

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

May 26, 2021

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 (<i>absent</i>)	(PO)	Mr. Burle Stromberg (<i>absent</i>)	(PO)
Mr. Mark Hodges	(SH)	Ms. Lynette Lowe*	(SH)
Mr. David Arnold	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. John Barnes (<i>absent</i>)	(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. Greg Martin (CH), Ms. Trista Pope (NO), and Mr. Bobby Wheeler (VB), 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. Jarratt (FR) participated from her office in Franklin due to a personal scheduling matter. Ms. Lowe (SH) participated electronically from her home in Southampton County for medical reasons. There were no objections to their 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. and, after the roll was called, informed the Board that special guest Senator John Cosgrove was present at the meeting. Senator Cosgrove represents the 14th Senate District of Virginia, which includes Chesapeake and portions of Virginia Beach, Suffolk, Portsmouth, and Isle of Wight and Southampton Counties. Chairman Keifer reminded the Board that it was then Delegate Cosgrove that sponsored the change in SPSA's governing legislation in 2009, which provided SPSA the new governance structure and guiding principles with respect to debt planning and accountability, by which SPSA operates today. Chairman Keifer thanked Senator Cosgrove

very much for his interest and support and for taking the time to attend the meeting. He invited the Senator to make some comments, if he wished.

Senator Cosgrove made the following comments:

“Thank you, Mr. Chairman and Members of the Board. Earl, great seeing you. It’s been a long time. Well, first off, my very first statement is I’m very, very proud of SPSA. The legislation, HB 1872, that was proposed and accepted by the General Assembly in 2010, totally restructured SPSA to require business people to be a part of the Board, jointly appointed by the Governor and respective City and County members of SPSA. The Auditor of Public Accounts at that time rendered a scathing report of the financial mismanagement of the former Board, citing \$280 million in moral obligation debt, unwise vehicle materials, purchasing using 30-year bonds, the number of employees working in the agency, the highest tipping fees in the nation at that time, and many other areas that were ‘out of whack.’ SPSA now is a well-oiled machine that has vastly lowered tipping fees that were the highest in the nation – New York, California, Massachusetts, Delaware, New Jersey – our trash cost more than theirs did. This current SPSA organization has saved the taxpayers of Hampton Roads millions and millions of precious dollars that can be used for other needs such as education, public safety, and yes, trash collection. This template has been used in several other areas of the state and is considered the gold standard for success for an agency such as this. All thanks to you, the Members of the Board, for the work you’ve done to restructure this organization and make it the success that it is now. I was pleased to introduce HB 1872 in 2010, and I am here this morning to thank you for the magnificent job you’ve done to restructure all aspects of the organization. You have the General Assembly’s gratitude and we’re very proud of you, so thank you, Mr. Chairman.”

2. **PUBLIC COMMENT**

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

3. **CHAIRMAN’S COMMENTS**

Chairman Keifer brought to the attention of the Board the matter of the Nominating Committee, which will make a recommendation on officers of the Board. Chairman Keifer has asked Mr. Keaton to Chair the Committee, along with Mr. McCoy and Mr. Broad serving as members. Chairman Keifer asked if any other members were interested in serving on the Committee, but there was no comment.

Chairman Keifer reminded the Board that the Nominating Committee is appointed at the May Meeting and they bring their slate of recommendations to the Board at the June Meeting, with the vote taking place at the Annual Meeting in July. New officers then preside over the remainder of the July Meeting. Having served for four years, Chairman Keifer can no longer serve. He asked that any members interested in serving as an officer please contact Mr. Keaton. Chairman Keifer went on to say that serving as Chair has been very interesting and rewarding and that Ms. DeVary and her staff are wonderful to work with. If anyone is interested in the position, he highly recommends it.

4. **APPROVAL OF MINUTES**

The minutes of the April 28, 2021 Board Meeting had been distributed. Chairman Keifer asked if there were any additions or changes and there were none.

Mr. Broad moved, seconded by Ms. Raulston, to approve the April 28, 2021 minutes of the SPSA Board of Directors as presented. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary was pleased to be able to say that, once again, SPSA staff is continuing to do a great job at having operations run smoothly. She was also pleased to be able to announce that Wheelabrator (now WIN Waste Innovations) and the Navy have officially executed an extension amendment to the steam contract. The contract will now extend 17 months to expire on June 24, 2024 (the meeting presentation was in error). SPSA's contract with WIN goes through June of 2027 and they will be reaching out to Ms. DeVary to discuss long-range plans, which she will then bring to the Board.

