

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

STRATEGIC OPERATING PLAN

MEMBER MUNICIPALITIES:

CITIES OF CHESAPEAKE, FRANKLIN, NORFOLK,
PORTSMOUTH, SUFFOLK AND VIRGINIA BEACH,
AND THE COUNTIES OF ISLE OF WIGHT AND
SOUTHAMPTON



SPSA
WASTE SOLUTIONS

Effective July 1, 2023

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STRATEGIC OPERATING PLAN

SOUTHEASTERN PUBLIC SERVICE AUTHORITY

1.0 INTRODUCTION

The Southeastern Public Service Authority of Virginia (“SPSA” or the “Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia. SPSA was created in 1976 under the Virginia Water and Waste Authorities Act for the purpose of operating a regional solid waste disposal system for its eight (8) members including the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the Counties of Isle of Wight and Southampton (the “Member Localities”).

This Strategic Operating Plan (“SOP”) describes and outlines SPSA’s operations and responsibilities as it pertains to the region’s solid waste disposal system. This SOP will be reviewed by the Board of Directors of SPSA on at least an annual basis and, in connection with such reviews, may be revised, amended and/or modified by the Board of Directors in accordance with the terms of Section 10.0 below. This SOP is attached to and incorporated by reference in the Use & Support Agreements effective January 25, 2018.

Our Mission:	To provide an efficient and responsible waste management system for our member communities.
Our Purpose:	Management of safe and environmentally sound disposal of regional waste.
Our Vision:	To be the gold standard leader in innovative waste management and landfill operations.
Our Values:	Community Stewardship, Convenience, Dependability, Environmental Stewardship, Fiscal Responsibility, Pride.
Core Business:	Create, manage and maintain an infrastructure for the disposal of regional waste, including through the operation and management of the regional landfill and all transfer stations and other delivery points, and provide for the transportation of waste.

Certain capitalized terms not otherwise defined in this SOP have the meanings set forth in Appendix A attached hereto.

2.0 GUIDING PRINCIPLES

SPSA is a service organization that provides waste disposal and associated services to its member communities – the Member Localities – and other users of its Disposal System. **SPSA's single most important priority is to satisfy the waste-disposal needs of the Member Localities, and accordingly SPSA's primary guiding principle is to endeavor, at all times, to provide the highest quality of services in meeting such member needs at the lowest reasonable cost.** Other principles, policies, and procedures that SPSA has adopted to fulfill its highest priority, as stated above, include among others the following:

- SPSA will envision, plan, construct and operate its Disposal System in a manner designed to ensure that Member Localities have viable, cost-effective Solid Waste disposal options for at least the next 20-plus years, consistent with the requirements of the Regional Solid Waste Management Plan for Southeastern Virginia and will periodically reevaluate/reassess (and as and when necessary and appropriate modify) its Disposal System to ensure that SPSA is utilizing technological advances, making environmentally sound choices, and adapting to the evolving waste-disposal needs of its Member Localities.
- SPSA will continually perform internal reviews, and adapt its policies and procedures as appropriate, in a manner designed to ensure it is utilizing best management practices in all facets of its operation of the Disposal System to ensure the highest level of service at the lowest reasonable cost. This includes administrative policy that supports recruiting and retaining the quality of staff that may best maintain operations to reliably provide services to the Member Localities. Personnel and staffing needs are evaluated constantly, and changes are and will continue to be made promptly as and when circumstances require.
- SPSA recognizes the differences in the waste-disposal needs of its Member Localities and strives to satisfy differing member needs in a cost-effective way. Said differently, SPSA realizes that a “one-size-fits-all” approach is insufficient given the divergent requirements of its members and, where possible in a cost-effective and efficient manner, identifies and implements procedures to address specific member needs. One example of such current measures utilized by SPSA is its flexibility with regard to its Delivery Points (transfer stations): its Member Localities typically utilize the Delivery Point(s) that are most convenient for their drivers, whether or not those stations fall within the geographic boundaries of the given member. Furthermore, SPSA will continually assess and adapt to changing member requirements through the implementation of new/additional procedures as appropriate.
- SPSA regularly considers using third-party vendors when it is likely to result in reduced operating costs or other efficiencies. SPSA issues requests for proposals (RFPs) where appropriate that, among other benefits, are designed to ensure the best “outsourced” services at the lowest costs. Going forward, SPSA will continue evaluating the use of third parties where it identifies potential reductions in costs and/or other efficiencies through such outsourced services.

- SPSA has not received any Public-Private Educational Facilities Infrastructure Act (“PPEA”) proposals since the Suffolk Energy Partners proposal regarding the purchase/sale of landfill. However, SPSA’s own PPEA Guidelines ensure compliance with the latest regulatory guidance, and the Board of Directors and Executive Staff will continue to accept and consider PPEA proposals as and when they are received.
- Consistent with other regulatory requirements, SPSA engages and will continue to engage outside expert services to evaluate and report, at least annually, on available capacity at the Regional Landfill, including estimates as to the remaining “expected life” of the facility, taking into consideration -- and projecting -- future changes in the quantity of waste disposed of in its landfill.
- SPSA maintains records of its costs, revenue, debt (if applicable) and capital expenses by fiscal year for each operating program, as well as records of costs for each individual capital project. These records are maintained in accordance with customary business and accounting practices, and such financial records are reported on, with relevant supporting information provided, during regular Board meetings. This detailed financial record-keeping also facilitates SPSA’s preparation of reliable, accurate and balanced annual budgets, and will remain a fundamental aspect of SPSA administration at all times going forward.
- As of January 25, 2018, SPSA is debt free. However, if applicable in the future, SPSA will maintain a detailed Financing Plan that includes a plan for the retirement of all outstanding debt and a plan for the funding of all planned capital projects. The Financing Plan is approved by the Board of Directors each year, including any funds designated for capital projects, and reports regarding SPSA’s compliance with the Plan are and will continue to be provided to the Board on a regular basis. Similarly, the Debt Retirement Plan is approved each year by the Board as part of SPSA’s annual budget. All Plans are and, to the extent appropriate, will continue to be reviewed annually by a certified public accounting firm as part of SPSA’s annual financial audit.
- In addition to its financial audits, SPSA may also from time to time, where circumstances warrant or where Executive Staff or the Board of Directors otherwise deem it appropriate or beneficial to the organization, conduct independent performance audits with respect to its operations.
- Current SPSA policy favors avoiding new debt in favor of a “pay-as-you-go” practice for even its most significant capital improvements. Furthermore, consistent with applicable law, SPSA has implemented and will continually maintain in effect appropriate policies to (i) prohibit the issuance of long-term bond indebtedness to fund operational expenses and (ii) require that, prior to issuance of new debt, the Board of Directors perform a due diligence investigation regarding the appropriateness of issuing the debt, including an analysis of the costs of repaying the debt, which would then be certified by an external certified public accountant, reviewed by the Board and, finally, subjected to a vote requiring a minimum approval of seventy-five percent (75%) of the Board of Directors.

