

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

December 9, 2020

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)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton‡	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy*	(PO)	Mr. Burle Stromberg	(PO)
Mr. Mark Hodges*	(SH)	Ms. Lynette Lowe(<i>absent</i>)	(SH)
Mr. David Arnold (<i>absent</i>)	(SU)	Mr. Albert Moor	(SU)
Mr. William Sorrentino*	(VB)	Mr. John Barnes	(VB)

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

‡Indicates late arrival.

Others present at the meeting included Alternate Ex-Officio Members, Mr. Michael Etheridge‡ (IW), Mr. L.J. Hansen (SU), Mr. Greg Martin (CH), Ms. Trista Pope (NO), and Ms. Erin Trimyer (PO), SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Tressa Preston, Secretary and Executive Administrator, and Mr. Brett Spain, General Counsel.

* Indicates attendance electronically via GoTo Webinar.

Ms. Amanda Jarratt (FR) participated from her office at Franklin City Hall for medical reasons. Mr. McCoy (PO) participated from his home in Portsmouth for medical reasons. Mr. Hodges participated from his office in Southampton County for personal reasons related to the seasonal nature of his business. Mr. Sorrentino participated from Cape Charles for medical reasons.

Also present at the meeting electronically via GoTo Webinar was Alternate Ex-Officio Member, Mr. Bobby J. Wheeler (VB) who participated from his home in Virginia Beach for medical reasons.

There were no objections to anyone's electronic attendance.

To encourage social distancing during the COVID-19 pandemic state of emergency, 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

Mr. Keifer, Chairman of the Board, called the meeting to order at 9:30 a.m.

2. PUBLIC COMMENT

Ms. Preston reported that she received no requests to make a public comment.

3. CHAIRMAN'S COMMENTS

Chairman Keifer drew the Board's attention to the form used to evaluate the performance of the Executive Director, which was placed at the seats of those participating in person, and reminded the Board that this evaluation takes place at the end of each year. Based on feedback received last year, the form now has "not observed" as an answer option for questions that Board Members feel they do not have enough information to rate. Chairman Keifer asked the Board to complete and return their evaluations to Ms. Preston by January 8th so that she may compile them for the Chairman and Vice Chairman to review and discuss with the Executive Committee and bring a recommendation to the Board at the January meeting. Ms. Preston added that after the meeting she will send the Board fillable electronic versions of the form that may be returned electronically or by mail.

Also, as they do each year, the Board of Directors will need to complete financial conflict of interest forms, on which Mr. Spain will send information by email and Ms. Preston will follow up. These forms should be completed in the month of January, as well, but cannot be signed and submitted before January 1, 2021.

Chairman Keifer thanked outgoing Board Member, Bill Sorrentino of Virginia Beach, for his seven years of wonderful service. Mr. Sorrentino has been instrumental in important business for SPSA, including the skillful negotiation of the Wheelabrator Contract, and providing expert advice on landfill expansion, contract procedures, and environmental matters with fairness, integrity, and excellent judgement. In light of his devoted service over the years, Chairman Keifer suggests that recognition be issued in honor of Mr. Sorrentino and read aloud the following proposed resolution.

RESOLUTION OF APPRECIATION TO WILLIAM A. SORRENTINO, JR. IN RECOGNITION OF HIS SERVICES TO THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY

WHEREAS, William A. Sorrentino, Jr., has served on the Board of Directors of the Southeastern Public Service Authority of Virginia (SPSA) as the Governor-appointed representative of the City of Virginia Beach beginning January 1, 2014 and culminating on December 31, 2020; and,

WHEREAS, his ongoing dedication and professionalism as a member of the Board of Directors and the Executive Committee have provided the Authority with expert advice relating to all aspects of SPSA's multifaceted business; and,

WHEREAS, Mr. Sorrentino's applied expertise has been integral to numerous negotiations, most notably the current Wheelabrator Contract, which has led to the continued success of the Authority and which will provide a firm basis for future services required by the

region; and,

WHEREAS, with a feeling of sincere gratitude, on this occasion, the Board of Directors of the Southeastern Public Service Authority of Virginia expresses its deepest respect and appreciation for his service to the Authority and to the citizens of this region.

