

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

January 24, 2024

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

Mr. John Maxwell	(CH)	Mr. Earl Sorey	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen	(VB)

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

Others present at the meeting included Alternate Ex-Officio Members Mr. Michael Etheridge (IW), Mr. Jeremy Kline (VB), Mr. Robert Lewis (SU), Mr. Greg Martin (CH), and Mr. Brian Thrower (SH), SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, Ms. Sandy Schreiber, Treasurer and Director of Finance, and Mr. Brett Spain, General Counsel.

To accommodate those who could not attend in person, through the meeting notice, members of the public were also invited to listen to, and view presentations displayed at the meeting, by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary through contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. **CALL MEETING TO ORDER**

Dr. Dale E. Baugh, Chair of the Board of Directors, called the January Board Meeting to order at 9:30 a.m. and then he led the Pledge of Allegiance.

2. **PUBLIC COMMENT**

Ms. Preston reported that there were no requests for public comment.

3. **CHAIRMAN'S COMMENTS**

Chairman Baugh commented that the Board has an exciting new year ahead. He also noted that he and Ms. Raulston are working with Mr. Bagley on setting his goals for 2024 and encouraged Board Members to reach out with suggestions for specific objectives if they would like them considered for inclusion. Chairman Baugh also informed the Board that immediately

following the conclusion of the day's meeting at noon, Mr. Bagley would be meeting with the HRPDC, so remaining on schedule was of particular importance.

4. APPROVAL OF MINUTES

The minutes of the December 13, 2023 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. Maxwell moved, seconded by Mr. McCoy, to approve the December 13, 2023 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

5. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley recognized Mr. Melvin Williams, Transfer Vehicle Operator, as the SPSA Values in Action Employee of the Month. Mr. Bagley commented that Mr. Williams was selected not only because he is an excellent driver, but because he is a natural leader who is new to SPSA but with his positive attitude has become a kind of goodwill ambassador in the organization. Chairman Baugh presented Mr. Williams with a certificate and lapel pin as tokens of the Board's appreciation.

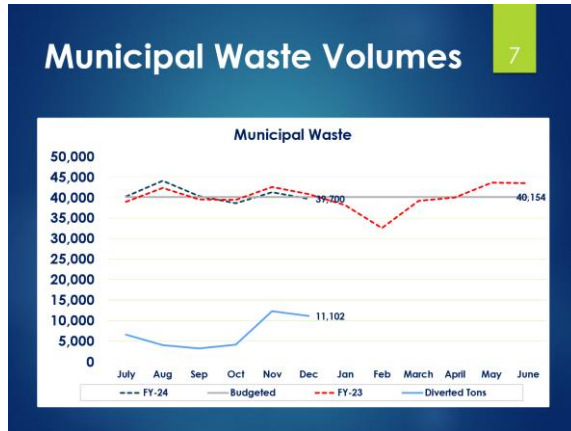
The Navy is processing the mutual request to assign the WIN Waste RDF Facility easement to SPSA and plans to have everything finalized by the end of March. Mr. Bagley explained that this would be the last remaining aspect of the documentation required to fulfill the agreements with WIN Waste before their close of business on June 30, 2024. Staff is working to ensure that there are no barriers to demolition work beginning on July 1, 2024 by coordinating with Dominion Power to provide electricity and engaging with DEQ and HRSD on proper permitting. Mr. Bagley commented that is very exciting for SPSA to be able to see this project come to fruition and for the City of Portsmouth to have its own transfer station.

The Virginia Department of Transportation (VDOT) Regional Landfill Flyover Project construction bids are set to close at the end of February and VDOT is scheduled to update the Board at the March Meeting. The Flyover Committee is hopeful that interest in the project from several well-qualified contractors, as well as a recent VDOT contract bid coming in under budget are optimistic signs for final funding numbers for the flyover.

