Board Meeting
Virginia Peninsulas Public Service Authority

Williamsburg Municipal Center
2nd Floor Conference Room
401 Lafayette Street
Williamsburg, Virginia
10:00 a.m.
February 5, 2016

1. **Public Comment**

2. **Minutes: December 11, 2015**

3. **Project Reports**

4. **Distribution of Funds Held for Participating Communities**

5. **Office Space Lease**

6. **Executive Director's Report**

7. **Old Business**

8. **New Business**

9. **Next Meeting:** **April 1, 2016 at 10AM**
   Williamsburg Municipal Building
   2rd Floor Conference Room
   401 Lafayette Street,
   Williamsburg, Virginia

MINUTES
VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

Cooks Corner County Complex
2911 General Puller Highway
Saluda, Virginia
December 11, 2015
10:00 a.m.

IN ATTENDANCE:

Mindy Moran	Mathews County
Brian Woodward	York County
Tom Jones	City of Poquoson
Marcia Jones	Middlesex County
Chip McDonough	City of Hampton
John Horne	James City County
Dan Clayton	City of Williamsburg
Reese Peck	Essex County

ABSENT:

Tom Swartzwelder	King & Queen County
Ken Griffin	King William County

OTHERS IN ATTENDANCE:

Vernon Geddy III	Geddy, Harris, Franck & Hickman
Stephen Geissler	VPPSA
David Magnant	VPPSA
Lisa Polidori	VPPSA

Mindy Conner called the meeting to order.

1. PUBLIC COMMENT

No public comment was made.

2. SERVICE AWARDS

Mindy Conner and Steve Geissler recognized the following employees and presented each with a token of appreciation for their service to the Authority.

Wendy Halbig **Dispatcher**	**5 Years** **Transfer System**
Annette Moore **Attendant/HHC Specialist**	**10 Years** **Convenience Centers**
Kathryn Osborne **Dispatcher**	**10 Years** **Transfer System**
William W. Taylor **Attendant/HHC Specialist**	**10 Years** **Convenience Centers**

Ms. Conner also presented Executive Director Steve Geissler with a plaque in appreciation of his 25 years of commitment and service to the Authority.

3. MINUTES

Tom Jones moved that the minutes of the October 2, 2015 meeting be approved. Reese Peck seconded and the motion passed unanimously.

4. FY15 PROPERTY AND CASUALTY INSURANCE

John Newby of Commercial Risk Consultants presented the property and casualty insurance coverage summary for FY 15. Mr. Newby told the Board that all coverage continues to be with the Virginia Association of Counties (VACo). VACo is a member pool which is licensed and audited by the Commonwealth of Virginia, and provides broader coverage than anything that could be obtained in the commercial market. In summary Mr. Newby said that VACo was continually evolving and improving, and was the best option for VPPSA.

Mr. Newby pointed out the following:

- Equipment is valued at over $5,000,000 and continues to have the greatest exposure for damage.
- General liability continues to be $5,000,000 which is reasonable for an organization the size of VPPSA; deductibles continue to be low.
- Workers Compensation continues to be through the Virginia Association of Counties Self Insurance Association. They do a very good job and there is no one else that Mr. Newby would recommend.
- Auto liability is at $5,000,000; Mr. Newby suggests that in the next year or so that Auto and General Liability be increased to $10,000,000.

Mindy Conner asked if it would be good practice to seek a bid for insurance coverage. Mr. Newby replied that VPPSA was exempt from this requirement, and didn't think anything could

be found that would be significantly better than what was currently in place. However, if it was decided to increase the auto and general liability to $10,000,000 coverage as suggested, it might be a good opportunity to obtain additional quotes.

Mr. Newby also reminded the Board that workers compensation was not a benefit, but a legal responsibility in case an employee is hurt. Steve Geissler said that this coverage is always required for any contractors VPPSA uses, but that sometimes it's an issue. Mr. Newby said that workers compensation was a definite must, and while he was sympathetic, this is a requirement that should never be compromised.

5. FY 15 AUDIT

Krista Edoff of Cherry Bekaert LLP, the Authority's new auditors, presented a draft of the Financial Statements for FY 15. Ms. Edoff referred to the Report of Independent Auditors page, and was pleased to report an unqualified opinion which is the highest level of assurance that can be given on a set of financial statements.

Ms. Edoff noted that Pension Liability had been added to the financial statement for FY 15 as is now required.

Members were encouraged to read the Management's Discussion and Analysis prepared by the VPPSA staff, which gives a good synopsis of the year's highlights and activities including Statement of Net Assets, Changes in Net Assets, and Summary of Cash Flow Activities.

Marcia Jones moved that the report be accepted and that distribution to member communities and other interested parties be authorized. Dan Clayton seconded and the motion was passed unanimously.

6. PROJECT REPORTS

Compost Facility

Attention was called to the minutes of the November 13 meeting of the Compost Facility Oversight Committee. David Magnant reported that:

- The facility is busy grinding leaves- they received about 327 tons in November. Leaves are now being received from Hampton, Poquoson and York. Last year a total of 990 tons of leaves were received, this year it's anticipated that the facility will receive about 1800 tons.
- Steve Geissler, Donnie Bonivich and Mr. Magnant are working together to find other options for debagging- as it's currently very labor intensive. They are also trying to minimize the amount of plastic debris which is generated by the process, or at least a way to contain it.
- The facility is purchasing vehicle 1109 from the transfer system, and vehicle 1106 will be auctioned.

Attention was called to the minutes of the November 18, 2015 meeting of the Middle Peninsula Transfer System Oversight Committee. David Magnant reported that:

- The project at the Epworth site in King William has been completed, and there is now a good field of vision when entering and exiting the site. The entrance is very neat, and attractive as well.
- Work continues on the Middlesex brush site, paperwork is being prepared for submission to VDOT.
- Preparations are being made to sell some of the older trucks, and once they are sold a new bid will go out for the purchase of new trucks.

Household Chemical Collection
Mr. Magnant said that numbers are up slightly, with 594 more vehicles attending this year than last, about the same as attended in FY 13. The number of cars has varied, but the weights have remained fairly consistent. The event in Poquoson was exceptionally well attended; Mr. Magnant commended Bodina Wright for her excellent job in promoting the event.

Computers and Electronics
The volume of items collected was up slightly from last year.

Drop Off Recycling
Current rates are down slightly at $100 per ton for cardboard, and $68 per ton for mixed paper. Metal prices are down and continuing downward, and are currently around $55 per ton; Essex Recycling is at $30 per ton.

Steve Geissler said that County Waste has agreed to continue to pay $20 per ton for mixed recyclables.

7. AGREEMENTS FOR SOLID WASTE DISPOSAL SERVICES AND RECYCLING SERVICES
Beginning in April of 2012, VPPSA entered into agreements with the following for Solid Waste Disposal and Recycling Services:

- BFI Waste Systems of Virginia, LLC
- County Waste, LLC
- Waste Management Disposal Services of Virginia, Inc.

The agreements were all two year agreements, and all three were amended in April 2014 extending the terms an additional two years until June 30, 2016.

Waste from Mathews and Middlesex have been delivered to MPLRF in Gloucester (Waste Management) and wastes from Essex and King William have been delivered to the King and Queen Landfill (BFI Waste Services). All commingled recyclables collected by VPPSA have been delivered to County Waste.

Cost proposals for two year renewals were requested from all three companies. The payment schedule for the agreement with BFI remains unchanged. The pay schedule for the delivery of recyclables for the agreement with County Waste remains unchanged (including the $20 per ton that County Waste currently pays for commingled recyclables). However, the fee schedule for the agreement with Waste Management has increased $.25 to $23.75 and $23.50 per ton for delivery of less than and more than 27,500 tons per year respectively.

Marcia Jones moved that:

- The amendment to the Agreement for Solid Waste Disposal Services between VPPSA and BFI Waste Systems of Virginia, LLC be approved, and that the Executive Director be authorized to execute the Agreement.
- The amendment to the Agreement for Solid Waste Disposal Services between VPPSA and County Waste, LLC be approved, and that the Executive Director be authorized to execute the Agreement
- The Amendment to the Agreement for Solid Waste Disposal Services between PPSA and Waste Management Disposal Services of Virginia, Inc be approved, and that the Executive Director be authorized to execute the agreement.

John Horned seconded, and the motion was passed unanimously.

8. EXTENSION OF AGREEMENT FOR COMPUTER AND ELECTRONICS RECYCLING

VPPSA is currently in an Agreement with Versability (formerly The Arc of the Virginia Peninsula) for Computer and Electronics Recycling. The Agreement began in February of 2013 and was renewed in December 2014 and is in effect until January 31, 2016. VPPSA has received notice that in order to extend the agreement beyond January 2016, there must be an increase in the cost of services.

Steve Geissler reviewed the current Agreement, noting that aside from a $100 fee per event, all approved items are accepted for recycling at no charge. In the proposed agreement, certain computer and computer related items, along with cell phones, would continue to be accepted at no charge. However, other computer and electronic items such as keyboards, printers, and small household appliances would still be accepted, but would carry a cost of $ 0.10 per pound, and CRT type computer monitors would be accepted at a cost of $5 each. Mr. Geissler noted that these costs are very similar to what other localities are currently paying.

Mr. Geissler suggested that the agreement be extended until June 30, 2016, which will allow the time and opportunity to do an RFP for services. Meanwhile, limits should be placed on which items will be accepted at VPPSA events. Also, a VPPSA employee should monitor the items being dropped off at each recycling event, to make sure they are being properly categorized. Mr. Geissler said that to follow this course of action, the budget for this project would need to be increased by approximately $1000 per community. Changes will also have to be incorporated for the brochure, newspaper ads, and other publicity for these events.

Mr. Geissler noted that Versability has provided the best service of any electronics recycling contractor, and has been a very good partner. Also, Versability has a good impact on the community because their program provides employment for individuals with disabilities.

John Horne said that it's important to make sure that all materials collected are still being recycled. It was noted that these changes will also likely affect James City County's program, since Versability is also the contractor for electronics recycling at the Jolly Pond Convenience Center.

John Horne moved that the Executive Director be authorized to extend the agreement until June 30, 2016 consistent with recommendations in the memorandum which was provided to the Board Members (see attached). Dan Clayton seconded, and the motion was passed unanimously.

9. FY 17 BUDGET

Draft budgets were distributed to Board members for review on November 9, 2015. The appropriate budgets were reviewed by both the Compost Facility Oversight Committee and the Transfer System Oversight Committee, and also Williamsburg and James City County. Steve Geissler reviewed the budget proposal, which incorporated any comments received.

General

All salary line items include an allowance for a salary adjustment for FY 17 of up to 2.5%. The actual salary adjustment will be set by the VPPSA Board at the June 2016 meeting.

The budgets include payments for the employer share of retirement contributions to VRS for Plan 1, Plan 2, and the Hybrid Plan. The employer share for Plan 1 and Plan 2 was 6.45% in FY 15 and remains the same for FY 16. A rate increase of 10% has been assumed for FY 17. An employer share of 7.2% was used to estimate payments made to VRS for retirement for FY 17.

All project budgets have been prepared based on an assumed increase in health insurance premiums of 10%. It is expected that both the Key Advantage and the Cost Alliance programs will continue to be offered to all eligible employees.

Projects administered using contractors include an administrative expense of 6%. Projects administered using VPPSA personnel include an administrative expense of 12%.

Curbside Recycling

The proposed budget for FY 17 is based on the following:

- An estimated house count for Poquoson, Williamsburg and York County based on the actual counts for FY 15 and FY 16 and anticipated growth.
- The Agreement between VPPSA and County waste states that County Waste may petition for an annual adjustment to the unit price for curbside collection services, effective July 1, to reflect the general increase in the cost of operations, that shall not exceed 3%, based on the percentage increase of the "Garbage and Trash Collection" category, series CUUR0000SEHG02, of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. Based on the index between April 2014 and April 2015, the unit rates increased on July 1, 2015 by just over 1% to $1.48 per household per month and $1.41 per household per month for York County. The index has increased 1% from April 2015 to September 2015. The budget for FY 17 has been prepared with a 2% increase over the FY 16 rates.
- An administrative fee of $10,000 for James City County to compensate VPPSA for handling inquiries from James City County residents.