- SPSA has embraced the guiding principle of openness and transparency in its operations and management. Executive Staff and legal counsel update the Board of Directors and, where appropriate, the Member Localities on at least a monthly basis with regard to all material developments, whether in operations, relations with the Members themselves and/or with vendors and other customers, such as the United States Navy. Where an issue arises in any of these relationships, Executive Staff, the Board, and counsel thoughtfully evaluate the range of possible solutions, as well as the applicable costs and other implications of the situation, before arriving at a decision on how to best address the matter. SPSA will continually endeavor to ensure that its Board is the most informed and involved governmental agency in the region.
- SPSA is well-positioned to monitor, evaluate and adapt to changes in the waste disposal industry, and regularly seeks and will continue to request external, expert guidance on emerging technologies and other relevant developments in its field, with the enduring goal of seeking out innovative, environmentally sound waste management solutions while maintaining state-of-the-art, efficient, and effective operations in performing its services to the Member Localities and otherwise carrying out its mission.
- As noted above, SPSA's core purpose is management of safe and environmentally sound disposal of regional municipal solid waste, and SPSA devotes the majority of its time and effort to activities associated with its purpose. In service of this purpose, SPSA may from time to time consider implementation and performance of additional waste disposal services where circumstances warrant. However, before implementing any such additional waste disposal services, Executive Staff and the Board of Directors will undertake a detailed and thorough evaluation, including accounting and financial diligence, to ensure cost-effectiveness, as well as operational review to confirm SPSA's ability to efficiently and effectively provide such services. These services would likely require separate contracts to ensure all parties' interests are adequately protected, and ultimately Board approval would be required for SPSA to undertake such activities.
- To the extent not inconsistent with or adverse to its obligations to SPSA members, SPSA will provide services to Commercial Waste and other non-municipal customers. Such services will not subordinate SPSA's commitment to its members, nor will the Disposal System Fees paid by the Member Localities "subsidize" artificially low rates for such Commercial Waste and other customers. Instead, to the extent undertaken, SPSA will strive to provide Commercial Waste customers and other customers with the same quality services as its members enjoy at commercially reasonable rates, which should benefit the Member Localities by alleviating waste disposal burdens and obligations which the members might otherwise be required to manage. The definition of "Commercial Waste" and SPSA's obligations hereunder with respect thereto are included in the "Commercial Waste Guidelines" set forth below in this Strategic Operation Plan.

3.0 ORGANIZATIONAL STRUCTURE

SPSA is managed by a 16-member Board of Directors, composed of eight (8) members appointed by the Governor of Virginia and eight (8) “ex-officio” members employed and appointed by each of the Member Localities. Member Localities also appoint alternative ex-officio members to serve as voting members of the Board of Directors in the event that the ex-officio member is unable to attend. The Board of Directors, in turn, appoints an Executive Director responsible for the direct hire and supervision of all other SPSA employees, in addition to the day-to-day operations of the Authority.

SPSA can be organized under five (5) distinct divisions:

1. Administrative Division: SPSA’s Administrative Division supports the entire Disposal System. It includes the Executive Office, Human Resources, Accounting, Purchasing, Information Technology, the Regional Office Building, and a Safety Department.
2. Fleet Maintenance Division: The Fleet Maintenance Division provides preventive maintenance and repairs to approximately 286 pieces of rolling stock equipment utilized by SPSA in its operations. SPSA currently operates two maintenance facilities: (i) one large 14-bay facility located at the Operations Center on Victory Boulevard in Portsmouth and (ii) one 3-bay facility located at the Regional Landfill in Suffolk. The majority of the equipment is serviced and repaired at the Portsmouth facility. The types of equipment include track dozers and excavators, compactors, articulating dump trucks, wheeled loaders, skid steers, Class 8 tractors, Class 6 vehicles, trailers, pickup trucks and a variety of smaller construction equipment.
3. Regional Landfill Division: The Regional Landfill Division consists of landfill operations and the tire shredder operation.

- a. Landfill Operation

The Regional Landfill is located on an 833-acre parcel off the merged US Routes 58, 13 and 460 in Suffolk, Virginia (mailing address is 1 Bob Foeller Drive). Facilities at the Regional Landfill include but are not limited to:

- Closed landfill Cells I through IV – 106 disposal acres
- Active landfill Cells V and VI – 43.8 and 41.3 disposal acres respectively
- Cell VII permitted expansion area – 54.2 disposal acres
- Unpermitted potential expansion area – 264.6 disposal acres
- Scale facility (also serves the Delivery Point for the Suffolk transfer station)
- Administration building
- Fleet maintenance building
- Household Hazardous Waste and E-Waste collection center
- Tire shredder

Soils management facility (Clearfield MMG, tenant)

Renewable Natural Gas plant (Terreva, LLC, contractor, and operator)

The Regional Landfill accepts Municipal Solid Waste, Construction and Demolition Debris (CDD), ash residue from the WIN Waste/Wheelabrator WTE Facilities, waste not accepted at any Disposal System Delivery Point, soils, and clean fill. Disaster Waste is not accepted.

As noted above in its “Guiding Principles,” SPSA evaluates the capacity of the Regional Landfill at least annually, taking into consideration and projecting future changes in the quantity of waste disposed of in the landfill.

The Regional Landfill also manages and maintains a “landfill gas recovery system”, which began full operation November 17, 1994. The system includes gas collection wells strategically located throughout Cells I – VI. The landfill gas collection system is currently updated, operated and maintained by Terreva, LLC, pursuant to an amended contract that continues 20 years after the operational date of the Renewable Natural Gas facility.

- b. *Tire Shredder Department:* SPSA’s tire-shredding operations commenced in 1988 at the Regional Landfill, where residents of the Member Localities can dispose of automobile tires by bringing them to tire-shredder operations facility. SPSA employees de-rim tires on site and recycle the rims, and tires are then processed through the tire shredder. The finished product may be used as supplemental daily landfill cover, and is also used in drainage projects, pipe substrate and to repair leachate seeps.

Environmental Management Department:

4. Environmental Management Department

The environmental management department is responsible for compliance matters throughout the SPSA organization. The department manages permits issued to SPSA and its facilities by the Virginia Department of Environmental Quality (DEQ), Hampton Roads Sanitation District (HRSD), the Virginia Department of Public Health, and underground storage tank compliance at several facilities (each facility within the Disposal System maintains at least one permit, and the Regional Landfill is regulated by four permits). To ensure compliance, the environmental department conducts regular inspections at facilities and training of SPSA personnel. In addition, environmental staff manages the Environmental Management System (EMS). The EMS program consists of a multitude of documentation, training, and audit requirements throughout the organization. Lastly, environmental staff also conducts field monitoring for ground water, gas, drinking water, effluent and random load inspections designed to ensure permit compliance.

This department is also responsible for the Household Hazardous Waste (HHW), E- Waste, and White Goods (metal recycling) programs maintained by SPSA.

- a. *Household Hazardous Waste and E-Waste* - SPSA operates four HHW and E-Waste collection facilities. The HHW and E-Waste collection facility at the Regional Landfill in Suffolk is open full time, Monday through Friday, and a half-day Saturday. The remaining three facilities, one at the Chesapeake Transfer Station, one at the Franklin Transfer Station and one at the Norfolk Transfer Station, are open based upon a monthly recurring schedule at Chesapeake, a

weekly recurring schedule at Norfolk and a quarterly recurring schedule at Franklin. Additionally, from time to time, SPSA assists the Member Localities with special HHW and E-Waste collection events. Residents from all Member Localities may bring unwanted HHW and E-Waste to any of these facilities to be disposed of safely, free of charge; however, the resident's applicable Member Locality is charged a Disposal System Fee for its residents' use of the HHW and E-Waste facilities. Commercial HHW and E-Waste are NOT accepted at any facility maintained by SPSA; instead, HHW and E-Waste generated commercially must be disposed of using a commercial waste disposal company.

- b. *White Goods* - White goods or other metal-containing waste are collected at the Regional Landfill and are recycled with a local metal recycling company, and SPSA receives the then-current scrap metal price for the metal that is collected. Also, environmental staff is licensed to recover refrigerant from any applicable device received in the White Goods program.

- 5. Delivery Point Division: The Delivery Point Division consists of transfer station operations and the scalehouse operations.