Air permitting for the leachate evaporator continues to move forward, with staff regularly engaging with DEQ on air modeling and making progress. The Solid Waste Permit modification to increase capacity in Landfill Cells V and VI is being processed by DEQ and SPSA has updated financial assurance documents to address that additional capacity. The modification of the Permit by Rule to increase capacity due to traffic at Chesapeake Transfer Station has been finalized and completed. The modification of the Part A Permit for Cell VII to modify the final cover plan is in process at DEQ.

Mr. Bagley reminded the Board that, as Chairman Baugh mentioned, he will be speaking to the Solid Waste Planning work group of the HRPDC this afternoon, along with the SPSA member community CAOs or their representatives. A presentation will be provided by SPSA staff on the proposed Alternative Waste Disposal RFP. He went on to say that, as the Board instructed, he is working to build the necessary bridges to be able to move forward with future contracts for the region.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted, noting that municipal waste volumes are where they should be, and commercial tons are higher than budgeted. He also pointed out that the Board should expect diversions to continue to increase as July 1, 2024 draws closer due to the unavoidable challenges of continued operations.



6. CLOSED SESSION

Chairman Baugh reminded those present that for the closed session on the agenda for discussion regarding federal wetlands permitting and the Army Corps of Engineers Environmental Impact Statement process, only Board Members, SPSA Executive Staff, SPSA Counsel, and Counsel for the City of Chesapeake would be present for that closed session. There were no objections to that plan.

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussions regarding legal issues that have arisen under the National Historic Preservation Act during the required Federal wetlands permitting and the Army Corps of Engineers' Environmental Impact Statement (EIS) process, which are necessary for proposed expansion at the Regional Landfill, and the retention of special counsel to address those issues in accordance with Virginia Code Section 2.2 3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

At 9:44 a.m., Ms. Raulston moved, seconded by Ms. Jarratt, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

Once back in open session both in person and electronically the following motions took place.



Motion to Approve Certification after Closed Meeting.

The Board hereby certifies that, to the best of each member’s knowledge: (i) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.

The Board came back into open session at 11:21 a.m., at which time Mr. McCoy moved, seconded by Ms. Graham-Williams, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

7. ACTION ARISING FROM CLOSED SESSION

In regard to the Army Corps of Engineers’ Environmental Impact Statement (EIS), which is required for the proposed expansion at the Regional Landfill, additional studies have been requested by the Nansemond Indian Nation under the Section 106 process of the National Historic Preservation Act (NHPA). This will require additional work from the Corps’ third-party consultant, VHB, and a change order to the current scope of work. Staff also recommends that, due to the specific expertise required to work with the NHPA, SPSA engage outside counsel.

<p style="font-size: 24px; margin: 0;">EIS Update</p> <p style="text-align: right; font-size: 18px; margin: 0;">12</p>	<p style="font-size: 24px; margin: 0;">Staff Recommendations</p> <p style="text-align: right; font-size: 18px; margin: 0;">13</p>
<ul style="list-style-type: none"> ➤ Additional studies have been requested by the Nansemond Indian Nation under the 106 process (NHPA). ➤ The additional work is outside of the original scope of the ACOE 3rd Party Consultant (VHB). ➤ This additional scope of work will require a Change Order to the VHB contract in the amount of \$59,000. ➤ Due to the specific expertise required to meet the requirements of the NHPA, staff recommends engaging outside counsel to assist. 	<ol style="list-style-type: none"> 1. Motion to increase SPSA’s contract with VHB for the ACOE 3rd Party EIS Consultant in the amount of \$59,000 with funding allocated from the Landfill Expansion designated fund balance. 2. Motion authorizing the Executive Director to execute an engagement letter with Butler Snow for the purpose of advising SPSA staff and SPSA general counsel on issues relating to the 106 process of the NHPA with funding allocated from the Landfill expansion designated fund balance.
	