Ms. DeVary informed the Board that the proposed Amended and Restated Landfill Gas Agreement with Mas Energy would be discussed in closed session. Progress on the Cells VIII and IX permitting process continues and by the end of the year there should be a Draft Environmental Impact Statement to review. Progress on the VDOT agreement for the Flyover project would be discussed in the contract section of the meeting.

The subject of RAISE grants was brought up at the April Meeting. Ms. DeVary's research shows that RAISE grants (referred to as TIGER grants under Obama and BUILD under Trump) are very similar to the transportation funding that SPSA applied for last year and did not receive due, at least in part, to the competitive nature of the grant. Roughly 960 eligible applications were received last year adding up to a total request of \$9.2 billion with only \$1 billion to allocate. Additionally, each state is only eligible for 10% of the allotted funding. With SPSA needing \$25 million and other Virginia project applications being likely to rank higher, at this time, SPSA is not planning to apply for a RAISE grant.

Mr. Bagley presented the operations report, noting that the 20,059 tons which were landfilled during the reporting period is a decrease of about seven thousand tons, which is a good thing in terms of landfill airspace conservation. Staff continue to watch leachate very closely. 1,691,597 gallons were sent to HRSD, which is a decrease of 261,934 gallons from the last reporting period. Mr. Bagley stated that the decrease was a matter of concern and he and staff discovered, and have since corrected, a valve on the low flow system that was not functioning properly. Staff has requested additional software updates which will indicate an issue immediately so it can be corrected right away. As a result of the pump and valve issues, the flow rate for the reporting period was only 14.54 GPM, as compared to 20 GPM in the previous month. Mr. Bagley noted that staff is watching the flow metric carefully and it should improve. 900,234 gallons of leachate were hauled. 89% of the ash received from the WTE plant was acceptable for alternative daily cover, which is a bit lower than WIN's goal of 95%, so staff will keep an eye on that number. There were no odor complaints for the reporting period.

Mr. Bagley was excited to report that the new tire shredder is in operation and indicated that he would have more to present on that later in the report. He stated that although it has been a long wait while the system was out of service while making this improvement, staff is very pleased with the outcome. The removal of Underground Storage Tank (UST) at the Regional Landfill is now complete and DEQ has issued a "No Further Action" letter. Mr. Bagley is pleased that the potential hazards with having a UST have now been eliminated. The new Aboveground Storage Tank will be installed in about 60 to 90 days. Staff is still awaiting the permit to begin demolition of the fire-damaged building at the Regional Landfill, but the last hurdles in that

processes should be cleared very soon. HHW events are picking up all over the region and SPSA has three crews that work these weekend events. Mr. Bagley commented that citizens really appreciate the HHW program and staff is always working to make services easier to use.

Going back to his earlier comments, Mr. Bagley presented the Board an aerial video of the new tire shredder in operation at the Regional Landfill. The video showed the landfill from above and the tires that had been stockpiled while the new machine was being installed. The new machine demonstrated how quickly it can process a large number of tires through a constant flow of loading onto the conveyor belt. Mr. Bagley commented that the shreds produced are longer and thinner than what was produced on with the previous shredder. He opened the floor for any questions.

Mr. Leahy asked about the lifetime of the equipment and how much downtime is required for maintenance. Mr. Bagley responded that this particular machine was chosen, in part, because it can handle a million tires between knife changes and it will only need about 2 hours per week downtime for lubrication and routine maintenance. Aside from that, Mr. Bagley does not expect much downtime because the machine is designed for heavy duty use. He estimates that maintenance costs will be reduced approximately 80% and the machine should last 20 years.

Mr. Leahy also noted the steel cables in most tires and asked if that aspect has to be controlled in some way for disposal. Mr. Bagley replied that if staff is using the shreds for cover at the landfill it is not an issue at all, but that these particular shreds would not be used on a roadway due to the steel particles.

Mr. Keaton asked about the specific size of the shreds. Mr. Bagley explained that most shreds are roughly twelve inches long by 2.5 inches wide, but there can be some variation. The different size doesn't impact operational use. Mr. Bagley went on to say that staff deliberately selected a single-pass unit and not a multi-pass unit, which would create smaller shreds, because a single-pass extends the life of the machine and the time between knife replacement.