- a. *Transfer Station Operations*:

- i. *Boykins* - The station was opened in 1985 and consists of an elevated area where customers can deposit waste into a stationary compactor or two open top roll-off containers. The station is permitted to accept 50 tons per day and is manned by Southampton County and serviced by SPSA. SPSA is responsible for dumping the containers and maintaining the facility equipment, buildings, and grounds. The facility has one 40-yard compactor and two 40-yard open top containers for residential and municipal disposal. SPSA owns the improvements on the land at this transfer station, which is leased from a private citizen pursuant to a lease that expires March 31, 2025.
- ii. *Chesapeake Transfer Station* - This transfer station was built in 1984 and is located on a 4.75-acre parcel of land west of Greenbrier Parkway in the City of Chesapeake. The transfer station utilizes a bi-level, non-compacted, direct dump design consisting of one refuse hopper and a tipping area on the upper level and a "load out" area on the lower level. The facility has a maximum design capacity of 500 tons per day with a storage capacity of up to 150 tons at any given time. The station utilizes a drop and hook operation. Residents may use the station only on Mondays and Saturdays during regular business hours and from Noon to 4:00 p.m. on Saturday and Sunday, and the City of Chesapeake pays the cost to operate the facility during these hours. SPSA owns the improvements on the land at this transfer station, which is leased from the City of Chesapeake pursuant to a lease arrangement effective January 25, 2018. The term of the lease is five years with four renewal periods of five years each.
- iii. *Franklin Transfer Station* - This station was opened in 1985 and consists of an open tipping floor area screened with a fabric chain link fence and a prefabricated office building. Waste is dumped into the single hopper

directly into open top transfer trailers and is hauled to the Regional Landfill or Atlantic Landfill by SPSA. The facility is permitted for 150 tons per day and capable of storing 50 tons at any one time. The station utilizes a drop and hook operation. SPSA owns the Franklin transfer station, including all land and improvements.

- iv. *Isle of Wight Transfer Station* - This station was opened in 1985 and consists of a push-wall transfer station with a three-sided metal building superstructure. Transfer trailers travel on a loading lane situated at a lower grade than the tipping floor so that the sides of the trailers are approximately 4 feet above the tipping floor, and a front-end loader lifts waste into the transfer trailers and which are then hauled to the Regional Landfill or Atlantic Landfill by SPSA. The station is permitted for 150 tons per day, capable of storing 50 tons at any one time, and utilizes a drop and hook operation. SPSA owns the improvements on the land at this transfer station, which is leased from Isle of Wight County pursuant to a lease arrangement effective January 25, 2018. The term of the lease is five years with four renewal periods of five years each.
- v. *Ivor Transfer Station* – This station was opened in 1985 and consists of an elevated area where customers can deposit waste into a stationary compactor or two open-top roll-off containers. The station is permitted to accept 30 tons per day and is manned by Southampton County and serviced by SPSA. SPSA is responsible for emptying the containers and maintaining the facility equipment, buildings, and grounds. The facility has one 40-yard compactor and two 40-yard open top containers for residential and municipal dumping. SPSA owns the Ivor transfer station, including all land and improvements.
- vi. *Landstown Transfer Station* - This station opened in January 1993 and consists of an enclosed tipping floor with three hoppers for loading. The station is permitted to accept 1500 tons per day. Waste is collected and stored on the tipping floor throughout the day then hauled at night. SPSA owns the improvements on the land, which is leased to SPSA by the City of Virginia Beach. The current lease expires December 30, 2047.
- vii. *Norfolk Transfer Station* - This station opened in 1985 and consists of an enclosed tipping floor with three hoppers for loading. The station is permitted to accept 1300 tons per day. Residents may use the station only from 8:00 a.m. to 4:00 p.m. on Saturday and from Noon to 4:00 p.m. on Sunday, and the City of Norfolk pays the cost to operate the facility during these hours. SPSA owns the Norfolk transfer station, including all land and improvements.
- viii. *Oceana Transfer Station* - This station was built by the City of Virginia Beach and opened in 1982. In 1987, SPSA bought the station facility for \$1,000,000, but still leases the land -- which is owned by the Virginia Department of Transportation (VDOT) -- and pays rent of \$1.00 per year under the lease. SPSA operates the station pursuant to its lease with VDOT (technically a “permit”), which can be terminated by VDOT upon 30

days' notice to SPSA. The station has a design capacity of 500 tons per day, with the capability of storing 450 tons at any one time. The station utilizes a drop-and-hook system, which allows waste on the floor to be removed and placed in staged trailers for hauling at a later time. The station does not accept waste from residential customers.

- ix. *Suffolk Transfer Station* – This station, built in 2005, is located near the entrance to the Regional Landfill and consists of an enclosed tipping floor with two hoppers for loading. The station is permitted to accept 1300 tons per day. The station utilizes a drop and hook operation. SPSA owns the Suffolk transfer station, including all land and improvements.

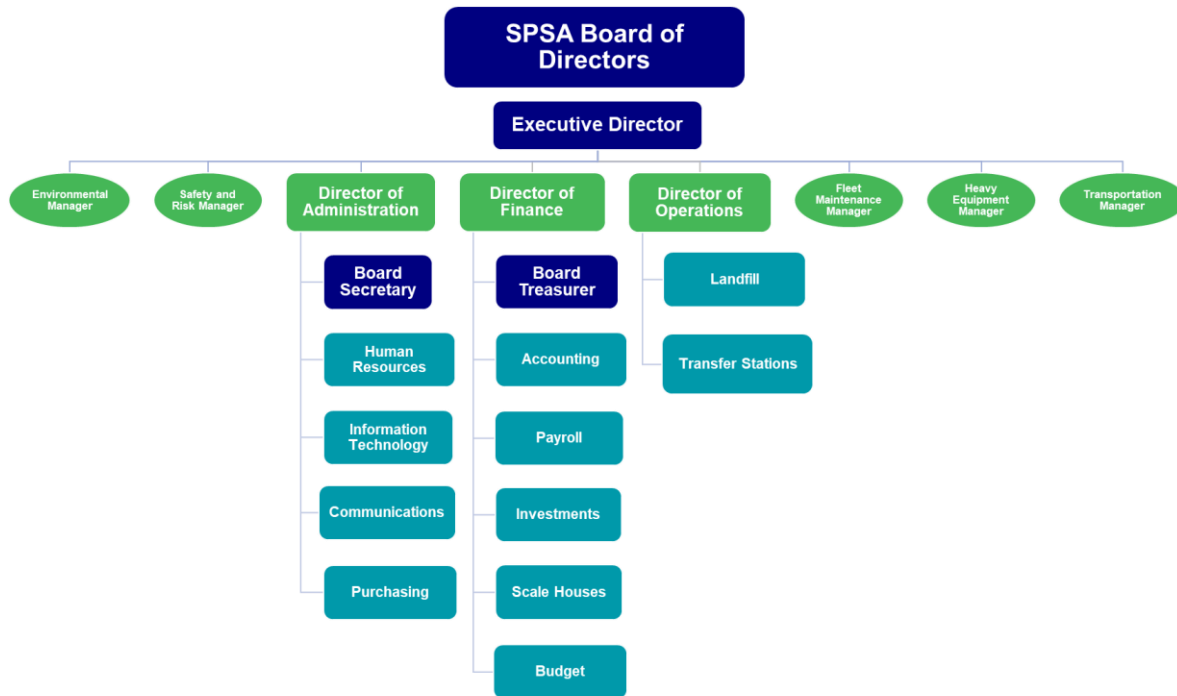
- b. Scalehouse Operations: SPSA's scalehouse operation is responsible for ensuring the accurate measurement of (i) solid waste flowing through SPSA's transfer stations to the Regional Landfill, the WIN Waste/Wheelabrator facility in Portsmouth and other contracted vendors (part of the current Designated Disposal Mechanism) and (ii) the revenue generated from the disposal of waste. Scale attendants operate scalehouses at the Chesapeake, Landstown, Norfolk, Oceana and Regional Landfill transfer stations. The scalehouses in Franklin and Isle of Wight are operated by transfer station staff.

