

**RESOLUTIONS APPROVING EARLY RETIREMENT  
INCENTIVE PROGRAM AND AUTHORIZING  
IMPLEMENTATION BY EXECUTIVE DIRECTOR**

**WHEREAS**, the Board of the Southeastern Public Service Authority of Virginia ("SPSA") at its December 19, 2006 meeting directed that the Executive Director take action to reduce SPSA's budget for Fiscal Year 2007-08 by twenty percent as compared to the Fiscal Year 2006-2007 operating budget; and

**WHEREAS**, the Executive Director, with the assistance of Staff and advice from members of the Board, has included in his proposal to meet the goal of twenty percent reduction a component aimed at reducing personnel expenses that includes an early retirement program; and

**WHEREAS**, the Executive Committee of the Board at a March 13, 2007 meeting considered certain alternatives for an early retirement program that were presented by the Executive Director and SPSA Staff, and the Committee directed Staff to finalize the terms of the early retirement program for consideration by the Board; and

**WHEREAS**, Staff has finalized the program and has presented to the Board a summary of the proposed "Early Retirement Incentive Program" for consideration; and

**WHEREAS**, the Board deems it desirable and in the best interests of SPSA and the eligible SPSA employees to approve the proposed Early Retirement Incentive Program.

**NOW, THEREFORE, BE IT RESOLVED**, that:

1. The proposed Early Retirement Incentive Program is hereby approved in accordance with the summary presented to the Board at a Special Board meeting held on March 20, 2007 and in conformity with the following provisions:

(a) All SPSA employees who meet early or regular Virginia Retirement System retirement eligibility requirements as of January 1, 2007 will be eligible for the early retirement offer, except for the Executive Director and employees in Waste To Energy and Vehicle Maintenance Shop.

(b) The supplemental early retirement benefit will be based on five (5) additional years of service credit to be provided pursuant to a new tax-qualified SPSA retirement plan.

(c) SPSA will continue to pay its portion of health insurance premiums for six (6) months after the retirement of SPSA employees who accept the offer.

(d) The total cost of the supplemental early retirement benefits is not to exceed the total currently estimated costs, and the total cost for those SPSA employees who accept the offer is not to exceed the currently estimated total cost for that group by more than 10%.

(e) Eligible employees may elect for the supplemental early retirement benefit to be paid in the form of single life annuity payments, life annuity payments with spouse's survivor benefits, or a lump sum that may be rolled over on a tax deferred basis or taken in cash on a fully taxable basis (cost of lump sums not to exceed currently estimated costs of single life annuities).

(f) Employees who accept the offer must retire on July 1, 2007, unless the Executive Director determines that for business reasons retirement should be postponed until later in fiscal year 2007 – 2008.

(g) In order to receive the benefits, employees will be required to sign a release of all claims arising out of their employment with SPSA.

2. The Executive Director, with the assistance of Staff designated by him, is hereby authorized, empowered and directed to implement the Early Retirement Incentive Program with such provisions as the Executive Director may deem necessary or desirable and not inconsistent with these Resolutions.

Adopted this 28<sup>th</sup> day of March, 2007

Attest:

/s/ Leroy Bennett, Chairman  
Leroy Bennett, Chairman