Mr. Maxwell inquired about the number of tires received and how many hours a day the shredder could be in operation. Mr. Bagley responded that with the previous machine and the current backlog of tires, the tire shredder has been in operation 8 hours a day. However, he believes that once operations are back to normal, the capacity of the new machine will only require 6 hours of operation a day to handle the current number of tires being received. The other hours would be used for cleaning and maintenance.

Mr. Baugh asked about the source of the tires. Mr. Bagley responded that SPSA takes tires from municipalities, as well as contractors and citizens. Mr. Bagley noted that the majority of tires are coming from small private businesses.

Chairman Keifer commented that the tire shredding program is a very important service that SPSA provides. He complimented Mr. Bagley on a wonderful presentation and wonderful program.

6. WIN WASTE INNOVATIONS PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the WIN monthly report electronically.

**WIN Waste Innovations -
Portsmouth**

May 2021 Report to SP5A Board



Meeting
SP5A's mission
to provide safe
and
environmentally
sound disposal
of regional solid
waste.



WIN Waste Innovations Portsmouth

April 2021

Actual Operational Data



Net Refuse Received			Total Refuse Processed			Total SP Shipped			Ash Shipped		
Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan
\$4,971	\$5,513	(\$542)	82,363	84,922	(2,559)	5,254	5,166	88	18,324	18,474	(150)
Driven by Electronics and USDT			Driven by Unrecoverable USDT, Superheater Availability			Driven by being diverted, led to single stream USDT on the P.P.			Driven by being from and country, use storage or burner		
Steam Sales			Bypass			TO's Unscheduled Downtime			Net MWh Sold		
Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan	Actual	Plan	Adj-Plan
\$1,822	\$2,127	(\$305)	371	153	(218)	0	0	0	15,511	16,420	(909)
usage stopped at NVEY site sensor			Driven by Superheater Failure on Boiler 1 & 4						Driven by unrecov- erable processing and USDT		

- Includes 1,886 tons of non-qualifying residue delivered to landfill, qualifying residue 88.71% for April
- Waste delivered by SP5A to RGF - 52,504 tons; Boiler availability - 88.5%; Turbine Generator availability - 100%; Ash
Screen availability - 100%
- OCSMA Reportable accident this period: 1 for the YTD: 1 Environmental Incident and 0 OCSMA Complaints
- Approval obtained and implementation start-to-back Superheater change-outs on Boilers 1 & 4 due to premature failures
- Tasks were originally scheduled to be completed out in 2022 and going forward we will be looking at 24 month run life of
one of Superheaters.

March 26-28

Great American Cleanup

- 11 Communities
- 91 Locations
- 58,000 pounds of trash collected

Coming Up:
Clean the Day "Days"
5:31 - 6:15
www.cdc.org



Questions?



Mr. Stratton offered to answer any questions, but there were none.

7. FINANCIAL REPORT

Ms. DeVary informed the Board that, as of April 30, 2021, total revenues exceeded total expenses by approximately \$5.7 million as compared to \$4.3 million in the previous fiscal year. Tipping fees received year to date reflect an increase of 5.1% or approximately \$1.84 million as compared to FY 2020. Municipal waste tons are up approximately 9.8% or 37,311 tons as compared to last fiscal year. Commercial tons are down 1.4% or 2,082 tons as compared to last year. As of April 30, 2021, municipal waste tonnages were 418,610 as compared to 381,299 a year ago. Ms. DeVary commented that, with two more months left in the fiscal year, SP5A is still on track to receive over 500,000 tons of municipal waste in fiscal year 2021.

Ms. DeVary reported that total expenses fiscal year to date for the month ending April 30th were approximately \$35.3 million, compared to \$34.2 million in the prior fiscal year. Cash balances are at \$49.5 million, currently designated as \$6.2 million in the operating fund, \$5.9 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$314,757 for unencumbered capital budget, \$2.5 million for the proposed HRSD force main, \$110,305 for landfill expansion purchase orders, and \$34.3 million in the landfill expansion and closure fund. Ms. DeVary then opened the floor for questions or comments, but there were none.