SPSA's scale attendants operate the scale recording devices to capture truck weights and process transactions, including truck information, customer account information, type of waste and associated tipping fee rate, methods of payment and credit card processing. These transactions are uploaded into SPSA's accounting software for subsequent billing of SPSA's customers. Certain data is also transmitted to contracted vendors in accordance with service agreements.

Scale attendants also handle phone calls to the various transfer stations as well as face-to-face interactions with the Member Localities, residents, and private haulers to ensure that only solid waste meeting SPSA's standards is accepted for disposal at SPSA facilities.

- 6. Transportation Division: The Transportation Division is responsible for conducting hauling operations transferring waste from the Chesapeake, Norfolk, Landstown and Oceana transfer stations to the Regional Landfill, WIN Waste/Wheelabrator Portsmouth, or the Atlantic or Bethel Landfills. The waste received at the Franklin, Isle of Wight and Suffolk transfer stations is hauled to the Regional Landfill or, in an effort to preserve airspace at the Regional Landfill, to the Atlantic Landfill. In addition to transporting waste from the transfer stations, the transportation division staff operates roll-off trucks, a tanker and a low-boy trailer, and also hauls leachate from various transfer stations and sludge from the City of Norfolk's Water Treatment Plant to the Regional Landfill.

SPSA's Organizational Chart is illustrated as follows:



4.0 OPERATION AND USE OF FACILITIES

1. General

The right to dispose of Solid Waste (excluding Hazardous Waste and certain other Excluded Waste, such as Disaster Waste) at the Delivery Points designated herein is available to any and all persons, corporations, and governmental agencies without exclusion under the terms and conditions of this SOP. Use of these facilities, however, is at all times governed by rules and regulations as are adopted by SPSA from time to time and incorporated into this SOP. Member Localities and private haulers must register their respective vehicles with SPSA, including tare weights, prior to use.

In addition, operating hours may be varied from time to time by SPSA to accommodate special circumstances. Notices will be posted at the main entrance of each Delivery Point advising users of regular operating hours and any special operating hours, as well as observed holidays.

2. Delivery Points and Receiving Times

Location	Monday – Friday	Saturday
Chesapeake Transfer Station 901 Hollowell Lane Chesapeake, VA 23320	8 am – 5 pm	8 am – 12 pm Sunday from 12 pm to 4 pm
Franklin Transfer Station 30521 General Thomas Highway Franklin, VA 23851	8 am – 3 pm	8 am – 12 pm
Isle of Wight Transfer Station 13191 Foursquare Road Smithfield, VA 23430	8 am – 3 pm	8 am – 12 pm
Landstown Transfer Station 1825 Concert Drive Virginia Beach, VA 23453	8 am – 5 pm	8 am – 12 pm
Norfolk Transfer Station 3136 Woodlake Avenue Norfolk, VA 23504	8 am – 5 pm	8 am – 12 pm Sunday from 12 pm to 4 pm
Oceana Transfer Station 2025 Virginia Beach Boulevard Virginia Beach, VA 23462	6 am - 3 pm	8 am – 12 pm (April – September only)
Suffolk Transfer Station Located at the Regional Landfill	8 am – 4 pm	8 am – 12 pm
Regional Landfill (including Tire Shredder) 1 Bob Foeller Drive Suffolk, VA 23434	8 am – 4 pm	8 am to 12 pm (Tire Shredder is not open on Saturdays.)
HHW & E-Waste Collection (Regional Landfill) 1 Bob Foeller Drive Suffolk, VA 23434	8 am – 4 pm	8 am – 12 pm

Location	Days and Hours
Boykins Transfer Station 18448 General Thomas Highway Boykins, VA 23827	Tuesday, Thursday, Saturday: 7 am – 7 pm Monday, Wednesday, Friday: Closed
Ivor Transfer Station 36439 General Mahone Blvd. Ivor, VA 23866	Wednesday, Friday, Sunday: 7 am – 7 pm Monday, Tuesday, Thursday, Saturday: Closed

Any changes to the receiving times for these Delivery Points, whether due to policy changes, weather or modifications to the Holiday Schedule described below, or for any other reason, absent emergency, are coordinated with the Member Localities as well as applicable vendors.

3. Holiday Schedule

SPSA's current holiday schedule is as follows:

New Year's Day	January 1st
Martin Luther King, Jr. Day*	Third Monday in January
President's Day *	Third Monday in February
Staff Training Day	Second Monday in March
Memorial Day*	Last Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day*	First Monday in September
Columbus Day*	Second Monday in October
Election Day*	Tuesday following first Monday in November
Veteran's Day*	November 11th
Thanksgiving Day	Fourth Thursday in November
FRI following Thanksgiving Day*	Fourth Friday in November
Christmas Day	December 25th

With the exception of an additional day closed to the public for all Staff Training Day, SPSA follows the Commonwealth of Virginia's holiday schedule. For those holidays marked above with an asterisk (*), all SPSA transfer stations will operate under the schedule for Saturday hours -- i.e. they will be open for one-half day (8 am – Noon) under receiving hours listed above.

4. "Extra" Charges to Member Localities

SPSA charges each Member Locality at an hourly rate to the extent the Member requests to extend a transfer station's normal receiving time. The hourly rate is calculated each fiscal year and includes the full cost to SPSA for extending hours past its normal receiving time, including the time necessary to haul the waste to the proper disposal point.

5. Units of Measure

Each Delivery Point is equipped with vehicular scales. All vehicles are weighed with the driver aboard upon arrival. All departing vehicles are then weighed a second time unless the vehicle tare weights are known. Disposal System Fees (tipping fees), in turn, are charged based upon the difference between the arrival and departure weights. If the scales at the receiving location are inoperative, the fee is based on the average amount received per vehicle when dumping records for such vehicle for the twelve (12) full months immediately preceding are available or, when such records are not available, the fee is based on the average amount received per vehicle of like size and/or compaction ratio.

The driver of each vehicle may be given a statement after each load of Solid Waste is dumped, and each such statement reflects the weight of the waste dumped, the applicable date, time and Delivery Point, and the applicable Disposal System Fee.

In addition, SPSA may designate grades or categories of Solid Waste that will be measured upon receipt by SPSA by number of units or by means other than by weight.

6. Right to Reject Waste

SPSA accepts most non-hazardous Solid Waste within the Disposal System, subject to the other terms and conditions of this SOP, including, but not limited to, SPSA's exclusion of Disaster Waste from the Disposal System (see SPSA's Role in a Storm Event under Section 8.0 below). SPSA also retains the right to refuse to accept waste from users who have failed to pay any applicable Disposal System Fees.

All reasonable attempts are made to reject unacceptable waste before it is received within the Disposal System. However, if grades or categories of waste are disposed of at a Delivery Point that is not designated for the receipt of such waste, it is the responsibility of the user to remove such material at its own expense. Any such material not promptly removed by the user may be removed by SPSA, and the costs for such removal are then charged against the user.

7. Traffic Guidelines

Each of the Delivery Points is expected to handle a large number of vehicles. Traffic control at each location is at the sole discretion of SPSA.

8. Residential Waste Guidelines

Residents of the Member Localities are not charged for disposal of their household waste limited to 12 visits per calendar year. However, starting April 28, 2018, the residents' applicable Member Localities will be charged Disposal System Fees for residential disposal of household waste within the SPSA Disposal System; provided, the foregoing policy of charging the Member Localities for their residents' disposal of household waste shall not apply at the Delivery Points in Boykins and Ivor, which serve residents of Southampton County. The 12 visits per calendar year limit do not apply to residents of the City of Franklin, County of Isle of Wight, or Southampton County.