NOW, THEREFORE, BE IT RESOLVED, with great pride, the Board of Directors of the Southeastern Public Service Authority of Virginia recognizes, thanks and commends William A. Sorrentino, Jr., for his service to the Authority, and presents this Resolution as a token of its esteem and orders a copy be spread upon the minutes of this meeting.

Mr. Maxwell moved, seconded by Mr. Broad, to approve the Resolution of Appreciation to William A. Sorrentino, Jr. in Recognition of His Services to the Southeastern Public Service Authority. The vote on the motion was unanimous.

Mr. McCoy added that it has been a pleasure to work with Mr. Sorrentino over the years and that he has been a great asset to SPSA and the City of Virginia Beach. Mr. McCoy thanked Mr. Sorrentino for his efforts and wished him well. Mr. Sorrentino thanked the Chairman and Mr. McCoy for their kind words and for the important work that the Board does on behalf of the communities SPSA serves. While the work of the Board is smooth and collegial these days, that was not always the case, and the Board has made some important decisions to arrive at the level of service that the communities now see. He expressed his admiration for the Board Members both individually and collectively and thanked them for allowing him to serve, adding that the Board should consider him a continual resource on future matters should his expertise be of value.

As the holidays approach, Chairman Keifer wanted to thank the Board for all of their excellent work this year and wish each of them and their families good health and good spirits throughout the season. He also extended his thanks to the SPSA staff, asking that Ms. DeVary be sure to pass on the Board's appreciation for all of their good work.

4. APPROVAL OF MINUTES

The minutes of the October 28, 2020 Board Meeting have been distributed. Chairman Keifer asked if there were any additions or changes. Ms. Preston drew the Board's attention to page 11 of the agenda where a phrase in the section of the minutes discussing the Landfill Gas Agreement will be removed for clarity.

Mr. Sorey moved, seconded by Mr. Broad to approve the October 28, 2020 minutes of the SPSA Board of Directors as amended. Electronic participants were polled individually. The vote on the motion was unanimous.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary informed the Board that it is business as usual at SPSA. Staff continues to perform well and she is very pleased with the work they do.

The update on the Norfolk Naval Shipyard's proposed power plant is that Wheelabrator is waiting for a complete response from the Navy regarding their proposed extension of the steam contract. Wheelabrator has been informed by the Navy that part of the contract meets their approval, but further internal discussion is required. Additionally, it was announced in the

newspaper last weekend that DEQ has approved the air permit for the Navy's proposed combined heat and power plant.

Ms. DeVary has reached out to VDOT for more information regarding cost estimates with a schedule and memorandum of agreement for construction of the flyover at the Regional Landfill. VDOT hopes to be able to get that information to her in the next week so that staff may review in-house and then present to the Board at the January meeting. SPSA has received the draft amended and restated Landfill Gas Agreement from Mas Energy on Monday. Staff and counsel will be reviewing the agreement over the next few weeks and hopefully will have a presentation for the Board at the January meeting on that subject as well.

Ms. DeVary reminded the Board that at their previous meeting they approved requesting updates to Virginia House Bill 1872, also known as the Cosgrove bill, which is the piece of legislation that codified SPSA's operating procedures in 2010. Ms. DeVary and Chairman Keifer's letter was sent to Senator Cosgrove on October 28th at both his Chesapeake District 14 email address, as well as by U.S. Mail. After initially receiving no response, staff continued to reach out to the Senator's office. Communication has been sparse, but brief emails indicate that the suggested revisions were sent to the legislature and that the Senator is open to a meeting. Staff will continue to reach out for more information.