Drop Off Recycling

Based on the proposed budget, the estimated total cost for Drop Off Recycling for FY 17 will decrease by 3% compared to the budgeted figures for FY 16.

Collection cost will be $207.49 per collection for FY 17, decreasing from $216.66 per collection for FY 16. The budget is based on a total of 476 collections for FY 17.

Container rental will remain at $62 per container per month for FY 17.

James City County will pay a rental fee of $375 per month for the corrugated cardboard compactor at the Tewning Road Convenience Center.

Staffing for FY 17 will be budgeted as follows:

Transfer System Supervisor	5%
Solid Waste Operations Coordinator	5%
Roll Off Driver #1	37.5%
Roll Off Driver #2	25%
Dispatcher #1	5%
Maintenance Mechanic	5%

Line Item 53500, Equipment Replacement includes $42,000 to contribute funds to an Equipment Replacement Reserve Fund for the Drop Off Project. These funds will be used to replace containers as needed.

Transportation Fees, Line Item 58100, includes funds to be transferred as revenue to the Transfer System Project. The total figure of $36,000 covers the costs of operating the roll off vehicle for the year including fuel, insurance, tires and vehicle repair and maintenance.

Line Item 58400, Operating Fees, includes $8,000 to be transferred as revenue to the Transfer System Project. This amount covers the operating costs related to the driver and operation of the field office including uniforms, medical exams, safety programs and equipment, office supplies and telephone expenses.

The budget includes anticipated revenue for FY 17 from the sale of commingled containers and mixed paper in the amount of $74,707. The revenue estimate is based on anticipated quantities of recyclables to be collected and contractual or anticipated unit costs for the sale of the recyclables. The counties will receive all revenue received from the sale of commingled containers and mixed paper through credits applied to monthly invoices. Actual revenue received and credited to the Drop Off Recycling Project in FY 15 was $73,209.

Household Chemical Collection

The total project budget for FY 17 represents a reduction of 7% over the total project budget for FY 16.

The schedule of collection events is unchanged for FY 17. Collection events will be held in James City every other month from February to October. Collection events will be held in Hampton and York every other month from March to November. One collection event will be held in Poquoson in October for FY 17.

Operations Budget

The proposed operations budget for FY 17 represents a increase of 1% compared to the operations budget for FY 16.

The Transportation Fee in the amount of $10,000 will be paid by Household Chemical Collection project to the Transfer System project to cover the cost of vehicle operation including fuel, vehicle maintenance and purchase and repair of tires.

Disposal Budget

The proposed disposal budget for FY 17 - which are best estimates based on recent history - represents a reduction of 9% over the disposal budget for FY 16.

Landfill Monitoring

The initial budget figures have been compiled by Joyce Engineering based on their understanding of the work that will be required to be completed in FY 17.

Computer and Electronics Recycling

VPPSA entered into an agreement with the ARC of the Virginia Peninsula – now VersAbility Resources – to provide computer and electronics recycling services in February 2013. Versability has recently provided notice that an increase in fees will be necessary to continue providing the service.

A Request for Proposals will be issued and a new agreement for computer and electronics recycling will be in place before July 1, 2016.

The annual cost for computer and electronics recycling for FY 17 will increase by approximately $1,000 per locality to $2,038 per year.

Compost Facility

The proposed budget for FY 17 represents a reduction of $19,308, or 2%, compared to the budget for FY 16.

Overall, the fees charged to the member communities represent an increase of 4% compared to the fees charged for FY 16.

The revenue budget for User Fees will remain unchanged at $100,000 for FY 17. The actual revenue for User Fees for FY 15 was $98,400.

The revenue budget for Material Sales will be reduced to $480,000 for FY 17. The actual Material Sales revenue for FY 15 was $417,000.

The budget includes staffing as follows:

1 Compost Facility Supervisor
2 Operator III
2 Operator II
2 Operator I

1 Customer Service Representative

All positions are full time.

The budget also includes 624 hours for the Middle Peninsula Maintenance Mechanics to provide assistance at the Compost Facility.

The budget includes adjusting pay ranges as follows:

Customer Service Representative	$11.50 per hour to $18.98 per hour
Operator I	$11.75 per hour to $19.39 per hour
Operator II	$13.00 per hour to $21.45 per hour
Operator III	$16.50 per hour to $27.23 per hour

The proposed budget for FY 17 includes the following significant cost reductions compared to the FY 16 budget:

- Equipment Maintenance and Repair – based on recent history and anticipation of purchase of new loaders
- Fuel – based on recent usage and reduced cost per gallon
- Host Fees – lease payment for FY 16 was less than budgeted as a result of the operating agreement executed in November 2012

An increase of $6,000 is included for Colorant Purchases based on anticipated needs due to demand for colored mulch.

The line item for equipment replacement has been reduced from $240,000 to $210,000 which includes $120,000 for the purchase of new equipment – such as loaders, screens and grinders – and $90,000 to supplement the existing facility maintenance reserve fund to use to repay funds to be borrowed to repave the site and purchase a new supervisor's office / meeting room.

The total monthly fee to the communities for FY 17 will be $48,198. The total monthly fee will be allocated to the communities based on actual quantities delivered to the facility each month.

Middle Peninsula Solid Waste System

The proposed combined budgets for FY 17 for Transfer System, Convenience Centers, Landfill Disposal and Drop Off Recycling for Essex, King and Queen, King William, Mathews and Middlesex represent an increase of 2% in the fees paid by the counties compared to the combined budgets for FY 16.

Transfer System

The draft budget for the Transfer System for FY 17 represents an overall increase of 1% compared to the budget for FY 16.

The budget includes no changes to hours of operation or staffing at facilities.

The budget for FY 17 includes staffing as follows:

Full Time

- 1 Supervisor – Solid Waste Operations Coordinator
- 10 Attendants
- 8 Drivers (7.375 FTE – one driver charged 37.5% to Drop Off Recycling and a second driver charged 25% to Drop Off Recycling)
- 2 Maintenance Mechanics
- 2 Dispatchers

WAE

The budget includes funding for 2,900 hours of WAE employees. The Convenience Center Attendants will provide the following:

- Staffing Transfer Stations when Transfer Station Attendants are working Household Chemical Collection Events
- Staffing Transfer Stations when Transfer Station Attendants are on Annual Leave or Sick leave
- Site maintenance activities such as grass cutting
- Mixed paper collections

The budget includes adjusting pay ranges as follows:

Roll Off Vehicle Operator	$15.00 per hour to $24.75 per hour
Roll Off Vehicle / Trailer Operator	$16.00 per hour to $26.40 per hour
Swing Driver	$18.00 per hour to $28.05 per hour
Lead Driver	$19.00 per hour to $29.70 per hour
Maintenance Mechanic	$19.00 per hour to $29.70 per hour

Significant reductions for the Transfer System budget for FY 17 compared to the FY 16 budget are as follows:

- Fuel – Fuel use has been consistent over the last several years with a slight reduction. VPPSA vehicles have logged between 420,000 and 480,000 miles over the last four years. Fuel costs per gallon have decreased significantly.
- Tires – repair and purchase – New tire purchases are reduced when new vehicles are purchased. New tires are used for steering tires and recaps are used on the rear of the trucks.

Significant increases for the Transfer System budget for FY 17 compared to the FY 16 budget are as follows:

- Equipment Replacement – In accordance with the action taken at the October 2015 Board meeting contributions to the Equipment Replacement Fund will increase from $90,000 to $115,000 with a corresponding reduction in annual contributions to the Convenience Center Equipment Replacement Fund
- Communication Services – addition of Network Fleet vehicle tracking system

The basis for allocation of variable costs associated with waste hauling – such as fuel, vehicle maintenance and repair and tire repair and purchase - is the total number of pulls for waste, white goods and tires made by VPPSA for each county.

Transfer System - Line Item Number 43000 - White Goods Revenue

The revenue budget for the sale of scrap metal and white goods will decrease from $75,000 for FY 16 to $50,000 for FY 17 based on current market conditions. Actual revenue for FY 15 was $92,000.

Transfer System - Line Item Number 44400 – Hauling Fees

Hauling fees will be charged to HRSD and the Town of Tappahannock for hauling sludge from the treatment plants to the landfills. VPPSA is currently providing hauling services at three campgrounds in Middlesex County. Other miscellaneous hauling revenue, such as hauling tires for York County will be credited to this line item. Approximately $49,000 was received in hauling revenue for FY 14.

Transfer System - Line Item Number 44600 – Used Oil Sales

Actual revenue from the sale of used oil was $3,936 for FY 15. The budget for FY 17 includes $4,000 as revenue from the sale of used oil.

Transfer System - Line Item Number 44700 – Used Battery Recycling

Actual revenue for used battery recycling was $2,369 for FY 15. The budget for FY 17 includes $3,000 as revenue for used battery recycling.

Transfer System - Line Item Number 44750 – Paper Recyclables Revenue

All revenue received from the sale of paper recyclables collected through the front end collection system and the mixed paper recycling program will be credited to this line item. Actual revenue was $59,000 for FY 15. The revenue budget for Paper Recyclables Revenue for FY17 has been set at $60,000.

Transfer System - Line Item Number 44800 – Operating Fee

Payment in the amount of $8,000 will be made from the Drop Off Recycling Project to cover additional operating costs including telephone, uniforms and safety equipment. Fee also covers cost of repair and maintenance to containers.

Transfer System - Line Item Number 49300 – Transportation Fee

Payments will be made from the Household Chemical Collection Project and the Drop Off Recycling Project to cover the cost of vehicle operation including fuel, vehicle maintenance and purchase and repair of tires. Transportation Fee in the amount of $10,000 will be paid by Household Chemical Collection project to Transfer System. Transportation Fee in the amount of $36,000 will be paid by Drop Off Recycling project to Transfer System

Transfer System - Line Item Number 49500 – Container Rental

Actual revenue for container rental was $12,234 for FY 15. The budget for FY 17 includes $10,000 as revenue for container rental.

Convenience Centers

The draft budget for the Convenience Centers for FY 17 represents a reduction of 1% compared to the budget for FY 16.

There are no proposed changes to the staffing levels for FY 16. The budget includes the following:

Full Time

- 1 Supervisor – Transfer System Supervisor
- 12 Attendants

Part Time / WAE

The budget includes funding for 10,150 hours of Part Time and WAE employees. This time will be split between two part time employees and eight WAE employees. These employees, for the most part serve as attendants at convenience centers throughout the five-county system.

In accordance with the action taken at the October 2015 Board meeting contributions to the Equipment Replacement Fund will decrease from $50,000 to $25,000 with a corresponding increase in annual contributions to the Transfer System Equipment Replacement Fund

Landfill Disposal

Budget estimates for landfill disposal reflect anticipated waste quantities based on recent experience. The budget assumes an increase of 2% over the weighted fee of $22.65 per ton for FY 16.

Middle Peninsula Household Chemical Collections

Budget estimates are based on proving two collection events in FY 17 – one event at the Regional Airport in King and Queen County and one event at the Hartfield Volunteer Fire Department in Middlesex County – and previous experience at collection events on the Middle Peninsula.

Administration

The proposed budget for FY 17 represents an increase of $32,250 or 5% compared to the budget for FY 16.

The budget includes staffing for the following positions:

Full Time

- Executive Director
- Director of Operations
- Recycling Coordinator / Safety Officer
- Office Manager
- Solid Waste Assistant

Part Time

- Accounting Clerk

As a result of a competitive procurement, a new firm was selected to provide the financial audit for FY 15. The agreement includes a fee of $24,000 for FY 17. The significant increase over the budget figure for FY 16 is due to the additional requirements for the VRS audit.

The Community Fee will increase from $10,250 to $10,500 for FY 17.