Residents may dispose of their household waste during operating hours at each authorized Delivery Point (with the exception of the Norfolk Transfer Station and Chesapeake Transfer Station, which permits free disposal to Norfolk and Chesapeake residents, respectively, only on Saturdays between the hours of 8 a.m. and 4 p.m. and Sundays between the hours of Noon and 4 p.m.), but only if the following conditions are met.

- a. Proof of residency (for example, a driver's license or a utility bill).
- b. All household waste, bagged or un-bagged, including furniture, mattresses and small appliances that have a freon-free certification sticker (if applicable) are acceptable.
- c. Yard Waste is acceptable; however, limbs, branches and brush must be less than six feet in length and not greater than 6 inches in diameter. Loose yard waste (grass clippings, leaves, mulch, etc.) must be bagged due to regulations on fugitive dust and debris.
- d. Residents may not sweep or blow out their vehicles on SPSA property due to traffic congestion safety concerns and regulations on fugitive dust and debris.

- e. Disaster Waste may not be delivered to, and will not be accepted by SPSA at, any Delivery Point within the Disposal System (see SPSA's Role in a Storm Event under Section 8.0 below).
- f. Solid Waste that is authorized to be delivered by residents must be delivered in one of the following "private vehicle or rented pickup truck":
 - i. Automobiles, station wagons, passenger vans with under 15 seats, sport utility vehicles, pickup trucks (1 ton capacity or smaller) and similar vehicles that are unmarked (with the exception of rental marking) and unmodified (by way of example, but not limitation, vehicles without business decals/markings or equipment racks, such as pipe or ladder racks or similar modifications).
 - ii. Utility trailers, up to twelve feet in length, with no visible tools and/or equipment, that are being towed by one of the above-mentioned private vehicles.

These Residential Waste Disposal Guidelines are designed to ensure that residents of the SPSA's Member Localities are entitled to the safe and efficient disposal of their residential Solid Waste. Residents must adhere to all SPSA guidelines, policies and procedures while utilizing the SPSA Disposal System and failure to do so may result in loss of access to SPSA's facilities.

9. Commercial Waste Guidelines and Operating Procedures

For purposes hereof, "Commercial Waste" is generally defined as Solid Waste that is generated by non-municipal users, such as businesses, industries, and multi-family residential properties that are not serviced by municipal collections programs, that does not otherwise constitute Municipal Solid Waste hereunder.

SPSA utilizes its Disposal System to assist in the management and disposal of Commercial Waste pursuant to a Waste Disposal Agreement with non-municipal customers ("Private Hauler Contract") and in accordance with the general guidelines set forth in this SOP (as further described in the following paragraphs). Commercial Waste delivered and received at SPSA Transfer Stations is either contract waste or non-contract waste. Contract waste is waste delivered pursuant to the Private Hauler Agreement.

More specifically, SPSA will receive and accept Commercial Waste at applicable Delivery Points within the Disposal System and manage or assist in the management and disposal of Commercial Waste through the Disposal System, in each case in accordance with the terms of this Strategic Operating Plan (including, when and as applicable, the Commercial Waste Operating Procedures referenced herein). Commercial Waste customers will be offered access to and the ability to utilize the Delivery Points within the SPSA Disposal System on such terms and conditions, including financial terms, provided for in the Commercial Waste Operating Procedures. The terms and conditions applicable to such Commercial Waste customers and set forth in the Commercial Waste Operating Procedures may vary based on, among other things, the (i) the amount (tonnage) of Commercial Waste delivered into the Disposal System by such customers; and (ii) the type and nature of the services provided by SPSA to such customers. Commercial Waste services will not subordinate SPSA's commitment to its Members Localities, nor will the

Disposal System Fees paid by the Member Localities “subsidize” artificially low rates for Commercial Waste customers; however, SPSA will provide applicable Commercial Waste customers with the same quality services that SPSA members will enjoy, at appropriate Commercial Waste service rates no lower than service rates applicable to Member Localities for the same level of services provided with respect to their Municipal Solid Waste (it being acknowledged that service rates for Commercial Waste customers may be lower than service rates for Member Localities if and to the extent that SPSA provides Commercial Waste customers with less comprehensive services than the services provided by SPSA to Member Localities).

- a. Commercial Waste Operating Procedures. Commercial Waste received at SPSA Transfer Stations will be commingled with Municipal Solid Waste and other waste received at its transfer stations. In an effort to optimize hauling operations SPSA will designate certain transfer station(s) and amount(s) of waste for SPSA's contracted waste hauler, MBI, to exclusively haul and dispose of waste.

10. Maintenance and Development of Delivery Points (Transfer Stations) Post-2018

- a. Transfer Station Ownership/Control. SPSA owns or leases all Delivery Points included within the SPSA Disposal System as of January 24, 2018 and is responsible for the operation and maintenance of these facilities in accordance with all applicable permits and related rules, regulations and other Applicable Law. If a Delivery Point is leased from a Member Locality (or other third party), then the duration and, to the extent reasonably practical, all other terms of all such leases will be identical unless otherwise specifically agreed by the Board of Directors of SPSA. In addition, any such lease of a Delivery Point from a given Member Locality shall, unless otherwise agreed in writing by the parties, terminate contemporaneously with the withdrawal of the applicable Member Locality from SPSA.
- b. Transfer Station Projects – Development Costs. The following provisions address any project involving the construction, renovation, relocation or expansion of a Delivery Point (each, a “Transfer Station Project”).
 - i. Existing Delivery Points. If a given Transfer Station Project involves the renovation, relocation or expansion of an existing Delivery Point for purposes of maintaining, preserving or improving continued operations of such existing Delivery Point (each, an “Existing Delivery Point”), then (x) such Transfer Station Project in respect of the Existing Delivery Point shall be subject to the approval of SPSA's Board of Directors, and (y) if such Transfer Station Project is duly and validly authorized and approved by the Board, then SPSA shall be responsible for all development costs associated such Transfer Station Project, including but not limited to all soft costs, construction and equipment costs and start-up costs, associated with the corresponding Existing Delivery Point. Notwithstanding anything herein to the contrary, however, if debt will be incurred by SPSA in connection with any such Transfer Station Project involving an Existing Delivery Point, the debt must be approved by the Board of Directors of the Authority in accordance with all requirements under Applicable Law before the project can commence.

- ii. *New Delivery Points.* If a given Transfer Station Project involves the construction, renovation, relocation or expansion of a Delivery Point for any reasons *other* than maintaining or improving continued operations of an Existing Delivery Point (each, a “New Delivery Point”), then (x) the applicable Member Locality shall first propose the Transfer Station Project for such New Delivery Point to SPSA’s Board of Directors, and (y) if such New Delivery Point will be operated and maintained by SPSA, then the Transfer Station Project shall be subject to the approval of SPSA’s Board of Directors. In any event, whether or not any such Transfer Station Project for a New Delivery Point requires approval from SPSA’s Board of Directors, the applicable Member Locality shall be solely responsible for all development costs associated with each and every Transfer Station Project for a New Delivery Point, including but not limited to all soft costs, construction and equipment costs and start-up costs , and any such development costs incurred by SPSA in connection with a Transfer Station Project for a New Delivery Point will be paid to SPSA no less often than monthly by the applicable Member Locality in accordance with a separate “Delivery Point Development Agreement” to be entered into by SPSA and such Member Locality. Notwithstanding the foregoing, however, if the SPSA Board of Directors agrees that a given New Delivery Point is in the best long-term financial interest of SPSA, even if not operationally necessary at that point, then upon approval of the Board of Directors, SPSA may enter into a cost sharing agreement for development costs associated with the Transfer Station Project for such New Delivery Point, so long as (and to the extent that) the SPSA Board of Directors makes a determination that SPSA’s proposed share of the development costs will not exceed the net value of the New Delivery Point.
- c. *Transfer Station Projects – Operational Costs.* From and after the completion of each Transfer Station Project, SPSA shall be responsible for the annual operations and maintenance costs, including where applicable rental/lease and related costs, of (i) each Existing Delivery Point resulting from the Transfer Station Project; and (ii) each New Delivery Point resulting from the Transfer Station Project if (but only if) SPSA and the Member Locality have agreed that such New Delivery Point will be operated and maintained by SPSA.