The update on the Cells VIII and IX permitting process is that VHB continues to work on the Environmental Impact Statement (EIS) process for the Corps of Engineers. As a part of the process, off-site alternatives must be evaluated. As Ms. DeVary previously informed the Board, five sites in Southampton County and one site in Suffolk have met the initial alternative site criteria and the owners have been contacted to request permission to physically determine if there are any wetlands on the sites. Only one property owner agreed. Initial investigation indicates that the six proposed alternative sites would each impact between five and 50 acres of wetlands, as opposed to the 129-acre impact in the proposed expansion. Because VHB and the Corps have been unable to narrow the selection of off-site alternatives any further based on their preliminary criteria, and in order to be fully in line with National Environmental Policy Act (NEPA) standards, they plan to publish a map of the six possible alternative sites on the public scoping website and allow 30 days for public comment. Parcel numbers will be shown on the map but no names or addresses. The belief is that by publishing all six initial alternatives, public comment will bring to light issues that the Corps has yet to identify, thus narrowing the number of viable properties. The Corps and VHB prefer to have fewer final proposed alternatives listed in the draft EIS. VHB will be sending a letter to each of the landowners alerting them to these developments and, after Ms. DeVary's review, a public notice will be posed in the Federal Register. Ms. DeVary will send the notice to the Board by email and plans on calling Southampton County to discuss, and also offered to set up a call with Mr. Moor of Suffolk, if he would like. Ms. DeVary made sure to reiterate that these explorations of possible alternative landfill sites are a mandatory part of the Corps' EIS process and they do not imply, assume, or obligate SPSA to acquire property, nor does it imply, assume, or obligate any landowner to transfer property. SPSA's preferred alternative is to expand the Regional Landfill.



Cells VIII/IX Permitting Process Update

- In preparing the EIS, 6 properties were identified as potential alternatives to landfill expansion: 5 in Southampton County, 1 in Suffolk
- VHB contacted property owners requesting access to walk property to survey for wetlands
- This process DOES NOT imply, assume or obligate SPSA to acquiring property nor does it imply, assume or obligate the willingness of landowners to transfer property

SPSA's preferred alternative is to expand the Regional Landfill.



Next Step: In order to comply with NEPA standards, Corps of Engineers will be posting notice (30 day) to receive comments on the 6 alternatives with a map similar to this one.



Recognizing that this was a somewhat unexpected announcement received from the Corps just yesterday, Ms. DeVary asked if the Board had any initial questions. Mr. Barnes asked about the significance of the grey shaded areas on the map and Ms. DeVary clarified that they only indicate major roadways – not wetlands. Mr. Maxwell asked if the Corps was taking hauling distance into consideration when looking at possible off-site alternatives and inquired about SPSA's possible appeal process if the EIS recommends an alternative that is extraordinarily expensive. Ms. DeVary informed the Board that while operational concerns were not taken into account in the first rounds of siting criteria, factors like hauling distances and resulting carbon emissions will likely be the next step in the reviewing process. Logistics and total costs will go toward determining the practicability of each of the alternatives. There were no further questions.

Mr. Bagley delivered the operations report. During the reporting period, just under 33,000 tons of material was landfilled, representing a roughly 3,000 ton increase from the previous reporting period, which was the month of September. Just over 1.2 million gallons of leachate was sent to HRSD, with 641,093 gallons being pumped and 582,136 being hauled. In the reporting period, 94% of the ash received from Wheelabrator was acceptable for use as alternate daily cover which, as Mr. Bagley noted, is an excellent number and signifies the highest percentage of qualifying ash received to date. There were no odor complaints during the reporting period.

Mr. Bagley intended to continue his report on update on the PFAS situation this meeting. SPSA was expecting to have a memorandum of agreement in place, but the HRSD has had some significant issues with their computer systems resulting in a complete technical communications shutdown. As the organization to do the testing for PFAS, HRSD is a critical partner in the study and their technical difficulties have delayed the process for the moment.

The D-6 bulldozer approved at a previous meeting has been delivered to the Regional Landfill. Painting has been completed at the Isle of Wight, Suffolk and Oceana Transfer Stations and staff is very pleased with the results. Mr. Bagley encourages the Board to go by and see for themselves if they haven't already. There are planned repairs to the Landstown and Chesapeake tipping floors, the scheduling of which is being coordinated with Virginia Beach and Chesapeake to ensure that the municipal impact will be minimal. SPSA will be performing the annual survey of the Regional Landfill by drone on December 15th. HDR will analyze the data and compile the annual airspace utilization report by late January or early February. Mr. Bagley asked if there were any questions or comments on his report.