James City County has requested an adjustment to the Household Chemical budget, so the figures presented will change slightly.

John Horne moved that the FY 17 budget be approved as presented for distribution to member communities. Reese Peck seconded and the motion was passed unanimously.

Steve Geissler will send out budget summaries next week.

The meeting was adjourned.

10. NEXT MEETING DATE

February 5, 2016
Williamsburg Municipal Building
2nd Floor Conference Room
401 Lafayette St
Williamsburg, Virginia

Virginia Peninsulas Public Service Authority

December 4, 2015

MEMORANDUM TO: Reese Peck, Essex
Jason Mitchell, Hampton
Chip McDonough, Hampton
John Horne, James City
Tom Swartzwelder, King & Queen
Ken Griffin, King William
Victoria Rowsey, King William
Mindy Conner, Mathews
Marcia Jones, Middlesex
Matt Walker, Middlesex
Tom Jones, Poquoson
Randy Wheeler, Poquoson
Dan Clayton, WIlliamsburg
Frank Hedspeth, York
Laurie Halperin, York
Brian Woodward, York

FROM: Stephen B. Geissler

Subject: Computer and Electronics Recycling Events
FY 17 Budget

VPPSA and Versability Resources (formerly The Arc of the Virginia Peninsula) entered into a two-year agreement for computer and electronics recycling in February 2013. In December 2014, the agreement was extended for one year until January 31, 2016.

Under the original agreement services were provided at a cost of $50 per event for mobilization. With the extension, the mobilization fee increased to $100 per event.

Versability has recently notified us that a significant increase in cost will be required to extend the agreement beyond January 2016. Their proposal includes the following:

Accepted at no charge
Desktop computer
Laptop computer
Server
Cell Phones
PDA
Computer wiring
Computer Monitor – LCD type

475 McLaws Circle, Suite 3B • Williamsburg • VA 23185-5676 • 757-259-9850 • Fax 757-259-9855

Accepted at $0.10 per pound
Keyboard / Mouse
Desktop printer
Fax machine
Photocopier
Audio / video components, speakers
Internal computer parts
Internal Computer Parts (HDD, CD/DVD drives, Fans, Power Supply, etc.)
DVR or Satellite Receiver
Router
Switch
Household Appliance (Microwave, Coffee Maker, Bread Machine, Vacuum, etc.)
CDs, DVDs, computer software, audio/video tapes

Accepted at $5.00 each
Computer Monitor – CRT type

The Versability proposal is not inconsistent with other local government agreements for similar services. We are unaware of any local government agreement with fees for computer and electronics recycling services as low as the current VPPSA – Versability agreement.

Based on quantity of material collected over the last several years provided by Versability and the proposed fees, it is expected that the contractor cost for the program – 16 collection events per year (five in Hampton, five in York County, five in James City County and one in Poquoson) – could increase to $8,000 to $12,000 per year with no change in acceptance policies. The current cost is $1,600 per year. Nearly half of the anticipated cost increase comes from "miscellaneous electronics" which includes radios, CD and DVD players and other small home appliances such as vacuum cleaners. Approximately 30% of the cost is attributable to CRT monitors which are becoming a smaller fraction of the material collected.

The following course of action is recommended:

- Approve a renewal of the agreement with Versability as proposed until June 30, 2016. This renewal will include seven collection events (three in James City County and two each in Hampton and York County) with an anticipated total cost of $3,500 to $5,000. This change will require the presence of an additional VPPSA employee at the computer and electronics recycling area to closely monitor acceptance and categorization of materials at the events.

- Issue a Request for Proposals with the intent of approving a new agreement at the April 2016 Board meeting.

This course of action offers the following:

- Continuation of the service to residents in February 2016 without interruption.

- Permits review and evaluation of removing certain items from the program such as household appliances.

- Changes the contract schedule from a calendar year to a fiscal year
- Secures an agreement before the next scheduled Middle Peninsula event.

It is recommended that the FY 17 budget for the Peninsula participating localities be increased from $1,000 per year to $2,000 per year.

Item No. 3. Project Reports:

Background:

Compost Facility:
The Compost Facility Oversight Committee met on January 21, 2016. Minutes of those meetings are attached.

Transfer System:
The Transfer System Oversight Committee met on January 8, 2016. Minutes of those meetings are attached.

Household Chemical Collection:
The last collection event in 2015 was held in Hampton on November 21. The first event for 2016 will be in James City/Williamsburg on February 13, followed by events on March 12 and March 19 in York County and Hampton, respectively.

Computer Recycling:
The last collection event in 2015 was held in Hampton on November 21. The first event for 2016 will be in James City/Williamsburg on February 13, followed by events on March 12 and March 19 in York County and Hampton, respectively.

Curbside Recycling:
Summary reports are attached.

Drop-Off Recycling:
Summary reports are attached.

Recommended Action:

Compost Facility:	None
Transfer System:	None
Household Chemical:	None
Computer Recycling:	None
Curbside Recycling:	None
Drop-Off Recycling:	None

Minutes
Yard Waste Composting Facility
Oversight Committee
Poquoson
January 21, 2016
9:00 A.M.

IN ATTENDANCE:

Thomas Jones, Poquoson	Stephen B. Geissler, VPPSA
Laurie Halprin, York County	Donnie Bonivich, VPPSA
Chip Mcdonough, Hampton	David Magnant, VPPSA

MATERIAL QUANTITIES:

Incoming material quantities continue to drop year after year. FY 16 year to date are down to 11,403 which is 500 tons less this same period last year. Hampton has delivered 5,108 tons which is down 700 tons form this same period in AFY 15. York County delivered 3,980 tons, down from 4, 041 from this same period in FY 15. Poquoson was relatively unchanged with 599 tons last year and slight increase to 608 tons in FY 16. The commercial incoming quantities increased from 1,500 tons to 1,700 tons. The collective total for the first 6 months is 11,400 tons while the collective total for this same period in FY 15 was 11,900 tons down 500 tons for the period.

MATERIAL SALES:

Sales have been unimpressive with 2,000 cubic yards of compost sold for $36,000 in revenue. We sold 8,000 cubic yards of mulch generating $79,000 in revenue. We sold 1,150 cubic yards of soil blend at revenue of $25,000. Total sales of $140,000 is not the poorest showing we have had, in the past 9 years this year ranks 4 of 9. The good news is that we have plenty of available products to sell, if the weather holds off, we can expect good sales to end the year.

EQUIPMENT STATUS:

We are repairing the McCloskey trammel screen and completing repairs to the bed of the fire truck. We have moved vehicle 1106 to be sold along with the Bobcat 753 skid steer, the Bobcat 873 skid steer and the stacking conveyor through the Public Surplus auction. We are moving vehicle 1109, a 2002 Mack Roll Off truck, down to the compost facility as approved in a previous Board Meeting.

EVALUATION OF STORM WATER MANAGEMENT:

Steve provided a summary of the outfall constituent levels for the past 5 years. The last readings were well with benchmark values. Staff had requested and received assistance from York County and Poquoson about the outfall drainage issue. Staff is recommending that we hire a consultant, using available funds, to provide guidance on management and repairs of the outfall structure.

REPAVING:

The paved area of the compost facility has received multiple patches over the years. There are several that are in need of significantly more repair, than a patch. We have some concerns about sub-structure; most of the repairs are the same areas where we are seeing additional damage. In addition to the repairs, we believe it is time to evaluate a complete repaving option. We want to hire a consultant to review the damaged sections and provide a comprehensive evaluation of the paving and make recommendations on how to proceed. We recommend using money from the site paving fund to hire a consultant.

SITE STATUS:

In addition to the repaving project, we will be looking to do some site improvements, such as a new office/drivers room/training area and attendant building. A pole barn or large structure where staff can be sheltered while preforming routine and long term maintenance on the large pieces of equipment.

Staff manages a metal pile for York County. The site has generated a fair amount of revenue for the County over the years. Recently falling commodities pricing has seen a serious decline in the revenue received in the scrap metal or white goods market. Subsequently our vendor that collects the metal off the ground after removing the CFC's is no longer able to provide the service as revenue. They will actually charge us to come collect the material.

We recommend that we contract a firm to remove the CFC's and have York County collect and Haul the metal to a facility. They could do it with one of their knuckle boom trucks or they could use a dump truck and use the knuckle boom truck to load the material into the York County dump trucks. The site is currently close to capacity and it would be best to move forward with this project as soon as possible.

OTHER BUSINESS:

As directed by the VPPSA Board the Executive Director has been researching administrative office options. Steve distributed several options including a reduced option to stay where we are currently located. Steve discussed the available options and the associated costs. The committee members agreed that the best option would be to take the reduced rate offered at the current location.

NEXT MEETING:

The next Compost Facility Oversight Committee meeting will be held in Hampton on March 16, 2016 at 9:00AM.

Prepared by:
David Magnant
Director of Operations

Minutes
Middle Peninsula Transfer System
Oversight Committee
MPPDC Saluda, VA
January 8, 2016
11:00AM

IN ATTENDANCE:

Matt Walker, Middlesex County	Mindy Conner, Mathews County
Tom Swartzwelder, K & Q County	David Magnant, VPPSA
Reese Peck, Essex County	Cecil Taylor, VPPSA

WASTE QUANTITIES:

David provided the Middle Peninsula Waste Quantities report. Essex had waste quantities of 3,441 for the first 5 months compared to 3,164 from the same period for FY 15. In reviewing the past 12 months, the waste quantities have exceeded the previous 12 months in 10 of the last 12 months, consistent with the slight increase in overall tonnage reported.

King and Queen County waste quantity levels have remained relatively flat. The waste quantities for FY 15 were 981 tons for the first 5 months compared to 1,010 tons YTD for FY 16. Only 5 of the past 12 months reported higher waste quantities and overall expectations are similar to FY 15 Waste Quantities of 2,300 tons.

Although King William waste quantities have been lower for several years, FY 16 waste Quantities will be up slightly with a projected waste quantity total of 8,300 tons. The first 5 months show a slight increase in Waste Quantities with 3,367 tons compared to 3,078 tons form this same period for FY15.

Mathews County had FY 15 Waste Quantities of 2,021 for the first 5 months and 2,358 for the first 5 months of FY 16. Mathews County had 9 out of the past 12 months with an increase in waste quantities.

Middlesex County had FY 15 Waste Quantities of 2,752 for the first 5 months compared to 2,993 tons for the first 5 months of FY 16. The projected total of Middle Peninsula Waste Quantities for FY 16 will exceed 30,000 tons, which we haven't exceeded since FY 12.

CORRUGATED CARDBOARD & PAPER RECYCLING:

David provided the paper and OCC rates by month and fiscal year. The current mixed paper rate is $64 per ton and the current OCC rate is $87. Although these rates are lower than the previous rates, the rates have remained steady for six months. Historically rates typically drop this time of year.

BRUSH HANDLING in MIDDLESEX COUNTY:

A site sketch was prepared and provided to Michael Doczi of VDot. Staff is working on the permit with the assistance of Middlesex County. David will contact King William County and request the information that King William provided to VDot for the financial surety and also the other paperwork that they were required to provide for the Epworth Project. David will work with Middlesex to ensure the information is provided so that we can complete the application as quickly as possible.

MIDDLE PENINSULA VEHICLE MAINTENANCE BUILDING

Staff will meet with two of the Middle Peninsula building contractors that built the steel buildings similar to those in K&Q and Middlesex Counties. We plan to provide estimated costs for the building so that we can move forward on plans. King and Queen and Middlesex Counties were interested in having VPPSA provide mechanical services. Middlesex County asked about the cost for the land, King and Queen initially offered the land a no cost. Mr. Swartzwelder wanted to speak to Mr. Geissler about the terms prior to committing the land.

HOUSEHOLD CHEMICAL EVENTS:

Two dates were offered for the Middle Peninsula HHC events, they were April 16, 2016 in King William and August 20, 2016 in Middlesex County. David will send out an additional request to confirm those dates with everybody before the next oversight committee meeting.

OTHER BUSINESS:

A schedule of the calendar year for the Oversight Committee was presented.

NEXT MEETING:

The meeting will be held at the MPPDC office located at 125 Bowden Street in Saluda on March 11, 2016 at 11:00 A.M.

Prepared by:

David A Magnant
Director of Opertions

	YORK	POQ	JCC	WMBG	HPT	TOTAL
TOTAL FY 07	$ 42,938	$ 6,753	$ 39,017	$ 6,609	$ 34,452	$ 129,769
TOTAL FY 08	$ 46,605	$ 5,121	$ 51,820	$ 10,986	$ 54,031	$ 168,563
TOTAL FY 09	$ 60,591	$ 14,986	$ 57,603	$ 9,998	$ 60,990	$ 204,168
TOTAL FY 10	$ 58,089	$ 18,397	$ 58,157	$ 10,776	$ 65,379	$ 210,798
TOTAL FY 11	$ 63,180	$ 10,116	$ 63,986	$ 11,166	$ 59,059	$ 207,506
TOTAL FY 12	$74,741	$15,672	$66,654	$10,805	$65,952	$233,825

FY 13	**YORK**	**POQ**	**JCC**	**WMBG**	**HPT**	**TOTAL**
JULY	$ 12,048	$ 953	$ 373	$ 178	$ 10,829	**$ 24,381**
AUGUST	$ 1,025	$ 39	$ 12,929	$ 1,498	$ 39	**$ 15,530**
SEPTEMBER	$ 8,165	$ 386	$ 541	$ 261	$ 10,557	**$ 19,910**
OCTOBER	$ 2,469	$ 8,569	$ 13,046	$ 1,329	$ 490	**$ 25,903**
NOVEMBER	$ 8,980	$ 520	$ 851	$ 423	$ 9,861	**$ 20,635**
FEBRUARY	$ 551	$ -	$ 9,246	$ 944	$ 39	**$ 10,780**
MARCH	$ 10,015	$ 1,219	$ 709	$ 140	$ 12,186	**$ 24,269**
APRIL	$ 485	$ -	$ 12,634	$ 1,333	$ -	**$ 14,452**
MAY	$ 10,690	$ 1,282	$ 203	$ 51	$ 11,484	**$ 23,710**
JUNE	$ 935	$ 36	$ 10,470	$ 1,583	$ 36	**$ 13,060**
TOTAL FY 13	**$55,363**	**$13,004**	**$61,001**	**$7,741**	**$55,521**	**$192,630**

FY 14	**YORK**	**POQ**	**JCC**	**WMBG**	**HPT**	**TOTAL**
JULY	$ 10,791	$ 985	$ 674	$ 144	$ 17,090	**$ 29,684**
AUGUST	$ 891	$ 40	$ 16,519	$ 1,700	$ -	**$ 19,150**
SEPTEMBER	$ 13,533	$ 702	$ 759	$ 324	$ 14,606	**$ 29,924**
OCTOBER	$ 2,389	$ 10,775	$ 13,607	$ 1,461	$ 375	**$ 28,607**
NOVEMBER	$ 9,229	$ 834	$ 1,018	$ 184	$ 8,605	**$ 19,870**
FEBRUARY	$ 707	$ -	$ 9,527	$ 1,248	$ -	**$ 11,482**
MARCH	$ 9,200	$ 788	$ 611	$ 326	$ 9,017	**$ 19,943**
APRIL	$ 1,047	$ 34	$ 11,446	$ 2,026	$ 101	**$ 14,653**
MAY	$ 9,335	$ 562	$ 544	$ 218	$ 11,331	**$ 21,992**
JUNE	$ 535	$ -	$ 10,606	$ 951	$ 30	**$ 12,122**
TOTAL FY 14	**$ 57,656**	**$ 14,721**	**$ 65,311**	**$ 8,581**	**$ 61,155**	**$ 207,425**

FY 15	**YORK**	**POQ**	**JCC**	**WMBG**	**HPT**	**TOTAL**
JULY	$ 10,442	$ 1,164	$ 406	$ 152	$ 11,789	**$ 23,954**
AUGUST	$ 842	$ 32	$ 12,338	$ 1,328	$ -	**$ 14,540**
SEPTEMBER	$ 12,008	$ 654	$ 899	$ 310	$ 8,622	**$ 22,493**
OCTOBER	$ 1,330	$ 6,875	$ 12,579	$ 1,016	$ 202	**$ 22,002**
NOVEMBER	$ 8,710	$ 472	$ 1,112	$ 287	$ 10,629	**$ 21,210**
FEBRUARY	$ 928	$ 121	$ 9,799	$ 887	$ 161	**$ 11,896**
MARCH	$ 8,439	$ 492	$ 435	$ -	$ 10,106	**$ 19,473**
APRIL	$ 440	$ -	$ 11,117	$ 1,036	$ -	**$ 12,593**
MAY	$ 11,856	$ 1,218	$ 720	$ 271	$ 10,426	**$ 24,491**
JUNE	$ 833	$ 100	$ 14,297	$ 1,100	$ 67	**$ 16,397**
TOTAL FY 15	**$ 55,828**	**$ 11,128**	**$ 63,703**	**$ 6,387**	**$ 52,001**	**$ 189,048**

FY 16	**YORK**	**POQ**	**JCC**	**WMBG**	**HPT**	**TOTAL**
JULY	$ 11,242	$ 2,599	$ 438	$ 563	$ 13,287	**$ 28,129**
AUGUST	$ 739	$ 111	$ 13,787	$ 961	$ 37	**$ 15,635**
SEPTEMBER	$ 12,991	$ 876	$ 301	$ 490	$ 10,699	**$ 25,358**
OCTOBER	$ 2,914	$ 12,811	$ 14,973	$ 1,719	$ 420	**$ 32,837**
NOVEMBER	$ 10,597	$ 548	$ 627	$ 387	$ 10,804	**$ 22,964**
TOTAL FY 16	**$ 38,483**	**$ 16,945**	**$ 30,126**	**$ 4,121**	**$ 35,247**	**$ 124,923**

Household Chemical
Disposal Cost Summary
FY 16

	York	Poquoson	James City	Williamsburg	Hampton	Total
Budget						
Disposal Cost	$ 75,000	$ 17,000	$ 69,000	$ 12,000	$ 68,000	$ 241,000
Administration Fee	$ 4,100	$ 929	$ 3,772	$ 656	$ 3,717	$ 13,174
FY 14 Budget	$ 79,100	$ 17,929	$ 72,772	$ 12,656	$ 71,717	$ 254,174
To Date						
Disposal Cost	$ 38,483	$ 16,945	$ 30,126	$ 4,121	$ 35,247	$ 124,923
Administration Fee	$ 2,050	$ 465	$ 1,886	$ 328	$ 1,859	$ 6,587
Total Disposal Cost	$ 40,533	$ 17,409	$ 32,012	$ 4,449	$ 37,106	$ 131,510
Projected						
Disposal Cost	$ 64,139	$ 19,445	$ 75,316	$ 10,302	$ 58,746	227,948
Administration Fee	$ 4,100	$ 929	$ 3,772	$ 656	$ 3,717	$ 13,174
Total Disposal Cost	$ 68,239	$ 20,374	$ 79,088	$ 10,958	$ 62,463	$ 241,122
Projected Invoice	$ 79,100	$ 17,929	$ 72,772	$ 9,512	$ 63,717	$ 243,030
Deferred Revenue	$ 9,391	$ 16,278	$ (953)	$ 10,430	$ 13,414	$ 48,560
Projected Year End Balance	$ 20,252	$ 13,833	$ (7,269)	$ 8,984	$ 14,668	$ 50,468

HOUSEHOLD CHEMICAL COLLECTION
VEHICLE COUNT BY SITE

	YC/POQ	JCC/WMBG	HPT	TOTALS
FY 07 TOTAL	1,140	1,597	1,049	3,786
FY 08 TOTAL	1,204	1,781	1,140	4,125
FY 09 TOTAL	1,612	1,329	1,071	4,012
FY 10 TOTAL	1,639	1,615	1,352	4,606
FY 11 TOTAL	1,809	2,323	1,314	5,446
FY 12 TOTAL	1,764	1,887	1,336	4,987

FY 13

	YC/POQ	JCC/WMBG	HPT	TOTALS
July	347		221	**568**
August		394		**394**
September	214		206	**420**
October	220	461		**681**
November	235		233	**468**
February		274		**274**
March	278		263	**541**
April		477		**477**
May	228		230	**458**
June		363		**363**
TOTAL	**1,522**	**1,969**	**1,153**	**4,644**

FY 14

	YC/POQ	JCC/WMBG	HPT	TOTALS
July	239		352	**591**
August		473		**473**
September	278		260	**538**
October	272	499		**771**
November	224		242	**466**
February		276		**276**
March	190		142	**332**
April		434		**434**
May	241		234	**475**
June		408		**408**
TOTAL	**1,444**	**2,090**	**1,230**	**4,764**

FY 15

	YC/POQ	JCC/WMBG	HPT	TOTALS
July	224		254	**478**
August		449		**449**
September	222		211	**433**
October	142	366		**508**
November	204		211	**415**
February		295		**295**
March	165		187	**352**
April		401		**401**
May	272		297	**569**
June		492		**492**
TOTAL	**1,229**	**2,003**	**1,160**	**4,392**

FY 16

	YC/POQ	JCC/WMBG	HPT	TOTALS
July	221		295	**516**
August		423		**423**
September	378		277	**655**
October	355	437		**792**
November	262		229	**491**
TOTAL	**1,216**	**860**	**801**	**2,877**

HOUSEHOLD CHEMICAL COLLECTION
NUMBER OF VEHICLES

	YORK	POQ	JCC	WMBG	HPT	Combined Total
FY 07 TOTAL	1,043	158	1,361	227	997	3,786
FY 08 TOTAL	1,139	128	1,446	303	1,109	4,125
FY 09 TOTAL	1,133	219	1,390	240	1,030	4,012
FY 10 TOTAL	1,361	340	1,388	262	1,255	4,606
FY 11 TOTAL	1,644	227	2,002	345	1,228	5,446
FY 12 TOTAL	1,545	323	1,619	256	1,244	4,987
FY 13						
July	320	24	10	4	210	**568**
August	26	1	328	38	1	**394**
September	194	9	13	6	198	**420**
October	59	175	397	40	10	**681**
November	213	12	20	10	213	**468**
February	14	-	235	24	1	**274**
March	248	29	17	3	244	**541**
April	16	-	417	44	-	**477**
May	210	25	4	1	218	**458**
June	26	1	291	44	1	**363**
TOTAL	**1,326**	**276**	**1,732**	**214**	**1,096**	**4,644**
FY 14						
July	224	20	14	3	330	**591**
August	22	1	408	42	-	**473**
September	250	13	14	6	255	**538**
October	59	230	428	46	8	**771**
November	203	19	23	4	217	**466**
February	17	-	229	30	-	**276**
March	167	14	11	6	134	**332**
April	31	1	339	60	3	**434**
May	221	13	13	5	223	**475**
June	18	-	357	32	1	**408**
TOTAL	**1,212**	**311**	**1,836**	**234**	**1,171**	**4,764**
FY 15						
July	206	23	8	3	238	**478**
August	26	1	381	41	-	**449**
September	203	12	15	6	197	**433**
October	29	127	322	26	4	**508**
November	185	10	23	6	191	**415**
February	23	3	243	22	4	**295**
March	157	9	8	-	178	**352**
April	14	-	354	33	-	**401**
May	247	27	15	6	274	**569**
June	25	3	429	33	2	**492**
TOTAL	**1,115**	**215**	**1,798**	**176**	**1,088**	**4,392**
FY 16						
July	183	44	7	9	273	**516**
August	20	3	373	26	1	**423**
September	344	23	8	13	267	**655**
October	70	304	366	42	10	**792**
November	244	12	14	9	212	**491**
TOTAL	**861**	**386**	**768**	**99**	**763**	**2,877**