11. Out-of-Area Waste

Notwithstanding anything in this SOP to the contrary, SPSA shall not under any circumstances facilitate the importation of Out-of-Area Waste, or otherwise accept any Out of Area Waste, for (a) disposal in the Regional Landfill and/or (b) handling/processing/disposal at or by any other Delivery Point included within the Disposal System.

5.0 DESIGNATED DISPOSAL MECHANISM; PLANNING HORIZON

1. Designated Disposal Mechanism.

- a. Selection Process for Designated Disposal Mechanism. From time to time, as and when appropriate under the circumstances, and no less often than every seven (7) years, the SPSA Board of Directors (or a subcommittee thereof) and Executive Staff will undertake a comprehensive review of the Designated Disposal Mechanism then being utilized and, further, will assess its viability for future periods of time. While it is ultimately the responsibility of the SPSA Board of Directors to determine the best and most efficient Designated Disposal Mechanism for the Authority and its Member Localities (considering both process and economic factors), in so doing the Board will necessarily seek and consider the input of the Member Localities. (The Board of Directors may also solicit input/guidance from independent professionals in the field as well.) In connection with such review and consideration of the Designated Disposal Mechanism, in consultation with the Member Localities, the Board and Executive Staff may conclude that the Designated Disposal Mechanism then being utilized by SPSA is the most efficient and effective method of waste disposal or, on the other hand, may determine that it is appropriate and in the best interests of SPSA and the Member Localities to explore alternative waste-disposal options, including (but not limited to) the issuance of one or more Requests for Proposal in accordance with Applicable Law, disposal of Municipal Solid Waste in the Regional Landfill or some other waste-disposal method/mechanism. Based on and following each such periodic review and assessment, Executive Staff will make a final recommendation for the Designated Disposal Mechanism for the applicable future period(s), and Executive Staff shall endeavor to make such recommendation so as to give the SPSA Board of Directors and the Member Localities as much time as is reasonably practicable under the circumstances to consider such recommendation and all relevant considerations. Following such recommendation and, where appropriate, solicitation of input from the Member Localities, SPSA will conduct a vote in accordance with Applicable Law seeking approval from its Board of Directors for the recommended Designated Disposal Mechanism, it being expressly acknowledged and agreed that the approval of any Designated Disposal Mechanism for the Authority is and shall be at the sole discretion of the Board. Notwithstanding the foregoing or anything else in this SOP to the contrary, however, (i) the Designated Disposal Mechanism may not include any landfill constructed, operated or otherwise existing in the Northwest River Watershed (defined as the geographical areas lying within the boundaries delineated as such and specified as the "Northwest River Watershed" on Appendix B attached to this SOP), and (ii) SPSA shall not dispose of any Municipal Solid Waste (or other Solid Waste) in any landfill constructed, operated or otherwise existing in the Northwest River Watershed.
- b. Designated Disposal Mechanism. SPSA accepts municipal and commercial solid waste (excluding Hazardous Waste) at nine transfer stations. In 2010, SPSA sold its refuse derived fuel plant (RDF) and power plant (collectively, the "WTE Facilities") to Wheelabrator Technologies, Inc. (now Wheelabrator Portsmouth Inc.) In connection with the sale, SPSA and Wheelabrator executed a Service

Agreement for solid waste disposal services. Pursuant to an amendment of the Service Agreement (Addendum 6), as of January 25, 2018, waste received at the Chesapeake, Landstown, Norfolk and Oceana transfer stations is hauled and disposed at the WTE Facilities. Waste received at the Franklin, Isle of Wight and Suffolk transfer stations is hauled and disposed at the Regional Landfill or, in an effort to preserve airspace at the Regional Landfill, to the Atlantic Landfill.

- c. Bulk Waste collected by or on behalf of Member Localities shall be delivered to SPSA transfer stations beginning April 28, 2018.

2. Planning Horizon.

SPSA prepares, through the use of an independent professional engineer, an annual airspace management report designed to assist in the management of the remaining airspace for the Regional Landfill.

Based on the 2021 report and various assumptions, including annual Solid Waste disposal of approximately 317,349 tons per year, Cells 5 & 6 are currently projected to reach capacity in 2027.

In addition to Cells 5 & 6, the Regional Landfill includes a 56-acre lateral expansion known as Cell 7. Cell 7 was approved by the Virginia Department of Environmental Quality on June 8, 2011. The capacity of Cell 7 is approximately 8,600,000 cubic yards, or approximately 7.7 million tons of Solid Waste.

A conceptual plan has also been developed for the potential expansion of Cells 8 – 12, which would provide an additional 264-plus acres of potential expansion areas at the Regional Landfill. SPSA owns the applicable land; however, the additional cells have yet to be permitted. This additional capacity could provide enough capacity for the region for 100 plus years, based on the estimated annual Solid Waste tonnage noted above. Please see an illustration of the “Conceptual Plan” below.

SPSA will continue to monitor the capacity of the Regional Landfill based on, among other things, variations in tons disposed and other planned and unplanned events, and SPSA will in turn update/modify its management reports accordingly, again no less than annually.

Regional Landfill – Conceptual Plan



Project:	SPSA Life Projections	Computed: JSM	Date: 1/6/23
Subject:	Varying Disposal Materials	Checked:	Date: 1/6/23
Task:	Airspace & Timeline For MSW	Sheet: 1	Of: 1

Date of Survey:	12/21/2022			Capacity	
				Tons	
Permitted airspace for Cells 5 and 6	15,103,930 cy			13,593,537	
Airspace consumed as of December 21, 2022	12,400,113 cy			11,160,102	
Calculated Airspace Remaining for Cells 5-6	2,703,817 cy			2,433,435	
Recoverable Airspace Remaining for Cells 5-6	2,323,999 cy			2,091,599	1800
Permitted Airspace for Cell 7 (Phase 1 and 2)	8,243,331	10,567,330		5,770,332	1400
Estimated Airspace for Cells 8 and 9	13,970,463	24,537,793		9,779,324	
Estimated Airspace for Cells 10-12	21,326,523	45,864,316		14,928,566	
<u>Year Site Life Expires</u>					

Incoming waste volume, tons/yr	Cumulative Life Estimations			
	Cells 5/6	Cell 7	Cells 8/9	Cells 10/11/12
	2.64M CY	8.24M CY	13.97M CY	21.3M CY
	2.38M Tons	5.8M Tons	9.8M Tons	14.9M Tons
200,000	2033	2062	2119	2193
300,000	2029	2049	2087	2136
400,000	2028	2042	2071	2108
500,000	2027	2038	2061	2091
600,000	2026	2036	2055	2079
700,000	2025	2034	2050	2071

Notes:

- 1 Assume 0.70 tons MSW per cubic yard density for filling in Cells 7-12. Life of Cell 5/6 assumes 0.9 tons/CY for existing conditions
- 2 Life estimates based on 2.3 M CY of recoverable airspace remaining in Cell 5/6 as of December 21, 2022
- 3 Cell 7 volume assumes capacity based on major permit modification with no overlap onto Cell V (Phase 3)
- 4 Cells 8 and 9 volumes are based on preliminary grading and reduced footprint as proposed in Draft EIS
- 5 Cells 10 through 12 volumes are estimated as a 20' max depth and 200' top elevation

6.0 BASIS OF ACCOUNTING AND FINANCIAL REPORTING

1. Basis of Accounting and Financial Reporting

SPSA's activities are accounted for in a manner similar to accounting methodologies utilized in the private sector, using the flow of economic resources measurement focus and the accrual basis of accounting. Assets, liabilities, net assets, revenues, and expenses are accounted for through an enterprise fund, with revenues recorded when earned and expenses recorded when the corresponding liabilities are incurred.