Mr. Barnes asked Mr. Bagley to go back over the background and driving factors relating to PFAS. Mr. Bagley reminded the Board that PFAS is becoming a growing issue for landfills, particularly looking at how to remove it from leachate for wastewater treatment and keep it from circling through the environment. SPSA will be working with Purdue University and HRSD to conduct some studies about methods of removal so that SPSA can be proactive about the situation before any official regulations are put into place. SPSA wants to be in the best position possible to address the issue at a lower cost over the long term. There were no further questions.

Mr. Bagley reviewed a presentation on the Facility Condition Assessment that the Board approved in September of 2019, which allowed ECS Mid-Atlantic, LLC., at the cost of \$41,000, to perform a study to determine the current and 20-year projected state of each of SPSA's facilities. The assessment was overseen by an architect and utilized engineers from a variety of disciplines who reviewed maintenance records and inspected equipment. The information was then assessed by a project manager and reports were delivered to SPSA in June of 2020. The purpose of these reports is not only to help manage capital replacement expenses, but also to provide a comprehensive view of current maintenance practices. It is, however, intended to be only a general outline for future expenditures, and serves as one of many tools in the capital budgeting process. Additionally, it should not be seen as a strict replacement schedule, but a complimentary tool to regular expert assessment. Due to uncontrollable factors like the economy, the assessment grows less accurate as it approaches the 20-year projection, but in most cases is quite reliable in earlier years. The assessment also provides the data necessary for benchmarking facility conditions against similar facility portfolios.

Included in the evaluation were the majority of each building's features, such as parking lots, sidewalks, lighting, structural and mechanical systems, foundations, roofs, and ADA compliance and more. Because of the variety of factors at each individual transfer station, tipping floors were intentionally excluded from the study. The process involved a comprehensive questionnaire for each building that was completed by SPSA staff, review of maintenance records, onsite interviews with staff, examinations of maintenance quality and overall condition, and photo documentation of equipment. Estimated use of life and estimated remaining life was determined for each item. All of the photos and findings were delivered both electronically and in hard copy reports that were distributed to each facility. General findings indicate that regular routine maintenance is being performed, the overall condition of building systems is good, and all ADA requirements are being met, in some cases through reasonable accommodations.

Looking ahead, what was learned from the study is that over the next 20 years there is an estimated \$9 million of facility capital improvements needed, which considered over time is a doable endeavor. This number includes a 2.5% annual escalation and broken out, amounts to roughly \$450,000 per year over the 20-year period. Mr. Bagley pointed out that the funds will not come exclusively from the capital budget, but also include site maintenance budgets, and that supervisors are already planning ahead for many of these improvements.

The conclusions of the assessment determine that the overall condition of SPSA's portfolio of facilities compares favorably to other similar portfolios of properties and indicates that appropriate maintenance is occurring and current allocations are sufficient to cover anticipated expenses. Mr. Bagley offered to answer any questions Board members may have, as the information in the reports is extensive and he would be happy to elaborate on any points of interest.

Chairman Keifer complimented Mr. Bagley on his excellent briefing and asked if there were any questions or comments. Mr. Barnes agreed that Mr. Bagley delivered a great report and commented that completing an official assessment is a very good way to approach evaluating and maintaining facilities. In the past, condition assessment was included in planning reports, but the focus was financial and did not cover a systematic method of assessing proper maintenance. Mr. Barnes went on say that the detail included in Mr. Bagley's report was quite helpful in terms of illustrating that systematic assessment, which is a significant enhancement compared to previous assessments. There were no further questions or comments.

6. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the report from Wheelabrator electronically.


Wheelabrator Portsmouth
December 2020 Report to SPSA Board



Meeting SPSA's mission to provide safe and environmentally sound disposal of regional solid waste



Wheelabrator Portsmouth October 2020
Actual Operational Data



Net Refuse Received			Total Refuse Processed			Total MP Diverted			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
51,925	52,084	(158)	53,925	50,757	3,168	5,910	5,787	(123)	15,869	13,956	(1,913)
			Driven by favorable steam rates			Driven by favorable steam rates			Driven by favorable processing and timing from ash receipt		

Steam Sales			Boilers			70's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
48,694	26,885	22,008	139	128	(11)	45	0	(45)	18,518	18,705	(187)
NGV continues to take large volume of steam			Driven by tube failure on #2 boiler Steam generator						Driven by favorable steam sales		

- Includes 1,007 tons of non-qualifying residue delivered to landfill, qualifying residue 93.66% for Oct
- Waste delivered by SPSA to RDF: 48,993 tons. Boiler availability - 91%, Turbine generator availability - 98%, Ash screen availability - 99%
- Boiler 2 scheduled outage completed this period to include grate cleaning, pressure part repairs, flue gas, SDA and baghouse repairs, RDF feed system screw repairs, and ash removal system repairs.
- 0 OSHA Recordable accidents this period, 4 for YTD, 0 Environmental incidents and citizen complaints

Questions?



Mr. Stratton asked if there were any questions, but there were none. Mr. McCoy and Chairman Keifer thanked Mr. Stratton for his report.

7. PROCUREMENT POLICY UPDATE

Chairman Keifer began by reminding the Board that one of their most important duties is to ensure that good procurement guidelines are in place and that the expenditure of public funds is done in accordance with state law in an open, fair, and consistent manner.

Ms. DeVary informed the Board that although SPSA's procurement policy has not been officially updated since 2012, all procurement practices have been consistent with the Virginia Public Procurement Act (VPPA). In order to make the written policy align with VPPA practices, Ms. DeVary and Mr. Spain completed a total assessment and revision of the entire policy. Executive Director authorities, definitions, methods of procurement, and terms and conditions were updated and clarified to mirror the VPPA, as well as align with House Bill 1872. Updates to Executive Director Authorities included limitation of contract execution under the Small Dollar Procedures for procurement methods authorized by VPPA as well as modifications less than \$30,000, removal of references to making "policies" and "regulations," overall authority to establish procedures, and the authority to determine the most appropriate method of procurement for each project.

Additionally, at the Chairman's request, a section was included specifically authorizing the Executive Director to issue change orders on contracts in order to prevent contractor delays and increases in contract price, but only if it is not reasonably practicable to get advance approval by the Board. The Executive Director would also need the agreement of the Chairman to exercise this authority and any such change orders would be ratified at the next meeting of the Board of Directors. Mr. Maxwell asked if the change order can be made if it is outside the scope of the contract. Chairman Keifer responded that there is language to exclude such a thing. Ms. DeVary went on to say that concern is covered in the next item, which states that the Executive Director has the authority to issue work orders, unit price orders, or similar instructions to proceed under a contract that has been approved by the Board of Directors as long as such orders or instructions are within the scope of work and cost of the contract as approved by the Board of Directors.

Mr. Stromberg asked if the Executive Director was limited to \$30,000 in the case of preventing contractor delays and increases in contract price. Ms. DeVary responded that in the event of the Chairman's prior approval and the intent to ratify the change at the next Board meeting, the \$30,000 limit would not apply. Chairman Keifer returned to Mr. Maxwell's question about scope of work and offered an example using the upcoming contract with HDR and asked if there were further questions on the matter.

Mr. Moor asked for clarification that, similarly to specific municipal staff being authorized to make purchases up to a certain percentage of cost, SPSA staff would not need to return to the Board to approve a task order as long as the amount does not exceed the total amount authorized for the contract. Chairman Keifer confirmed that was correct. Mr. Moor went on to seek confirmation that if a contract reaches its Board approved dollar amount and a change order needed to be issued that was less than \$30,000, that could also be completed by the Executive Director without returning to the Board for a vote. Chairman Keifer confirmed that as well, and went on to say that in the event of large construction contracts it is not uncommon for the Board to include a contingency percentage in their contract award. Chairman Keifer asked Mr. Spain if his understanding was correct and Mr. Spain once again reviewed the Executive Director's authority to make contract modifications up to \$30,000, in keeping with House Bill 1872, but that including a contingency to a contract award allows greater flexibility and is authorized by the updated policy. Chairman Keifer added that contracts of that size are rare and it was determined that handling those contingencies on a contract-by-contract basis would be preferable. Ms. DeVary went on to say that, in the past, large contracts are normally presented for consideration with a 15% contingency, with the authority to utilize said contingency being granted at the time of the contract award. Mr. Barnes commented that, as the section is currently written, it covers changes orders, but there is no mention of contingencies. He thinks it appropriate to include contingencies so that future Boards and

Executive Directors are clear on the intended guidance. Ms. DeVary thanked Mr. Barnes and let him know that she and Mr. Spain would revisit the section to consider an addition regarding contract contingencies.

Ms. DeVary thanked Mr. Spain for all of his work thoroughly reviewing the updates to the procurement policy and his extensive study of the Virginia Public Procurement Act, stating that his assistance has been very helpful in the process.

Ms. DeVary went on to say that another of the factors considered in the update of the procurement policy is that the previous document did not include the design-build and construction management method of procurement. As many of the localities are aware, in order to utilize this method of procurement, procedures must be adopted that are in keeping with the Secretary of Administration's standards for design-build and construction management as an alternative method for the procurement of construction. For those that may not be familiar with design-build projects, they utilize a two-step competitive process, the first of which is the issuance of a request for contractor qualifications and then the second step is issuing an RFP to the qualified vendors seeking proposals for the design and construction of the project. The contract is on a fixed price basis or not-to-exceed amount and the price is a critical basis for the award. The benefits of the design-build method of procurement are that the contractor is the single point of responsibility for the design and construction, which provides cost and time savings by minimizing project risk through overlapping the design phase and construction phase and eliminating potential adversarial conditions.

The remainder of the policy mirrors the Virginia Public Procurement Act. Ms. DeVary asks that the Board approve the updated policy and the resolution approving procedure for the design-build and construction management processes, both of which were included in the electronic version of the Board agenda. As a review, Chairman Keifer pointed out specific pages in the procurement policy that related to the discussion and recapped the relevant portions of the document that have been updated. Chairman Keifer offered to answer any further questions or address concerns about the procurement policy or the need for a resolution to establish design-build as an approved method of procurement. Recognizing that there is large quantity of information to digest, the Chairman asked if any members of the Board had concerns about voting on these matters now, offering to delay the vote and reminding the Board that the policy can be amended at any time. Noting that there were no objections or any further questions, Chairman Keifer asked for a motion. Mr. Spain clarified that this would be a motion to approve the updated procurement policy and that a second motion and subsequent vote would be required for the resolution.

Mr. Keaton moved, seconded by Mr. McCoy to approve the updated SPSA Procurement Policy as presented. A roll call vote on the motion was unanimous.

Ms. DeVary read aloud the following proposed resolution.

RESOLUTION ESTABLISHING PROCEDURES FOR USE OF THE CONSTRUCTION MANAGEMENT AND DESIGN-BUILD METHODS OF CONSTRUCTION CONTRACTING

WHEREAS, the Virginia Public Procurement Act requires that a regional authority using the construction management or design-build method of construction contracting comply with Virginia Code § 2.2-4382; and

WHEREAS, Virginia Code § 2.2-4382 requires that, prior to issuing a Request for a

Proposal for any design-build or construction management contract for a specific construction project, the public body shall have adopted by resolution written procedures, which include the specifications set out in the Code, governing the selection, evaluation, and award of design-build and construction management contracts; and

WHEREAS, Virginia Code § 2.2-4382 further requires that design-build construction projects and construction management include a two-step competitive negotiation process consistent with the procedures adopted by the Secretary of Administration; and

WHEREAS, the SPSA Procurement Policy, as amended, establishes procedures consistent with Virginia Code § 2.2-4382 for use of the construction management and design-build method of construction contracting.

NOW, THEREFORE, BE IT RESOLVED, that the Southeastern Pubic Service Authority Board of Directors hereby adopts the design-build and construction management procedures as outlined in the SPSA Procurement Policy, as amended.

Ms. Raulston moved, seconded by Mr. Sorey to approve the Resolution Establishing Procedures for Use of the Construction Management and Design-Build Methods of Construction Contracting, as presented. A roll call vote on the motion was unanimous.