COMPUTER RECYCLING COLLECTION WEIGHTS PER COLLECTION (In Pounds)

		COMPUTERS	LAPTOPS	MISC	MONITORS	PRINTERS	TOTAL
FY07	TOTAL	12,790		7,831	22,414	2,258	45,293
FY 08	TOTAL	22,112	81	6,448	34,274	8,976	71,950
FY 09	TOTAL	27,017	520	10,468	39,649	10,414	88,068
FY 10	TOTAL	20,452	469	17,422	35,098	10,403	83,844
FY 11	TOTAL	31,343	2,096	30,404	62,198	37,569	163,610
FY 12	TOTAL	28,924	1,925	40,330	40,496	27,488	139,163
FY 13		**COMPUTERS**	**LAPTOPS**	**MISC**	**MONITORS**	**PRINTERS**	**TOTAL**
	JULY	6,629	400	3,938	5,961	2,080	**19,008**
	AUGUST	1,352	374	1,015	5,685	3,075	**11,501**
	SEPTEMBER	4,552	242	3,628	5,721	3,575	**17,718**
	OCTOBER	6,067	733	3,822	5,880	5,928	**22,430**
	NOVEMBER	3,503	340	1,746	5,293	2,028	**12,910**
	FEBRUARY	3,236	420	5,138	1,739	2,184	**12,717**
	MARCH	6,750	512	6,839	6,685	3,929	**24,715**
	APRIL	4,178	340	4,199	3,740	5,132	**17,589**
	MAY	3,867	286	4,871	2,676	2,530	**14,230**
	JUNE	2,210	193	2,026	2,105	2,766	**9,300**
	TOTAL	**42,344**	**3,840**	**37,222**	**45,485**	**33,227**	**162,118**
FY 14		**COMPUTERS**	**LAPTOPS**	**MISC**	**MONITORS**	**PRINTERS**	**TOTAL**
	JULY	3,768	190	4,392	4,174	2,942	**15,466**
	AUGUST	3,278	208	4,708	3,360	1,826	**13,380**
	SEPTEMBER	4,288	220	5,372	3,460	1,695	**15,035**
	OCTOBER	5,727	394	6,939	3,899	3,494	**20,453**
	NOVEMBER	3,081	227	5,849	2,966	1,399	**13,522**
	FEBRUARY	2,511		4,254	925	1,117	**8,807**
	MARCH	2,770	173	5,651	1,025	2,514	**12,133**
	APRIL	1,109	268	3,127	1,526	1,096	**7,126**
	MAY	3,304	125	3,833	2,756	1,348	**11,366**
	JUNE	3,324	270	3,285	1,599	1,763	**10,241**
	TOTAL	**33,160**	**2,075**	**47,410**	**25,690**	**19,194**	**127,529**
FY 15		**COMPUTERS**	**LAPTOPS**	**MISC**	**MONITORS**	**PRINTERS**	**TOTAL**
	JULY	2,078	325	5,282	1,246	1,965	**10,896**
	AUGUST	3,156	218	3,147	1,460	1,445	**9,426**
	SEPTEMBER	2,418	258	3,892	1,938	1,363	**9,869**
	OCTOBER	2,268	190	4,858	1,453	1,948	**10,717**
	NOVEMBER	2,001	148	3,229	1,573	1,607	**8,558**
	FEBRUARY	1,590	197	7,755	891	1,418	**11,851**
	MARCH	3,191	425	3,801	2,386	2,009	**11,812**
	APRIL	1,734	-	3,124	1,196	1,000	**7,054**
	MAY	4,382	177	4,253	2,167	3,012	**13,991**
	JUNE	2,348	560	1,964	1,190	1,992	**8,054**
	TOTAL	**25,166**	**2,498**	**41,305**	**15,500**	**17,759**	**102,228**
FY 16		**COMPUTERS**	**LAPTOPS**	**MISC**	**MONITORS**	**PRINTERS**	**TOTAL**
	JULY	2,081	137	3,527	1,997	1,582	**9,324**
	AUGUST	1,930	350	3,455	1,446	2,901	**10,082**
	SEPTEMBER	3,718	270	6,121	5,376	3,708	**19,193**
	OCTOBER	5,474	672	7,758	2,823	3,185	**19,912**
	NOVEMBER	2,016	298	5,687	1,695	2,016	**11,712**
	TOTAL	**15,219**	**1,727**	**26,548**	**13,337**	**13,392**	**70,223**

HHC-Computer Collection Breakdown (In Pounds)

	JCC	WMBG	YORK	POQ	HPT	
FY 07 TOTAL	11,106	4,297	6,489	673	-	**22,565**
FY 08 TOTAL	14,709	6,119	34,119	3,642	-	**71,950**
FY 09 TOTAL	23,853	3,559	39,838	3,870	16,947	**88,068**
FY 10 TOTAL	30,718	4,187	27,083	3,301	18,558	**83,847**
FY 11 TOTAL	67,492	10,437	57,506	3,985	24,190	**163,610**
FY 12 TOTAL	39,284	6,299	44,808	8,928	27,980	**127,299**

FY 13

	JCC	WMBG	YORK	POQ	HPT	
JULY	415	138	11,543	968	5,944	**19,008**
AUGUST	9,657	1,068	776	-	-	**11,501**
SEPTEMBER	396	396	8,908	396	7,622	**17,718**
OCTOBER	13,690	1,685	2,369	4,370	316	**22,430**
NOVEMBER	461	288	6,916	288	4,957	**12,910**
FEBRUARY	10,724	1,348	469	59	117	**12,717**
MARCH	713	158	14,655	1,505	7,684	**24,715**
APRIL	15,316	1,376	897	-	-	**17,589**
MAY	159	40	4,651	636	8,745	**14,231**
JUNE	7,480	1,108	712	-	-	**9,300**
TOTAL	**59,011**	**7,605**	**51,896**	**8,222**	**35,385**	**162,119**

FY 14

	JCC	WMBG	YORK	POQ	HPT	
JULY	485	61	7,217	728	6,975	**15,466**
AUGUST	11,569	1,207	604	-	-	**13,380**
SEPTEMBER	247	247	8,229	433	5,878	**15,035**
OCTOBER	12,542	1,109	1,254	5,499	48	**20,453**
NOVEMBER	566	57	6,110	453	6,337	**13,522**
FEBRUARY	7,232	1,050	525	-	-	**8,807**
MARCH	213	142	6,528	355	4,896	**12,133**
APRIL	5,968	842	281	35	-	**7,126**
MAY	185	-	6,239	309	4,633	**11,366**
JUNE	8,631	1,118	492	-	-	**10,241**
TOTAL	**47,639**	**5,834**	**37,479**	**7,811**	**28,766**	**127,529**

FY 15

	JCC	WMBG	YORK	POQ	HPT	
JULY	100	50	5,624	351	4,770	**10,895**
AUGUST	7,783	1,038	605	-	-	**9,426**
SEPTEMBER	735	-	4,777	105	4,252	**9,869**
OCTOBER	7,145	607	679	2,251	36	**10,718**
NOVEMBER	263	88	3,950	176	4,082	**8,559**
FEBRUARY	9,806	1,023	842	120	60	**11,851**
MARCH	58	-	6,517	349	4,888	**11,812**
APRIL	6,015	743	270	34	-	**7,062**
MAY	341	114	6,882	682	5,972	**13,991**
JUNE	7,126	530	265	66	66	**8,053**
TOTAL	**39,372**	**4,193**	**30,411**	**4,134**	**24,126**	**102,236**

FY 16

	JCC	WMBG	YORK	POQ	HPT	
JULY	233	117	3,652	932	4,390	**9,324**
AUGUST	8,684	551	805	42	-	**10,082**
SEPTEMBER	367	244	10,941	550	7,090	**19,193**
OCTOBER	9,145	1,027	1,712	7,384	147	**19,414**
NOVEMBER	217	108	7,037	217	5,088	**12,667**
TOTAL	**18,645**	**2,047**	**24,147**	**9,126**	**16,716**	**70,680**

COMPUTER RECYCLING COLLECTION NUMBER OF VEHICLES

		JCC	WMBG	YORK	POQ	HPT	TOTAL
FY07	TOTAL	130	48	58	6	-	-
FY 08	TOTAL	190	85	368	40	-	683
FY 09	TOTAL	409	64	537	50	260	1,320
FY 10	TOTAL	394	62	451	50	280	1,237
FY 11	TOTAL	1,114	170	785	53	369	2,491
FY 12	TOTAL	970	146	810	168	467	2,561

FY 13		**JCC**	**WMBG**	**YORK**	**POQ**	**HPT**	**TOTAL**
	JULY	6	2	167	14	86	**275**
	AUGUST	199	22	16	-	-	**237**
	SEPTEMBER	4	4	90	4	77	**179**
	OCTOBER	260	32	45	83	6	**426**
	NOVEMBER	8	5	120	5	86	**224**
	FEBRUARY	183	23	8	1	2	**217**
	MARCH	9	2	185	19	97	**312**
	APRIL	256	23	15	-	-	**294**
	MAY	4	1	117	16	220	**358**
	JUNE	189	28	18	-	-	**235**
	TOTAL	**1,118**	**142**	**781**	**142**	**574**	**2,757**

FY 14		**JCC**	**WMBG**	**YORK**	**POQ**	**HPT**	**TOTAL**
	JULY	8	1	119	12	115	**255**
	AUGUST	230	24	12	-	-	**266**
	SEPTEMBER	4	4	133	7	95	**243**
	OCTOBER	260	23	26	114	1	**424**
	NOVEMBER	10	1	108	8	112	**239**
	FEBRUARY	124	18	9	-	-	**151**
	MARCH	3	2	92	5	69	**171**
	APRIL	170	24	8	1	-	**203**
	MAY	3	-	101	5	75	**184**
	JUNE	193	25	11	-	-	**229**
	TOTAL	**1,005**	**122**	**619**	**152**	**467**	**2,365**

FY 15		**JCC**	**WMBG**	**YORK**	**POQ**	**HPT**	**TOTAL**
	JULY	2	1	112	7	95	**217**
	AUGUST	180	24	14	-	-	**218**
	SEPTEMBER	14	-	91	2	81	**188**
	OCTOBER	200	17	19	63	1	**300**
	NOVEMBER	6	2	90	4	93	**195**
	FEBRUARY	163	17	14	2	1	**197**
	MARCH	1	-	112	6	84	**203**
	APRIL	178	22	8	1	-	**209**
	MAY	6	2	121	12	105	**246**
	JUNE	215	16	8	2	2	**243**
	TOTAL	**965**	**101**	**589**	**99**	**462**	**2,216**

FY 16		**JCC**	**WMBG**	**YORK**	**POQ**	**HPT**	**TOTAL**
	JULY	6	3	94	24	113	**240**
	AUGUST	205	13	19	1	-	**238**
	SEPTEMBER	6	4	179	9	116	**314**
	OCTOBER	187	21	35	151	3	**397**
	NOVEMBER	4	2	130	4	94	**234**
	TOTAL	**408**	**43**	**457**	**189**	**326**	**1,423**

Curbside Recycling
FY 16 Cost Summary

	James City	Poquoson	Williamsburg	York	Total
Budget					
Collection Costs	$450,437	$75,223	$50,449	$311,703	$887,812
Advertising	$1,015	$169	$114	$702	$2,000
Postage	$254	$42	$28	$176	$500
Printing	$2,537	$424	$284	$1,755	$5,000
Administrative Fees	$26,041	$4,349	$2,917	$18,020	$51,327
Administrative Support	$10,000	$0	$0	$0	$10,000
Total Costs and Fees	$490,283	$80,207	$53,792	$332,356	$956,638

To Date (Through December 2015)					
Collection Costs	$214,446	$36,793	$25,035	$146,107	$422,380
Advertising	$396	$72	$0	$450	$918
Postage	$0	$0	$0	$0	$0
Printing	$0	$0	$0	$0	$0
Additional Service Costs	$981	$2,083	$573	$3,390	$7,026
Administrative Fees	$13,021	$2,175	$1,459	$9,010	$25,664
Administrative Support	$5,000	$0	$0	$0	$5,000
Total Costs and Fees	$233,843	$41,122	$27,066	$158,956	$460,987

Anticipated					
Collection Costs	$431,361	$73,718	$50,235	$293,927	$849,242
Advertising	$1,015	$169	$114	$702	$2,000
Postage	$254	$42	$28	$176	$500
Printing	$2,537	$424	$284	$1,755	$5,000
Additional Service Costs	$1,970	$4,246	$1,244	$6,831	$14,292
Payment for Carts	$0	$0	$0	$0	$0
Administrative Fees	$26,041	$4,349	$2,917	$18,020	$51,327
Administrative Support	$10,000	$0	$0	$0	$10,000
Total Cost and Fees	$473,178	$82,949	$54,823	$321,411	$932,361
Variance from Budget	$17,105	-$2,742	-$1,031	$10,945	$24,277

Curbside Recycling
House Count
FY 16

House Counts

	James City	Poquoson	Williamsburg	York	Total
July	24,067	4,140	2,819	17,213	48,239
August	24,117	4,143	2,821	17,241	48,322
September	24,156	4,147	2,822	17,254	48,379
October	24,185	4,147	2,826	17,282	48,440
November	24,215	4,149	2,830	17,301	48,495
December	24,257	4,151	2,831	17,327	48,566
January	0	0	0	0	0
February	0	0	0	0	0
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0

Curbside Recycling
Material Quantities
FY 15

Total Material Quantities Collected (Pounds)

	James City	Poquoson	Williamsburg	York	Total
July	1,018,980	208,880	74,840	908,580	2,211,280
August	949,660	196,060	138,180	877,520	2,161,420
September	1,059,780	152,460	99,600	891,060	2,202,900
October	1,105,260	170,000	141,220	865,160	2,281,640
November	898,680	144,340	86,240	699,560	1,828,820
December	1,177,020	155,100	108,520	876,060	2,316,700
January	1,041,020	237,920	108,920	840,960	2,228,820
February	727,020	98,620	73,660	520,960	1,420,260
March	1,038,060	183,580	90,620	839,060	2,151,320
April	1,026,300	160,100	157,580	764,140	2,108,120
May	1,009,500	195,760	110,000	752,820	2,068,080
June	1,090,840	186,240	99,320	778,800	2,155,200
Totals	12,142,120	2,089,060	1,288,700	9,614,680	25,134,560

FY 16

Total Material Quantities Collected (Pounds)

	James City	Poquoson	Williamsburg	York	Total
July	1,007,760	236,820	86,960	783,780	2,115,320
August	977,620	179,160	98,020	707,740	1,962,540
September	1,034,900	169,800	162,400	729,680	2,096,780
October	1,030,960	204,660	101,960	717,500	2,055,080
November	1,020,380	168,480	114,220	724,660	2,027,740
December	1,215,060	189,120	119,820	892,120	2,416,120
January	0	0	0	0	0
February	0	0	0	0	0
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
Totals	6,286,680	1,148,040	683,380	4,555,480	12,673,580

Curbside Recycling
Monthly Statistics
FY 16

	JCC		POQUOSON		WILLIAMSBURG		YORK	
	Set Out Rate	Pounds Per Stop	Set Out Rate	Pounds Per Stop	Set Out Rate	Pounds Per Stop	Set Out Rate	Pounds Per Stop
July	73.46%	26.19	84.55%	25.26	63.17%	25.45	78.34%	25.79
August	74.16%	24.97	85.35%	25.32	65.16%	25.57	80.26%	24.74
September	74.99%	25.46	84.65%	23.93	62.95%	25.73	79.53%	24.64
October	75.64%	25.41	85.08%	24.70	64.86%	25.70	77.09%	25.41
November	74.44%	26.36	85.97%	23.81	67.38%	26.47	79.36%	26.72
December	77.93%	27.79	86.43%	26.26	67.81%	27.13	79.49%	28.43
January								
February								
March								
April								
May								
June								
Average	**75.10%**	**26.03**	**85.34%**	**24.88**	**65.22%**	**26.01**	**79.01%**	**25.96**

REPORTED MISSES (Monthly)

	James City County	Poquoson	Williamsburg	York County	Total
July 2015	28	2	8	38	**76**
August 2015	22	1	5	45	**73**
September 2015	19	7	17	35	**78**
October 2015	18	4	16	33	**71**
November 2015	37	2	6	35	**80**
December 2015	22	4	3	30	**59**
January 2016 *(as of 1/29)*	20	5	2	11	**38**
February 2016					**0**
March 2016					**0**
April 2016					**0**
May 2016					**0**
June 2016					**0**
AVERAGE	**24**	**4**	**8**	**32**	**68**
Acceptable Performance Standards	*31*	*10*	*6*	*28*	*75*

Drop Off Recycling
FY 16 Cost Summary

	Essex	James City	King William	King & Queen	Mathews	Middlesex	York	Total
Budget								
Container Rental	$7,440	$8,664	$5,952	$5,952	$1,488	$5,952	$1,488	$36,936
Pull Costs	$19,066	$18,633	$16,466	$6,933	$16,466	$25,999	$3,900	$107,463
Administrative Fees	$3,039	$3,130	$2,570	$1,477	$2,059	$3,663	$618	$16,556
Material Revenue	$15,900	$21,380	$9,943	$4,560	$9,860	$14,400	$4,298	$80,341
Total Costs and Fees	$13,645	$9,047	$15,045	$9,802	$10,152	$21,215	$1,707	$80,614
To Date (through December 2015)								
Container Rental	$3,720	$4,332	$2,976	$2,976	$744	$2,976	$744	$18,468
Pull Costs	$8,883	$5,200	$8,016	$3,250	$8,233	$13,000	$1,950	$48,532
Administrative Fees	$1,520	$1,565	$1,285	$738	$1,029	$1,832	$309	$8,278
Total Costs and Fees	$14,123	$11,097	$12,277	$6,964	$10,007	$17,807	$3,003	$75,278
Material Revenue *(received as of 2/1/16)*	$7,131	$7,840	$4,325	$1,945	$4,982	$7,064	$1,380	$34,667
Net Costs and Fees	$6,898	$3,215	$7,199	$5,020	$4,530	$10,746	$1,623	$39,231
Anticipated								
Container Rental	$7,440	$8,664	$5,952	$5,952	$1,488	$5,952	$1,488	$36,936
Pull Costs	$17,983	$10,400	$15,816	$7,150	$16,033	$25,999	$3,250	$96,630
Administrative Fees	$3,039	$3,130	$2,570	$1,477	$2,059	$3,663	$618	$16,556
Total Costs and Fees	$28,462	$22,194	$24,338	$14,579	$19,580	$35,614	$5,356	$150,122
Material Revenue	$13,157	$14,233	$9,164	$3,751	$10,140	$13,694	$2,682	$66,822
Net Costs and Fees	$15,305	$7,960	$15,174	$10,828	$9,440	$21,920	$2,674	$83,300
Variance from Budget	-$1,660	$1,087	-$129	-$1,026	$712	-$705	-$967	-$2,686

Drop Off Recycling

Total Weights (Pounds)

FY 15

	Paper	Container
July	128,320	112,580
August	157,790	100,300
September	129,500	93,660
October	94,800	85,570
November	146,060	57,740
December	158,260	89,080
January	188,420	86,380
February	62,020	58,620
March	118,780	80,900
April	122,380	94,100
May	135,660	84,420
June	129,620	111,760
Totals	**1,571,610**	**1,055,110**

FY 16

	Paper	Container
July	254,160	97,800
August	33,500	122,380
September	168,900	90,080
October	75,040	81,380
November	93,480	74,180
December	134,580	90,960
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
Totals	**759,660**	**556,780**

Item No. 6 Distribution of Funds Held for Participating Communities

Background:

The Statement of Net Position included in the Financial Statements for FY 15 presented to and adopted by the Board at the December 4, 2015, meeting included an item identified as "Funds held for participating members" as a liability in the amount of $53,393.

These funds are from interest earned from reserve funds maintained during the 20-year payback period for bonds issued in 1993. The participating communities made lease payments directly to the trustee – which equaled the required payments by VPPSA and payments for the Compost Facility were made directly by VPPSA.

When the final payments were made in April 2013, the intent was to reduce the final payments by using the accumulated interest and drawing the balances down to zero. As a result of inaccurate information provided by the trustee, final bond payments were made and funds in the amount of $53,393 remained.

The Counties of Essex, King William, Mathews, Middlesex and York each made payments directly to the trustee. VPPSA made payments to the trustee for the Compost Facility. The audited balance sheet shows funds remaining in the account as follows:

Essex	$2,497.11
King William	$1,701.28
Mathews	$2,030.58
Middlesex	$79.04
York	$748.01
Compost Facility	$46,337.26
	$53,393.28

Since these funds are no longer needed, they can be returned directly to the Counties.

Staff has identified a need to conduct an evaluation of the Stormwater system at the Compost Facility since there has been significant vegetative growth around the pond, the pond has never been dredged after 22 years of operation and the outlet structure is not functioning as designed. At the Oversight Committee meeting on January 21, 2016, it was recommended that the available funds for the Compost Facility be used to contract with a consultant to perform an evaluation of the stormwater system, make recommendations and prepare documents for repairs to the outlet structure and any other necessary construction. Any remaining funds would be used for construction activities.

Recommended Action:

Approve the distribution of funds to the Counties of Essex, King William, Mathews, Middlesex and York as noted.

Appropriate $46,337.26 to the Compost Facility operating project and revise the FY 16 budget to reflect the transfer of funds and increasing the Consultants line item by the same amount.

Item No. 5 Office Space Lease

Background:

VPPSA entered into a lease agreement for office space at 475 McLaws Circle in Busch Corporate Center in James City County in November 2004. The original lease expired on June 30, 2010. The agreement had provisions for one year renewals and given that other options were being considered, including constructing and owning a building, the one year renewals have been exercised a number of times.

With our current lease for office space expiring June 30, 2016 – we must give notice by April 1, 2016 to terminate the lease – we have considered many office space locations in upper James City County, upper York County and the City of Williamsburg. In addition to an internet search, we have visited potential office spaces with representatives of three commercial real estate companies.

Based on the review of available office space, we found that the typical low end of rates for office space in the greater Williamsburg area is $12.00 to $12.50 per SF with the tenant paying utilities and janitorial services. Some office spaces were found below $12.00 to $12.50 per SF, but those spaces were in poor condition or had other flaws that made them undesirable.

A summary of some of the office spaces considered has been distributed to all Board members. Aside from the McLaws Circle location, the best option considered was an office on Richmond Road in the City of Williamsburg.

After reviewing a number of options we met with our current landlord and he agreed to a significant reduction from the current lease payment which essentially matches the best rental rate we found for suitable office space.

Renewing at 475 McLaws Circle avoids the lost production and additional expense of moving. With the significant reduction in rent, our current landlord has asked for a seven year lease term. We believe this is a reasonable request. We have been in the current location for ten years and it meets our current and anticipated future needs. The location allows us to service all project locations with a reasonable drive time. In addition, space is available for expansion if it is needed at some point in the future.

Recommended Action:

Approve the proposed lease with revisions approved by legal counsel and authorize the Executive Director to execute the lease agreement.

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated February 5, 2016 by and between, Gregg Klich Enterprises, LLC, with its principal office at 219 E. Landing, Williamsburg, VA 23185 (hereinafter referred to as the “Lessor”) and Virginia Peninsulas Public Service Authority (hereinafter referred to as the “Lessee”).