Ms. Graham-Williams moved, seconded by Ms. Lowe, to increase SPSA’s contract with VHB for the ACOE 3rd Party EIS Consultant in the amount of \$59,000 with funding allocated from the Landfill Expansion Designated Fund Balance. A roll call vote was taken:

Mr. John Maxwell:	YES	Mr. Earl Sorey:	YES
Ms. Sheryl Raulston:	YES	Ms. Amanda Jarratt:	YES
Dr. Dale Baugh:	YES	Mr. Randy Keaton:	NO
Mr. John Keifer:	NO	Mr. Richard Broad:	NO
Mr. C.W. “Luke” McCoy:	YES	Ms. Lavonda Graham-Williams:	YES

Mr. Tony Parnell:	YES	Ms. Lynette Lowe:	YES
Mr. D. Rossen S. Green:	YES	Mr. Albert Moor:	YES
Mr. Thomas Leahy:	YES	Mr. L.J. Hansen:	NO

YES: 12
 NO: 4
 ABSTAIN: 0

The motion passed.

Ms. Graham-Williams moved, seconded by Ms. Raulston, to authorize the Executive Director to execute an engagement letter with Butler Snow for the purpose of advising SPSA staff and SPSA general counsel on issues relating to the Section 106 process of the National Historic Preservation Act with funding allocated from the Landfill Expansion Designated Fund Balance. A roll call vote was taken:

Mr. John Maxwell:	YES	Mr. Earl Sorey:	YES
Ms. Sheryl Raulston:	YES	Ms. Amanda Jarratt:	YES
Dr. Dale Baugh:	YES	Mr. Randy Keaton:	YES
Mr. John Keifer:	YES	Mr. Richard Broad:	YES
Mr. C.W. "Luke" McCoy:	YES	Ms. Lavonda Graham-Williams:	YES
Mr. Tony Parnell:	YES	Ms. Lynette Lowe:	YES
Mr. D. Rossen S. Green:	YES	Mr. Albert Moor:	YES
Mr. Thomas Leahy:	YES	Mr. L.J. Hansen:	YES

YES: 16
 NO: 0
 ABSTAIN: 0

The motion passed.

8. QUARTERLY FINANCIAL REPORT

In recognition of the time and matters yet to be discussed, Chairman Baugh asked if there were any objections to deferring the oral report on the Quarterly Financials to a later date. There were no objections. Chairman Baugh referred the Board to the monthly financial reports in the agenda and asked for any questions or comments, but there were none.

9. CONTRACTS

Ms. Preston presented the renewal contract for professional engineering services with SCS Engineers to the Board for consideration. The original contract, which covers permitting, landfill design and construction, landfill gas and groundwater monitoring and reporting, airspace analysis, consulting and general engineering, was for one year with four additional one-year terms upon mutual agreement. The budget for this contract year is \$280,000 and SCS's new pricing structure was listed in the Board Agenda packet. Ms. Preston noted that staff is pleased with SCS Engineers' work and asked if there were any questions or concerns, but there were none.

Mr. Keifer moved, seconded by Mr. McCoy, to authorize the Executive Director to award a renewal contract to SCS Engineers for Professional Engineering Services, as presented. The motion was adopted by a unanimous vote in favor.

The next item was an updated engagement letter with Willcox & Savage for services as general counsel. Ms. Preston reminded the Board that, per the Virginia Public Procurement Act, legal services are exempt from competitive bidding and that Willcox & Savage has served as the attorney of record for SPSA since the Authority's inception. Mr. Brett Spain has served as General Counsel at an hourly rate of \$350 for the past four years. This new engagement letter increases his rate to \$375 per hour. Ms. Preston commented that Mr. Spain provides excellent service for SPSA and staff is grateful for his efforts.

Ms. Lowe moved, seconded by Ms. Graham-Williams, to authorize the Executive Director to sign the engagement letter with Willcox & Savage, as presented. The motion was adopted by a unanimous vote in favor.

10. WIN WASTE REPORT

Chairman Baugh asked if there were any questions or comments on the WIN Waste written monthly report, but there were none.

11. DRAFT RFP FOR ALTERNATIVE WASTE DISPOSAL PRESENTATION

Mr. Bagley reminded the Board that he distributed the draft of the Alternative Waste Disposal Request for Proposals via email for review ahead of the day's meeting. Mr. Bagley reported that he received only one phone call and believes that all the concerns raised at that time have been addressed. He reviewed the key points of the RFP, including that landfilling would not qualify as an acceptable option, that a 20-year term is contemplated, but shorter and longer terms will be considered, and that interim solutions can be proposed during the development of a long-term solution.