8. FINANCIAL REPORT

Ms. DeVary informed the Board that this report will cover the month of October, as the November financials are not yet completely closed out. As of October 31, 2020, total revenues exceeded total expenses by approximately \$4.5 million as compared to \$3.2 million in the previous fiscal year. Tipping fees year-to-date reflect an increase of 6% or approximately \$915,000 as compared to FY 2020. Municipal waste tons are up approximately 16% or 24,437 tons as compared to last fiscal year. However, commercial tons are down 10% or 7,140 tons as compared to last year. Again this reporting period, the increase that municipalities are seeing in waste and the decrease in commercial tonnages are likely due to behavioral changes related to the COVID-19 pandemic.

Ms. DeVary reported that total expenses fiscal year to date for the month ending October 31st were approximately \$13.6 million, compared to \$13 million in the prior fiscal year. Cash balances are at \$46.6 million, currently designated as \$5.3 million in operating, \$5.9 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$38,575 in FY 2020 rolled purchase orders, \$314,757 for unencumbered capital budget, \$2.5 million for the proposed HRSD force main, \$352,871 for landfill expansion purchase orders, and \$32.2 million in the landfill expansion and closure fund.

Mr. Sorrentino moved, seconded by Mr. Broad to approve the SPSA financial report as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

9. CONTRACTS

The first contract for consideration is the renewal contract for professional engineering services with HDR Engineering. Originally bid in 2016, this request would be to exercise option year four of four, which also means that SPSA will be bidding out professional engineering services again next year. This calendar-year contract covers a broad range of engineering services for

environmental and regulatory compliance, landfill gas, construction management, groundwater, Title V permit, stormwater, and VPDES permit coordination to name a few. Individual task orders are issued throughout the year based on time and materials. Hourly rates are unchanged from the previous year and there is \$270,000 allocated in the operating budget for these services. Should the services included in this contract exceed \$270,000 or should there be a need for a task order outside the scope of this work that exceeds \$30,000, those actions will be brought for to the Board for approval.

Mr. Sorey moved, seconded by Ms. Raulston to approve the contract renewal with HDR Engineering as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

The second contract for consideration was also with HDR Engineering for engineering services associated with design-build procurement to replace the structures that were damaged in the fire at the Regional Landfill on April 2, 2020. As discussed with the Executive Committee, SPSA plans to rebuild, rather than refurbish the damaged structures, as it is more cost effective. This has given staff the opportunity to reexamine the layout and make improvements. Details on those improvements will be brought to the Board at a later date and include construction of a new administration building, storage building, and household hazardous waste facility. The purpose of the recommended task order is to have HDR prepare the design-build RFP and assist in the bidding process. Funds for this task order, which is not to exceed \$60,900, are available from insurance proceeds. The task order is included in the agenda.

Mr. Keaton mentioned the conversation in Executive Committee that preliminary assessment indicates that the construction can be covered by insurance proceeds. Ms. DeVary confirmed that it is the case that even though new structures will be added, it should all be covered by insurance proceeds and that using the design-build method of procurement will contribute to cost savings.

Mr. Keaton moved, seconded by Mr. Moor to approve the task order with HDR Engineering as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

The third item for consideration was for painting 20 tractors as a continuation the SPSA rebranding initiative and represents the SPSA core value of "pride." 16 of the tractors have a remaining life cycle of 10+ years and four have at least five years of service left. This request is based on a cooperative contract issued by the Navy with Jezzi Corp./GAC. The total cost is \$84,000 and there are funds available in the undesignated capital budget line item.

Mr. McCoy moved, seconded by Ms. Raulston to approve the contract with Jezzi Corp./GAC as presented. Electronic participants were polled individually. The vote on the motion was unanimous.

10. 2021 BOARD MEETING DATES

The last item on the agenda is the 2021 Board Meeting dates which follow the standard format of the fourth Wednesday of month at 9:30 a.m., with the exception of November and December. To accommodate the holidays, there is no meeting in November and the December meeting is the second Wednesday of the month. Ms. DeVary requested that the Board approve the 2021 Meeting dates.

Mr. Sorrentino moved, seconded by Mr. Baugh to approve the 2021 Board Meeting dates. Electronic participants were polled individually. The vote on the motion was unanimous.

11. OTHER BUSINESS

Chairman Keifer wished everyone happy holidays and thanked them again for their work.

12. ADJOURN MEETING

There being no further business to come before the Board of Directors the regular meeting was adjourned at 10:49 a.m.



Lesl R. DeVary
Executive Director

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