Annual financial statements are prepared on the accrual basis of accounting. SPSA reports as a special purpose government entity engaged in business-type activities, as defined by the Governmental Accounting Standards Board (GASB). Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

2. Annual Budget

SPSA's fiscal year is July 1 through June 30. The SPSA Board of Directors adopts an annual financial plan, or budget, reflecting projected revenues and expenses for the upcoming fiscal year and directs the Executive Director to implement the plan.

The annual budget is adopted as "balanced" on a cash basis, meaning that current revenues will equal current expenses; however, SPSA may use fund balances, or surplus cash, to fund capital expenses and equipment replacement. SPSA may amend or supplement its budget from time to time during the fiscal year. The Executive Director is authorized to make budget transfers within cost centers without Board approval. The Executive Director may transfer budget funds between cost centers up to \$50,000 for single and cumulative transfers in any given budget year. Budget transfers between cost centers exceeding \$50,000 for single and cumulative transfers must be approved by the Board. Additionally, the Board shall be advised of all budget transfers between cost centers regardless of amount. Operating budgets lapse at fiscal year-end, with the exception of unfinished capital projects and encumbrances for purchases not received by June 30, which roll-over to the new fiscal year. Unused funds budgeted for capital improvements and/or equipment replacement will revert to a reserve for capital improvements and or equipment replacement and not revert to the undesignated fund balance.

The annual budget also includes a five (5)-year projection of revenues, expenses, and projected Disposal System Fees.

3. Annual Audit

SPSA engages an independent certified public accountant to conduct an annual audit of its financial records and statements each year.

7.0 RATES, FEES, AND CHARGES FOR SOLID WASTE MANAGEMENT

The Water and Waste Authority Act provides requirements/criteria that SPSA must follow when establishing its applicable Disposal System Fees. Specifically, Section 15.2-5136 states that “rates, fees, and charges shall be so fixed and revised as to provide funds, with other funds available for such purposes, sufficient at all times (i) to pay the cost of maintaining, repairing and operating the system or systems, or facilities incident thereto, for which such bonds were issued, including reserves for such purposes and for replacement and depreciation and necessary extensions, (ii) to pay the principal of and the interest on the revenue bonds as they become due and reserves therefor, and (iii) to provide a margin of safety for making such payments.” Accordingly, while SPSA may change (increase or decrease) its Disposal System Fees from time to time, (x) SPSA will at all times follow such statutory requirements in implementing any such changes in its Disposal System Fees and (y) any such changes may be implemented only after proper notice has been provided and, where required, public hearing on such changes have been held, all in accordance with Applicable law.

Invoices for Disposal System services are typically provided on a monthly basis, within ten (10) days after the end of each billing period, and unless otherwise specified by contract are due on or before the last business day of the month immediately following the month covered by the invoice, except to the extent any such invoices are subject to a good faith dispute. Each invoice provided by SPSA reflects the total tonnage of Solid Waste received by SPSA from the applicable user during the given billing period, together with such other information as SPSA deems appropriate or relevant. Past due account balances are considered delinquent and are subject to a finance charge of 18% annually. In addition, potential problem accounts or accounts that are in a continuous delinquent payment status may be placed in a credit hold status and the applicable customer/user may be denied access to the SPSA Disposal System until the account returns to current status and/or an arrangement with SPSA has been made to satisfy the past due balance. Delinquent accounts may also be referred to a collection agency or otherwise pursued through litigation.

8.0 SPSA’S ROLE IN A STORM EVENT

As described elsewhere in this SOP, SPSA does not accept Disaster Waste within the Disposal System. Instead, SPSA has historically served as the “procurement agent” for regional management of debris caused by hurricanes and other major storms/disasters (i.e., Disaster Waste). More specifically, SPSA acted as the representative of certain localities, including all SPSA Member Localities as well as the counties of Surry, Northampton, Accomack, Sussex and Greensville (the “Covered Localities”), in the procurement process.

In that role, SPSA issued a RFP for storm debris removal, reduction, disposal and monitoring/management services, selected several providers (the “Contractors”), and SPSA entered into “stand-by” agreements with each Contractor on behalf of the Covered Localities. Under the agreements, SPSA (i) received a work request from a Covered Locality for debris removal, reduction, and disposal and (ii) directed the request to the appropriate Contractor as a task order. After the initial task order, all service and payment arrangements are between the Covered Locality and the designated Contractor, without SPSA involvement.

Effective July 1, 2019, the Virginia Department of Emergency Management (VDEM) now serves as the point of contact and administers similar contracts for use by SPSA Member Localities.

SPSA's objectives in the event of a major disaster would be to: (1) coordinate suspension and resumption of services, internally and with Member Localities, (2) maintain essential internal support capabilities, such as communication, equipment and vehicle fueling, and equipment maintenance and repair, (3) suspend acceptance of household waste until system capabilities and community needs can be evaluated, and (4) resume normal operations as soon as conditions permit.

SPSA also reserves the right to temporarily suspend residential waste disposal prior to storm events if it is negatively impacting the ability to handle municipal and commercial waste.

9.0 POLICIES AND PROCEDURES TO BE MAINTAINED

SPSA maintains, and shall maintain, the following documentation, policies and procedures in accordance with Applicable Law and regulations:

1. Strategic Operating Plan
2. Articles of Incorporation and Bylaws
3. Financial Policies
4. Procurement Policies and Procedures
5. Employee Policy Manual
6. Record Retention
7. Safety Policies and Procedures
8. Environmental Policies
9. Insurance Policies
10. Regional Landfill Operating Manual
11. Tire Shredder Operating Manual
12. Transfer Station Operating Manual
13. Emergency Operations Plan
14. Disaster Response Plan

The above documentation, policies and procedures are maintained at SPSA's headquarters, currently the Regional Office Building in Chesapeake, are incorporated into the SOP by this reference and are available for review and inspection by authorized representatives of all Member Localities.

10.0 REVISIONS TO STRATEGIC OPERATING PLAN

Revisions to this Strategic Operating Plan may be made at the sole discretion of SPSA to the extent approved by the SPSA Board of Directors in accordance with the terms hereof. More specifically, this Strategic Operating Plan shall be reviewed by the Board of Directors on at least an annual basis in connection with the Board's review and consideration of SPSA's annual operating budget, and at such other times as the Board may deem necessary or appropriate. If deemed necessary or appropriate after any such review, this Strategic Operating Plan may be updated or otherwise modified by the SPSA Board of Directors, and any such updated/modified Strategic Operating Plan shall be in complete replacement of this any and all other prior Strategic Operating Plans. Notwithstanding anything to the contrary in the foregoing, no update, amendment or modification of this Strategic Operating Plan, or any provision hereof, shall be valid unless such update, amendment or modification has been authorized by a resolution approved by at least seventy-five percent (75%) of the Board of Directors of SPSA.

[END]

APPENDIX A

Definitions

Applicable Law – Collectively, the Virginia Water and Waste Authorities Act, the Virginia Waste Management Act (as amended by Section 15.2-5102.1 of the Code of Virginia, sometimes referred to as the “Cosgrove Act”), the Virginia Solid Waste Management Regulations (currently Chapter 81 of the Virginia Administrative Code), the Virginia Hazardous Waste Management Regulations (currently Chapter 60 of the Virginia Administrative Code), the Resource Conservation and Recovery Act and any other federal, state or local law, rule, regulation, ordinance, permit, decree or other governmental requirement that applies to the services or obligations under this SOP, whether now or hereafter in effect, and each as may be amended from time to time.

Bulk Waste – Bulk waste is oversized residential waste that is too large to place in a residential trash container and is collected by or on behalf of a member community. Bulk waste includes appliances, boxes/bags or household dry goods, furniture, lumber/fencing, mattress/box-spring, patio furniture and may include bushes, shrubbery, tree branch/limbs and large yard trimmings. Tree limbs, branches and sticks cannot exceed 6 feet in length and 6 inches in diameter

Construction and Demolition Debris – Any Solid Waste that is produced or generated during or in connection with the construction, remodeling, repair and/or destruction or demolition of residential or commercial buildings, municipal buildings, roadways and other municipal structures, and other structures, including, but not limited to, lumber, wire, sheetrock, brick, shingles, glass, asphalt, and concrete.

Delivery Point – Each facility and location owned or operated by the Authority, or by a third party that is subject to a contract with the Authority in respect of the Disposal System, that (a) possesses all permits required under Applicable Law to receive Solid Waste for disposal and (b) is designated by the Authority from time to time herein to accept Municipal Solid Waste from the Member Localities for further and final processing and disposal by or on behalf of the Authority (certain Delivery Points may sometimes be referred to as “transfer stations”).

Designated Disposal Mechanism – The method (or methods) utilized by the Authority for final disposal of Municipal Solid Waste under this SOP, as designated by the Board of Directors of the Authority from time to time in accordance with the express terms hereof and set forth herein. The Designated Disposal Mechanism may include, among other methods, (a) disposal of Municipal Solid Waste in the Regional Landfill in accordance with Applicable Law, (b) disposal of Municipal Solid Waste through one or more facilities owned and/or operated by the Authority in accordance with Applicable Law and/or (c) disposal of Municipal Solid Waste pursuant to agreements between the Authority and one or more third parties.

Disaster Waste – Any Solid Waste and debris that (a) is generated as a result of or in connection with any significant storm or other severe weather occurrence (such as, but not limited to, hurricanes and tornadoes), natural or man-made disaster, war, act of terrorism or other similar occurrence, together with Solid Waste and debris generated in connection with clean-up and/or reconstruction activities resulting from any such occurrences or events, and (b) is of a quantity or type materially different from the Solid Waste normally generated by or within the Member Locality.

Disposal System – All facilities and/or locations owned or leased by the Authority, or with respect to which the Authority otherwise maintains a contractual/commercial relationship, for the collection, management, processing and/or disposal of Solid Waste, including, but not necessarily limited to, the Regional Landfill, all Delivery Points and the Designated Disposal Mechanism(s), together with all equipment and vehicles owned or leased by the Authority and used in connection with the collection, management, processing and/or disposal of Solid Waste.

Disposal System Fees – Rates, fees, and other charges imposed by the Authority for the collection, management, processing and/or disposal of Solid Waste within the Disposal System, as determined by the Board of Directors of the Authority from time to time in accordance with the Virginia Water and Waste Authorities Act (certain Disposal System Fees may sometimes be referred to as “tipping fees”).

Hazardous Waste – Any waste or other material that because of its quantity, concentration or physical, chemical, or infectious characteristics may (a) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or (b) pose a substantial present or potential hazard to human health, the Disposal System or the environment when treated, stored, transported, disposed of or otherwise managed. Hazardous Waste specifically includes, but is not necessarily limited to, any waste classified as “hazardous” under the Resource Conservation and Recovery Act, the Virginia Hazardous Waste Management Regulations, or any other Applicable Law.

Household Hazardous Waste – Surplus or excess household products that contain corrosive, toxic, ignitable, or reactive ingredients, including, but not necessarily limited to, cleaning products, old paints and paint-related products, pesticides, pool chemicals, drain cleaners and degreasers and other car-care products.

Municipal Solid Waste – All Solid Waste the collection of which is controlled by the Member Locality, including (a) Solid Waste that is generated anywhere within the SPSA Service Area and collected by the Member Locality, and (b) residential Solid Waste that is generated anywhere within the SPSA Service Area and collected by a third party for the benefit of (and under the direction and control of) the Member Locality. Municipal Solid Waste expressly excludes the following (collectively referred to herein as “Excluded Waste”): (i) Hazardous Waste and Household Hazardous Waste, (ii) Recyclable Waste, (iii) Yard Waste, (iv) Construction and Demolition Debris, (v) Disaster Waste, (vi) Solid Waste delivered by citizens of the Member Locality to publicly-accessible landfills or other facilities and disposed of at such facilities, (vii) any Solid Waste generated by school boards, authorities or other political entities of the Member Locality (except to the extent (but only to the extent) that any such Solid Waste is actually collected by the Member Locality itself) and (viii) Out-of-Area Waste.

Out-of-Area Waste – Any Solid Waste that is created or generated outside of, or originates outside of, the SPSA Service Area.

Recyclable Waste – Any Solid Waste that, pursuant to Virginia’s Solid Waste Management Regulations (or other relevant Applicable Law) in effect from time to time, or pursuant to prevailing commercial practices in the waste management industry at the applicable time, (a) can be used or reused, modified for use or reuse, or prepared for beneficial use or reuse as an ingredient in an industrial process to make a product or as an effective substitute for a commercial product, or (b) is otherwise processible (or reprocessable) to recover a usable product or is regenerable to

another usable form, in each case, however, expressly excluding “residual” Solid Waste generated in connection with any such modification, preparation and/or processing for use, reuse, recovery and/or regeneration of other Solid Waste to the extent that such “residuals” cannot be categorized as “Recyclable Waste” in accordance with the foregoing.

Regional Landfill – The landfill located in the City of Suffolk, Virginia, developed, owned, and operated by the Authority for the disposal of Solid Waste, or any additional or successor landfill developed, owned and operated by the Authority.

Solid Waste – Any garbage, refuse, sludge, debris and other discarded material, including solid, liquid, semisolid or contained gaseous material, resulting from industrial, commercial, mining and agricultural operations, or residential/community activities, excluding (a) solid or dissolved material in domestic sewage, (b) solid or dissolved material in irrigation return flows or in industrial discharges that are sources subject to a permit from the State Water Control Board and (c) source, special nuclear, or by-product material as defined by the Federal Atomic Energy Act of 1954, as amended; provided, the waste that constitutes Solid Waste hereunder (and/or is excluded from the definition of Solid Waste hereunder) shall be subject to change from time to time to the extent necessary or appropriate under the Virginia Waste Management Act or other Applicable Law.

SPSA Service Area – The geographic area covered by the political subdivision boundaries of the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, Virginia and the counties of Isle of Wight and Southampton, Virginia.

Strategic Operating Plan/SOP – This plan adopted by the Board of Directors of the Authority, which sets forth certain operational, maintenance, administrative and other responsibilities of the Authority with respect to the Disposal System and the performance of related services by the Authority, as the same may from time to time be updated, amended, or modified in accordance with the terms hereof.

Yard Waste – Any Solid Waste defined as “yard waste” under the Virginia Waste Management Act (or other relevant Applicable Law) in effect from time to time, currently consisting of decomposable waste materials generated by yard and lawn care and including leaves, grass trimmings, brush, wood chips and shrub and tree trimmings, excluding roots, limbs or stumps that exceed the limitation(s) in length and/or diameter specified by a Member Locality from time to time.

[End of Definitions]

APPENDIX B

Northwest River Watershed