WITNESSETH

The Lessor hereby lease to the Lessee and the Lessee hereby leases from the Lessor the following described property, hereinafter referred to as the “Leased Premises”: 475 McLaws Circle, Suite 3B containing approximately 2815 +/- rentable square feet, together with use of the building attic and the appurtenances, including without limitations, the right in common with others, to use for the respective purposed for which they are intended, the sidewalks, parking area, stairways, truck service ways, and other public service portions of the building which Lessee and invitees are permitted to use hereinafter collectively call “Common Areas”. Lessee agrees to share hall bathroom with tenant occupying 475 McLaws Circle, Suite 3A.

1. TERM: This Lease shall be for the term of Seven (7) commencing on July 1, 2016 and terminating on June 30, 2023 on the terms and conditions as set forth herein.

2. USE: The Leased Premises are to be used for general office use and for no other purpose without prior written consent of Lessor. Lessee shall not use the Leased Premises for any unlawful purpose or so as to constitute a nuisance.

3. POSSESSION: (a)The Lessor covenants and agrees to have the Leased Premises complete and ready for possession on or before the above commencement date, barring strikes, insurrection, Acts of God and other casualties, or unforeseen events beyond the control of the Lessor. Lessee

agrees to accept the possession of said Leased Premises within ten (10) days from receipt of notice by Lessor of completion. The Lessee, at the expiration of the term shall deliver up the Leased Premises in good repair and condition, excepting damages beyond the control of the Lessee, reasonable use, and ordinary decay, and wear and tear.

(b) Prior to December 31, 2016, the Lessor agrees to replace carpet throughout the entire Leased Premises, repaint as requested by the Lessee and perform an evaluation of HVAC system for performance efficiency. Repairs and modifications to HVAC system will be completed based on evaluation by April 1, 2017.

4. RENT: Lessee hereby covenants and agrees to pay, during the term hereof, to the Lessor, in advance and beginning on the commencement date of this lease and on the first day of each and every month thereafter a rent payment of Three Thousand Eighty Three Dollars and Thirty Three Cents ($3,083.33) which shall be paid to Lessor at 319 E. Landing, Williamsburg, VA 23185.

5. RENT ADJUSTMENT: The rent payable pursuant to this lease shall be increased by an amount equal to Two Percent (2%) of previous year's rent under the following schedule:

July 1, 2016 – June 30, 2017	$3,083.33
July 1, 2017 – June 30, 2018	$3,145.00
July 1, 2018 – June 30, 2019	$3,207.90
July 1, 2019 – June 30, 2020	$3,272.05
July 1, 2020 – June 30, 2021	$3,337.50
July 1, 2021 – June 30, 2022	$3,404.25
July 1, 2022 – June 30, 2023	$3,472.33

6. SECURITY DEPOSITS: No security deposit has been or will be paid.

7. LATE PAYMENTS: In the event any; installment of rent is not paid within fifteen days after it becomes due, a later charge equal to five percent (5%) of the monthly rental rate shall be assessed and if not paid within thirty (30) days such rent and late fee shall bear interest at the maximum legal rate and all of the forgoing shall accrue as additional rent. Lessee further agrees to pay or reimburse Lessor (if Lessor elects to pay) any and all attorney fees and court costs incurred in connection with the collection of delinquent rents and all the other sums due to Lessor, or incurred due to any other default by Lessee.

8. COVENANT OF TITLE AND AUTHORITY: Lessor warrants that Lessor has full right to enter into and perform the Lessor's obligations under this lease for the full term aforesaid and for the extensions herein provided, and has marketable title to entire building and property upon which the Leased Premises are located in fee simple, free and clear of all contracts, leased tenancies, agreements, restrictions, violations, or defects in title of any nature whatsoever affecting the demised premises.

9. UTILITIES: Lessee shall pay full utility charges for entire Suite 3 which includes gas & electricity. Lessee's telephone monthly maintenance and installation charges are the responsibility of the Lessee.

10. RENEWAL: This lease shall renew for successive additional terms of one (1) year unless either party shall not less than ninety (90) days prior to the end of any renewal term, but written notice to the other party, terminate the same. Failure of either of the parties to serve such written notice of termination of the other party shall extend the term for an additional periods of one (1) year and obligate the Lessee to all of the terms and conditions hereof for such renewal term, including the obligation to pay rent therefore, as set forth herein with a 2% rent increase.

11. REPAIRS AND MAINTENANCE: Lessee covenants to maintain the Leased Premises in a fit and habitable condition during the term of this Lease. Lessor shall, at its own cost and expense, make such repairs and alterations to and replacement of the Common Areas and the structure, roof and exterior, of the Building as shall be reasonable necessary for Lessee's occupancy of and conduct of business in the Lease Premises and use of the common Areas. Lessee will be responsible for regularly maintaining filter changes with Suite 3B. Lessor will pay for the repair of plumbing, water heater, electrical or HVAC systems which is not caused by Lessee's (or its invitees, agents or employees) negligence or waste. Lessee shall return the Leased Premises to the Lessor at the expiration or termination of this Lease in the condition in which it was received normal wear and tear excepted.

12. CLEANING SERVICES: Weekly cleaning services to be paid by Lessor. Lessor shall provide cleaning supplies and services for the term of the lease which shall include, at a minimum, the following:
    Trash removal for all containers, twice per week
    Vacuuming all carpeted areas once per week and spot vacuuming as needed
    Thorough cleaning of all rest rooms once per week
    Mopping all tiles floors once per week

13. COMPLIANCE WITH INSURANCE: Lessee agrees to use the Leased Premises in a clean, careful, orderly and sanitary manner solely for the purpose above described. The Lessee covenants that is will not do nor permit to be done, nor keep or permit to be kept upon the Leased Premises, anything which will contravene the policy or policies of insurance against loss by fire of other cases, or which will increase the rate of fire of other insurance on the Leased Premises beyond the rate chargeable on the commencement date. Lessee covenants that under no circumstances will it keep or permit to be kept, do or permit to be done in or about the Leased Premises, anything of a character so hazardous as to render it impossible to secure such insurance in companies reasonable

acceptable to the Lessor, and further, immediately upon notice, to remove from the premises and/or to desist from any practice deemed by the insurance companies of the Associations of Fire Underwriters as materially adversely affecting the insurance risk. Lessor recognizes and acknowledges that normal occupancy of an office does not constitute an increase in hazard as defined in this Paragraph.

14. WASTE: The Lessee shall use the Lease Premises with due care and shall not permit or suffer any waste with respect to the Leased Premises.

15. ALTERATIONS: Lessee covenants that it will not make or erect any external or internal alterations or changes of any kind to the Leased Premises without first securing the written consent of the Lessor Any such alterations or changes as shall be permitted in writing shall be at Lessee's expense, and will, at the expiration of the terms or sooner termination thereof, become the property of the Lessor. The Lessee will, in making any such alterations or changes, fully comply with all national and state laws, county ordinances, and regulation of public authority, as well as the requirements of the Associations of Fire Underwriters, or similar governing insurance body, all at Lessee's expense. Lessee covenants, at its expense, promptly to comply with and do all things required by any notice served upon it in relation to said Leased Premises, from any of the departments of the County, including the Health Department, Fire Department and Building Inspectors' Office, or of the Commonwealth of Virginia or the United States, if the same shall be caused by the Lessee's use or occupancy of the Leased Premises, or any alteration, addition or change thereof made by Lessee. Lessee covenants that no lien shall attach to the Leased Premises by virtue of any repairs, alterations or changes made by Lessee, and that if any such lien is filed, Lessee will cause the same to be removed within thirty days. For the purposes of this Lease "alteration" shall include but not be limited to signage of all types.

16. ASSIGMMENT AND SUBLETTING: Lessee may not assign or sublease the Leased Premises or any part thereof without the prior written approval and consent of the Lessor, such consent will not be unreasonably withheld or delayed. Upon any assignment or sublease approved by the Lessor, the obligation of the Lessee, or its successors in interest shall be terminated subject to the following conditions: 1) Sub-lessee must be able to provide Lessor with a financial statement; 2) Sub-lessee must submit security deposit in an amount required by Lessor; 3) Sub-lessee must execute a personal guaranty. The intent of these requirements is to establish that the Sub-lessee can fulfill the contractual lease obligations to the satisfaction of the Lessor. For the purposes of this paragraph a merger or consolidation of Lessee with another corporation, partnership or other entity shall be deemed an assignment.

17. INSURANCE: (a)The Lessor shall during the term thereof carry general liability insurance and casualty insurance of the building comprising the Leased Premises, for at least ninety percent (90%) of replacement value and keep it insured against loss by fire or other hazards covered by the standard broad form extended coverage in use in Virginia in which the premises are located.

(b) The Lessee shall, during the term hereof carry general liability insurance and property insurance for the lessee's contents of the Leased Premises and the Less shall pay all such insurance premiums from and after the time which the Commencement Date occurs, which payments shall be made directly to the insurance carrier or it's agent.

(c) Notwithstanding anything in this Lease to the contrary, the Lessor shall not be liable to the Lessee or to any other person to any extent or at any time or in any event for any failure of water supply, electrical current, or other utilities or for any injury or damage to the Lessee or to any occurring in connection with any machinery, appliance, apparatus or the equipment placed on the premises by Lessee or caused by or resulting from leakage vapor, rain, snow or ice, running

or overflow or water or sewage in any part of the premises, or caused by or resulting from any action of the elements, or for any personal injury (including death) or property damage caused by or from any carelessness, negligence or improper conduct of the Lessee or the Lessee's customers, employees or visitors.

(d) Lessor and Lessee mutually waive their right of subrogation against the other party to the extent damage to the building or its contents is covered by insurance.

18. DESTRUCTION: (a) If, during the term hereof, the Leased Premises are damaged or destroyed so as to render at least ten percent (10%) of the Leased Premises not reasonably suitable for the purpose of Lessee's business and if, in the reasonable opinion of Lessor's architect, the damage or destruction cannot reasonably be repaired within ninety (90) days from the date of such injury, then Lessee shall have the right to terminate this Lease upon thirty (30) days notice to Lessor. In the event of such termination, Lessee shall immediately surrender the premises to Lessor and shall pay rent only to the date of such damage or destruction.

(b) If the damage or destruction is repairable within ninety (90) days, or if Lessee does not exercise its right to terminate as provided in Paragraph (a) of this Section, Lessor shall rebuild and/or repair the Leased Premises exclusive of any personal property belonging to or improvements affected by the Lessee. Until completion of rebuilding and/or repair, the rent shall abate as follows:

(1) If the Leased Premises be unusable during said period, for the purpose of Lessee's business, rent shall abate in the proration that the areas damaged or destroyed portion bears to the entire area of the Leased Premises.

(2) If the Leased Premises be unusable during said period, for such purposed then all rent shall abate from the date of said injury until completion of rebuilding and/or repairs.

(3) Whether the Leased Premises be usable shall be resolved as mutually

agreed upon by the parties, but in the event the parties are unable to agree the matter shall be settled in accordance with the Rules of the American Arbitration Association.

19. SUBORDINATION: Lessee accepts this Lease and the tenancy created hereunder, subject and subordinate to any deed of trust, or other security interest now or hereafter made or granted by Lessor, which may be a lien upon or affect the Leased Premises. Although such subordination shall be automatic, with further act by Lessee, Lessee hereby appoints Lessor as its Attorney in Fact to Execute and deliver any instrument that may be reasonably requested for the purpose of confirming that this Lease is subject and subordinated to any such mortgage deed of trust or of other security interest granted by Lessor.

20. ATTORNMENT: Lessee agrees that upon any termination of Lessor's interest in the Leased Premises, Lessee will, upon request, attorn to the person or organization then holding title to the reversion of the Leased Premises ("the Successor") and to all subsequent Successor's and will pay to the Successor all of the rents and other monies required to be paid by the Lessee and perform all of the other terms, covenants, conditions, and obligations in the Lease. Although such attornment shall be automatic, without further act by Lessee, Lessee hereby appoints Lessor as its Attorney in Fact to execute and deliver any instrument that may be reasonably requested for the purpose of confirming such Attornment of Lessee.