Evaluation criteria are to be weighted equally to reflect the desire for a reliable solution with an experienced vendor that has both a high diversion rate and a solid economic proposal. The review and selection process will be managed by the RFP Review / Negotiating Committee, made up of the Executive Director, the Director of Operations, SPSA Board Members, and Mr. Gardner of SCS Engineers. The Committee will also receive procurement insight from Ms. Angie Hutchins and legal assistance from Mr. Brad Nowak. Chairman Baugh appointed Mr. Tom Leahy and Mr. Richard Broad to serve on the Committee and they accepted.

Evaluation Criteria 29

- Full or Partial Solution Up to 30 Points
- Experience and Technical Ability Up to 30 Points
- Proposed Diversion Rate Up to 30 Points
- Economic Proposal Up to 30 Points



The Review and Selection Process 30

- Board participation in the selection process will be critical.
 - RFP Review / Negotiating Committee Make-up
 - ☐ * Executive Director Dennis Bagley
 - ☐ * Director of Operations Henry Strickland
 - ☐ * SPSA Board Member
 - ☐ * SPSA Board Member
 - ☐ * SCS Engineers Bob Gardner
 - ☐ Procurement Angie Hutchins
 - ☐ Williams Mullin Brad Nowak
- * Voting member of review committee



Mr. Bagley made clear that this process will involve the full Board and that they will be briefed by the Committee, as well as bring any proposed contracts back for review and explanation in full detail. Mr. Bagley also reminded the Board that any change in the disposal mechanism would require a 75% supermajority vote from the Board. He reviewed the conceptual schedule and informed the Board that Mr. Kevin Cosgrove of Willcox & Savage was completing final reviews of the RFP from a procurement standpoint and then it would be ready to publish.

The Review and Selection Process 31

- The Review Committee will brief the full SPSA Board after the initial review.
- The Review Committee will begin negotiating with one or more offerors only after the full Board has been briefed and concur.
- When a proposed contract with one or more offeror's is generally agreed upon, the proposed contracts will be reviewed with the full Board in detail.
- It would require a super majority of 75% of the member communities to approve a contract that would change the disposal mechanism.



Conceptual Schedule 32

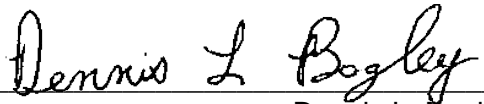
ID	Task Name	Duration	Start	Finish
1	Solid Waste Management Post WIN Contract	1310 days	1/1/24	1/5/29
2	Finalize RFP	1 mon	1/1/24	1/26/24
3	Issue RFP	0 days	1/26/24	1/26/24
4	RFP Advertisement	4.5 mons	1/29/24	5/31/24
5	RFP Pre-proposal conference	5 days	2/12/24	2/16/24
6	Evaluate Responses	4 mons	6/3/24	9/20/24
7	Vendor Site Visits	4 mons	6/3/24	9/20/24
8	Board Deliberations	3 mons	9/23/24	12/13/24
9	Board selection of vendor(s)	1 mon	12/16/24	1/10/25
10	Contract Negotiations	3 mons	1/13/25	4/4/25
11	Board Approves Contract	1 mon	4/7/25	5/2/25

Mr. Bagley offered to answer any questions or address any concerns. Mr. Sorey asked for confirmation that the RFP states that the “offeror shall have owned and operated a reference facility for three years”—not as earlier drafts stated— “have three reference facilities.” Mr. Bagley confirmed that Mr. Sorey was correct. There was further discussion regarding the requirement of an offeror having operated a facility for three years. Mr. Bagley commented that he would be sure to work with the procurement attorney to ensure that the language was

specific to protect SPSA's best interests. He also agreed to keep the Board informed about the RFP schedule and abreast of any changes.

12. **ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:46 a.m.



Dennis L. Bagley
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors