
Executive Director

ACTION AGENDA:

ITEM NO. 2: CAPITAL BUDGET TRANSFERS

Mr. Taylor said this item is being placed on the agenda at this time as a result of the Auditor of Public Accounts report and the fact that it indicated that in the past there had been some discrepancies as to whether or not the actual transfers in the capital budget had been approved by the Board (or presented to the Board and approved by the Board). Mr. Taylor noted that one of the things SPSA executive staff did when we first looked at the report was see if we could go ahead and make these modification right now. Therefore, we would like to bring the capital budget transfers to the Board at this particular time, and at any other time in the future. What we would like to do, of course, is to be able to bring them to the Board in advance of having to do anything but we realize that there will be times when emergencies may arise, and at that point in a month it might be necessary to go ahead and make those transfers so the projects can continue. We will be looking at making some policies to be able to bring those back to you for your consideration

The first budget transfer we have listed is a transfer for the closure of Cells I- IV. Because of declining revenues from tonnages, funds were not able to be put in the budget last year that were sufficient enough to cover the costs for the particular closure of Cells I-IV. So what this means is we came into this budget year with a deadline with the Department of Environmental Quality, and under a Letter of Understanding, that we have to close Cells I-IV by March 9th, 2009, which is only a very few months away. Not having the revenues in there, we ended up going ahead with the \$2.9 million project. You have attached to that sheet another sheet that is all in color. It shows certain items that have been either projects that were done that were completed and there were funds left over in those particular projects that then were put back into a fund so they could be transferred at the board's direction, and some projects that are having to be deferred to be able to come up with the almost \$3 million that's necessary for the closure. So with that particular item, we need your approval for transfer of those funds.

Mr. Barrett (VB) made a motion to approve the budget transfers as they are. The motion was seconded by Mr. Jones (SH). Mr. Collins (CH) asked if this is actually a requirement that we must do and Mr. Taylor responded, "Yes sir." Mr. Collins further asked if we are moving monies from already approved projects that we're going to have to come back to address later and Mr. Taylor again responded, "Yes sir." All present voting yes; opposed none; motion carried.

ITEM NO. 3: AUDITOR OF PUBLIC ACCOUNTS

Mr. Taylor stated that Item #3 in your agenda is an item regarding the Auditor of Public Accounts report, which has been prepared and copies have been provided for you. What we have is a letter from the Chairman. The letter sets out that the chairman is recommending establishing a committee to consist of the Executive Committee along with the executive staff of SPSA, so that we can begin to look at the report, review the report, and make recommendations back to this full Board at some time we would hope

before August 31 of 2009. We would think that it would be sooner, but we wanted to at least give ourselves an opportunity to be able to be complete and thorough in the review. Mr. Collins (CH) made a motion to approve the Auditor's report. The motion was seconded by Mr. Brown (IW). All present voting yes; opposed none; motion carried.

ITEM NO. 4: TREASURER'S REPORT – SEPTEMBER 2008

Mr. Williams then called Mr. Walt Hunter to the podium. Mr. Hunter said there were several key things to talk about this month. First, on line 10, tipping fees. We're once again falling behind in tipping fee revenue, primarily due to reduced C & D tonnages as well as non-contract commercial waste tonnage. Our municipal tonnages are just about on budget, but a couple other categories are below budget, so revenue is lagging somewhat. Operating expenses are about 3% under budget year-to-date, so things are going well with controlling that. Mr. Hunter said the rest of the items are all about as expected and offered to answer any question. Mr. Barrett (VB) made a motion to accept the Treasurer's Report which was seconded by Mr. Brown (IW). All present voting yes; opposed none; motion carried.

CLOSED MEETING

ITEM NO. 5: REQUEST FOR CLOSED MEETING

A request is made to approve the Closed Session request as published in the agenda note under Item #5 for the following purposes:

(1) In connection with SPSA's contracts with private haulers, member localities' adoption and enforcement of flow control, the defense of litigation related to flow control and various contracts impacted by such action, pursuant to: (a) Virginia Code Section 2.2-3711(A)(7) for the purpose of consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel and pertaining to probable litigation where such consultation or briefing in an open meeting would adversely affect the negotiating or litigating posture of the Authority; and (b) Virginia Code Section 2.2-3711(A)(29) for the purpose of discussing the negotiation and award of contracts where competition and bargaining are involved and where discussion in open session would adversely affect the bargaining position and negotiating strategy of the Authority; and

(2) In connection with a possible sale of the waste to energy system (a) pursuant to Virginia Code Section 2.2-3711(A)(3) for the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, and (b) pursuant to Virginia Code Sections 2.2-3711(A)(7) and 2.2-3711(A)(29) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel and possible negotiation of revisions to the terms of existing contracts and/or negotiation and award of new contracts where competition and bargaining are involved and where

discussion in open session would adversely affect the bargaining position and negotiating strategy of the Authority.

(3) *In connection with personnel and employment matters pursuant to Virginia Code Sections 2.2-3711(A)(1) and 2.2-3711(A)(7) that involve (a) the assignment, appointment, promotion, performance, demotion, salaries disciplining, and/or resignation of specific employees and (b) consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.*

Mr. Collins (CH) made a motion to approve the Closed Session request as published in the agenda packet and noted as follows and it was seconded by Mr. Cheatham (FR).

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

The Board of the Southeastern Public Service Authority of Virginia hereby certifies that, to the best of each member's knowledge: (a) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification applies; and (b) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.

A motion to approve the certification of the Closed Meeting as read and resume the Open Meeting was made by Mr. Collins (CH) and seconded by Mr. Jones (SH). All present voting yes; opposed none; motion carried.

CONSENT AGENDA

ITEM NO. 6: MINUTES OF THE REGULAR BOARD MEETINGS OF SEPTEMBER 24, 2008

The minutes of the September 24, 2008 meeting were presented for approval. There were no questions on the minutes. Mr. Barrett (VB) made a motion to approve the minutes which was seconded by Mr. Collins (CH). All present voting yes; opposed none; motion carried.

INFORMATIONAL ITEMS

ITEM NO. 7: MINUTES OF EXECUTIVE COMMITTEE MEETING OF SEPTEMBER 16, 2008

The minutes from the regular Executive Committee meeting of September 16, 2008 were presented as an informational item. There were no questions on the minutes.

**ITEM NO. 8: MINUTES OF BUSINESS ADVISORY COUNCIL MEETING OF
SEPTEMBER 18, 2008**

ITEM NO. 9: STAFF REPORT ON BUDGET VARIANCE

The budget variance report was provided and there were no questions on this item.

ITEM NO. 10: PERFORMANCE INDICATORS

The performance indicator graphs were included in the agenda packet and there were no questions on this item.

ITEM NO. 11: PUBLIC INFORMATION ACTIVITIES

An overview of public information activities was included in the agenda packet.
(Copies of specific articles can be obtained upon request.)

ACTION AGENDA

ITEM NO. 12: ACTIONS ARISING FROM CLOSED MEETING

There were no items resulting from the closed session.

OLD/NEW BUSINESS

There were no Old or New Business items. The following upcoming dates were noted:
November 19, 2008 - HRPDC study presentation at 1:00 p.m.
December 18, 2008 – Special SPSA Board meeting and retreat beginning at 7:30 a.m.

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 Director