21. FIXTURES: Lessee may, at any time during the continuance of the term of this lease or within thirty (30) days after the termination of the term hereof and the payment of one (1) month's rent, remove from the Leased Premises all fixtures not affixed to the building which Lessee may have purchased at its own expense in said premises and if not removed during such period, such items shall become the property of the Lessor. Upon the payment of one (1) month's rent as aforesaid, Lessor agrees not to relet the premises during said thirty (30) days

period. Lessee agrees to repair any damage which may be done to the Leased Premises resulting from the removal of said fixtures within a thirty (30) day period. Except as herein provided, all alterations, improvements and fixtures become the property of the Lessor upon the termination of the Lease.

22. INSPECTION OF PREMISES: The Lessee agrees that the Lessor shall have the right to inspect the premises at all reasonable times during business hours, and to place upon the same, sale or rent sign, in such part thereof as it may designate, continuously during the last three (3) months of the lease term provided such signs do not interfere with Lessee's use of the Leased Premises, and conform to all laws and ordinances at Lessor's sole expense.

23. CONDEMNATION: (a) If after the execution of this lease and prior to the expiration of the term of the lease, the whole of the Leased Premises shall be taken under the power of eminent domain, then the term of this lease shall cease as of the time when Lessor shall be divested of its title in the Leased Premises, or such earlier time as Lessee's business is thereby interfered with and rent obligation of the Lessee shall be adjusted as of the time of termination.

(b) If only a part of the Leased Premises shall be taken under the power of eminent domain and as a result thereof the Leased Premises shall be reduced to such an extent that in the reasonable opinion of the Lessee the same are no longer suitable for Lessee's business, Lessee may at its election terminate this lease by giving notice of the exercise of its election with sixty (60) days after it shall have received notice of such taking, and the termination shall be effective as of the time that possession of the part so taken shall be required for public use, or such earlier time as Lessee's business, in Lessee's reasonable opinions, is thereby interfered with, and rent shall be adjusted as of the time of termination. If only a part of the Leased Premises shall be taken under the power of eminent domain and if this lease shall not be terminated as aforesaid, then this lease shall continue in full force and effect and Lessor shall, within a reasonable time after

possession is required so as to put the same into condition for use and occupancy by Lessee, and a just proportion of the rent according to the nature and extent of the injury of the Leased Premises shall be suspended or abated until that which may remain of the leased Premises shall be put into such condition by Lessor and thereafter a just proportion of the rent according to the nature and extent of the part so taken shall be abated for the balance of the term of this Lease.

(C) In the event of any taking of the whole or any part of the Leased Premises under the power of eminent domain, the entire award shall belong to the Lessor and the Lessee hereby assign to the Lessor any and all other rights, estates, or interest of the Lessee now arising in and to the same and any thereof. Nothing herein shall prohibit the Lessee from seeking its own award.

24. DEFAULT: (a) If any rent, additional rent or such other sum herein referred to or any part thereof shall be unpaid on the date of payment by the terms hereof, and remain so for a period of five (5) days after Lessor shall have given Lessee notice in writing of such default, then and in such case it shall be lawful for Lessor, at Lessor's option, by summary proceeding or by any other appropriate legal action or proceedings to terminate the term of this lease and to enter into the Leased Premises, or any part thereof, and expel Lessee or any person or persons occupying the Leased Premises, secure the Leased Premises, and repossess the Leased Premises. Should the term of this leas at any time be terminated under the terms and conditions hereof, or in any other way, Lessee hereby covenants and agrees to surrender and deliver the Leased Premises peaceably to Lessor immediately upon the termination of the term hereof. Lessor agrees that in no event shall the nonpayment of rent or such other sums herein referred to be the basis of the eviction of Lessee or the termination of the term of this Lease unless said written notice shall have been served on Lessee as herein provided and Lessee shall have failed to cure such default within said five (5) day period after the service of said notice in any event, if payment is not made within

five (5) days. Lessee shall pay a late payment fee in the amount of five percent (5%) of the amount due.

(b) It is mutually agreed that if Lessee shall be in default in performing any of the terms or provisions of this lease other than the provision requiring the payment of rent, or additional rent, the Lessor shall give to Lessee notice in writing of such default, and if Lessee shall fail to cure such default within twenty (20) days after receipt of such notice, or if the default is of such character as to require more than twenty (20) days to cure after service of such notice, then Lessor may cure such default for the account of and at the cost and expense of Lessee and the full amount so expended by Lessor shall immediately be owing by Lessee to Lessor as additional rent.

(c) In the event of Lessee's default under subparagraphs (a) and/or (b) the abandonment of the Leased Premises by Lessee, it shall be deemed as default by the Lessee and a breach of this Lease in which case the Lessor shall have the following remedies.

(1) The rent shall become due and be paid up to the time of such re-entry, dispossession and/or expiration, together with such expenses as Lessor may incur for attorney's fees, brokerage, and/or putting the demised premises in good order, or for preparing the same for re-rental, and/or

(2) The Lessor shall make best efforts to relet the premises or any part of parts thereof, either in the name of Lessor or otherwise, for a term or terms which may at Lessor's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent in order to mitigate any damages causes in the event of any early termination of the Lease; and/or

(3) Lessee of the legal representative of Lessee shall pay Lessor as additional damages for the failure of Lessee to observe and perform Lessee's covenants, any deficiency between the rent covenanted to be paid and the net amount, if any of the rents collected on account of the lease or lease of the Leased

Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease.

(4) The failure of Lessor's reasonable efforts to relet the Leased Premises or any parts or parts thereof shall not release or affect Lessee's liability for damages. In computing such damages there shall be added to the deficiency such expense as Lessor may incur in connection with reletting, such as attorney's fees, brokerage and for keeping the demised premises in good order or for preparing the same for reletting. Lessor shall undertake reasonable efforts to minimize said expenses and to reduce the damages to the claimed against Lessee and any suit brought to collect the amount of the deficiency for any month shall no prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month by a similar proceeding. Lessor at Lessor's option may make such alterations, repairs, replacement and/or decoration in the demised premises as Lessor in Lessors' sole judgment consider advisable and necessary for the purpose of reletting the Leased Premises; and the making of such alteration and/or decorating shall not operate or be construed to release Lessee from liability hereunder as aforesaid. In the event of a breach or threatened breach by Lessee of any of the covenants or provisions hereof, Lessor shall have the right of injunction and the right to invoke any remedy allowed that allows or in equity as if re-entry, summary proceeding on other remedies were not herein provided for.

25. LESSEE HOLDING OVER: If the Lessee shall not immediately surrender possession of the Leased Premises at the termination of this lease, or the renewal thereof, the Lessee shall become a tenant from month to month, provided rent shall be paid to and accepted by the Lessor, in advance, at the rate or rental payable hereunder just prior to the termination of this Lease, but unless and until the Lessor shall accept such rental from the Lessee, the Lessor shall continue to be entitled to retake possession of the premises without any prior notice whatever to Lessee. If the Lessee shall fail to surrender possession of the premises immediately upon the expiration of the term or any renewal term, it is

agreed that all of the rights and obligations applicable during the term of this Lease shall be equally applicable during such period of subsequent occupancy, which shall be deemed to be month to month tenancy and not a renewal or extension.

26. WAIVER: (a) Any waiver of any covenant or condition of this lease must be in writing signed by the Lessor and shall extend to the particular case only, and only in the manner specified, and shall not be construed as waiver of any right to recover actual damages for any breach in any action at law, or to retain any breach or threatened breach in equity or otherwise.

    (b) The receipt by Lessor of rent or additional rent with full knowledge of the breach of any covenant of the lease shall not be deemed a waiver of such breach. No provision of this lease shall be deemed to have been waived by Lessor, unless such waiver be in writing signed by Lessor. No payment by Lessee or receipt by Lessor for a lesser amount than the monthly rent or additional rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed in accord and satisfaction, and Lessor may accept such check for payment without prejudice of Lessors' right to recover the balance of such rent or pursue any other remedy in this lease provided.

27. NOTICE: Any notice or other communication permitted or required to be given by the provision of this Lease to be effective, must be given in writing by confirmed facsimile, nationally-recognized overnight courier service or depositing the same in the United States mails, postage prepaid, certified mail, return receipt requested or other addressed to the parties at their respective address shown herein or that such other address as the party concerned shall have notified that other in writing. Any notice so given shall be held conclusively to have been given three (3) business days after the date of such mailing, as

evidenced by the postal receipt obtained by the sender.

28. SIGNAGE: No sign, advertisement or notice shall be inscribed, painted or affixed by Lessee on any part of the outside of the building expect, such signs as shall be such size, color and style as Lessor shall approve. Marquis signage shall be ordered and installed at the Lessee's expense. On a one time basis building signage will be at Lessor's expense.

29. MISCELLANEOUS: (a) The use of the singular herein shall include the plural and vice versa; and the use of the neuter personal pronoun shall include all genders.

(b) The captions and heading herein are for convenience and reference only and shall not be used to construe or interpret this lease.

(c)The covenants herein shall be binding upon, and the right hereunder shall extend to and bind and inure to the benefit of the parties, their personal representatives, successors and assigns.

(d) The invalidity or unenforceability of any provision of this lease shall not affect or impair any other provision or the validity and unenforceability of the remainder of this lease.

(e) Lessee agrees to join Lessor in the access to restroom use by Suite A and in the grant of any easements, right-of-ways, or the like which do not affect the Leased Premises, or, if reasonable, and the granting of same does not adversely affect Lessee's business.

(f) This lease constitutes the entire agreement between the parties in respect to the premises, and there are no oral agreements between the parties in respect to the premises, and there are no oral agreements between the parties in

connection herewith.

30. TIME IS OF TH ESSENCE: Time is of the essence.

31. RULES AND REGULATIONS: Lessee covenants and agrees that he will fully comply with the rules and regulations in regard to the building, wherein the said demised premised are located, printed upon insert of this lease and marked Schedule “A”.

32. EXECUTION: This lease is not binding on Lessor until it is signed, acknowledged and delivered by or on behalf of Lessor.

33. ATTACHMENTS: Schedule A – Rules and regulations

The parties hereto have executed this Lease on the date specified immediately adjacent to their respective signatures.

EXECUTED AT:

_____

City and State

_____

Date

LESSEE:

_____

Virginia Peninsulas Public Service Authority

BY: _____

EXECUTED AT:

_____

City and State

_____

Date

LESSOR:

_____

Gregg Klich Enterprises, LLC

BY:

_____

SCHEDULE “A”

RULES AND REGULATIONS

(A) All blinds and drapes are to be approved by Lessor.

(B) No additional locks shall be placed upon any doors of the premises without prior approval from the Lessor. Lessor shall furnish to Lessee keys (10) to the premises. Any additional keys shall be furnished at the cost and expense of Lessee. Upon the expiration or earlier termination of the Lease, Lessee shall surrender to Lessor all keys to the premises. All lockset repair/reset requests shall be made to the Lessor.

(C) Lessee and their employees are encouraged to park as far away from the entrances as possible. This will enable customers and clients to enter and conduct business without undue inconvenience. Certain spaces have been set aside as handicapped parking.

(D) Care of Roof- Lessee covenants (!) not to place (or suffer to be placed) anything on the roof of the building in which the Leased Premises are located, (2) not to cut into or drive nails into or otherwise mutilate said roof.

(E) Lessee is required to provide evidence of insurance adequate to cover all Lessee liabilities as stipulated in Paragraph 15 (Insurance) of the Lease.

(F) No loud speakers, televisions, photographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the premised or by other tenants of Busch Corporate Center.

(G) Lessee shall keep the premises at a temperature sufficiently high to prevent freezing of water pipes, fixtures and sprinkler systems within the Leased

Premises.

(H) The plumbing shall not be used for any other purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Lessee.

(I) In the event the appropriate authorities may so require, Lessee shall maintain an adequate number of fire extinguishers on the Leased Premises for use in case of local fires, including electrical or chemical fires.

(J) Before Lessor contracts for telephone installation services, Lessee shall submit to the Lessor for approval the name of individual/company providing such services.