Mr. Maxwell moved, seconded by Ms. Raulston, to approve the SPSA financial report as presented. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

Ms. DeVary mentioned to the Board members who were attending in person that a hard copy of the FY 2022 Operating and Capital Budgets had been placed at their seats for their reference.

8. CONTRACTS

The first contract presented was for Laboratory Analysis Services, which Ms. DeVary commented was a new contract, but not a new service. These services support SPSA's environmental monitoring program at the landfill, as well as at transfer stations, when required. The RFP, which was issued at the end of March and opened in April, resulted in three bids. Following ranking and bid criteria, Air, Water and Soil Laboratories ranked first. The budget for this contract is \$100,000 per year and is based on usage and per-service rates.

Mr. Maxwell asked what the difference was between the three bids and if their costs were in the form of unit prices. Ms. DeVary explained that the bids were judged on the companies' experience, staff qualifications, and other considerations, including price. While Ms. DeVary could not immediately recall the exact difference in unit pricing for each company, she reported that Universal Labs was almost three times higher than Air, Water and Soil and Pace Analytical Services would cost roughly \$20,000 more than the winning bid, over the five-year option period of the contract.

Mr. Broad moved, seconded by Mr. Moor, to authorize the Executive Director to award a contract to Air, Water, and Soil Laboratories for Laboratory Analysis Services, as presented. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

While the agenda showed a contact for the Truck Management Program, Ms. DeVary informed the Board that it was being pulled from consideration and that SPSA was not ready to award at that time.

The next contract for consideration was the SPSA Operations Area Improvements Design-Build Project. Mr. Bagley presented an overview of the project details, including scope, the operational needs that the project will address, images of design mock-ups, and the procurement and funding process. After presenting the recommendation to authorize the Executive Director to finalize and award a design-build contract for the Operations Area Improvement Project to A. R. Chesson in a not to exceed amount of \$3,316,052 to be funded with approximately \$1.18 million in insurance proceeds and the balance from the Undesignated Fund Balance, Mr. Bagley then asked if there were any questions he could answer.



Design Build Project Update

May 26, 2021



Scope of Design Build Project

- Replace Admin Building destroyed by fire to include adequate employee locker rooms, lunch area and restroom facilities.
- Create a Drive Through HHW facility near the front of the RLF for citizens to utilize.
- Expand and make permanent the temporary equipment maintenance facility.
- Provide a five bay storage building to house water truck, road grader, sweeper and other heavy equipment out of the weather.

FILE 17 0001



Need for Projects

- Project will provide an acceptable laboratory type space for handling of samples by environmental staff. Currently samples are managed in areas that are not ideal for this technical work.
- Current HHW operation is not efficient and reflects poorly on the professionalism of a very good program.
- Shop employees have had to work outside in all types of weather to make repairs due to lack of adequate space.
- Equipment storage building will protect valuable equipment and provide a place to keep the water truck during inclement weather.
- Equipment Operators have not had locker rooms, showers, or acceptable restroom facilities to support the number of employees assigned to the facility. ADA and Gender compliant restroom facilities have never been available to these employees.

FILE 17 0001



Site Plan



FILE 17 0001



Admin Building



FILE 17 0001



Admin Building

- Will include staff restrooms and a lunch room, as well as locker and shower facilities for both male and female employees.
- Will include a clean area to prepare and pack samples for laboratory testing.
- Will include a data room for SPSA network servers with generator capabilities.
- Will consolidate Environmental offices with Landfill Operations to improve efficiency.

FILE 17 0001



Drive Through HHW



08-19-21



Addition to Fleet Maintenance



08-19-21



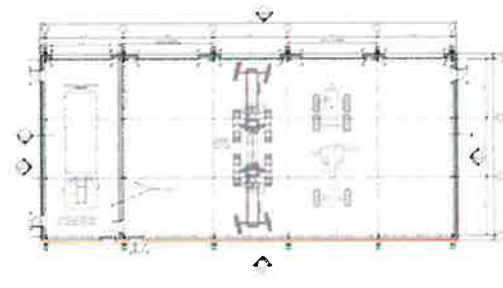
Storage Facility



08-19-21



Storage Facility



08-19-21



Procurement Process

- A Request for Qualifications (RFQ 08-21) was issued and sealed SOQ's were opened on 2/19/21.
- Five firms were pre-qualified
 - Harkins
 - E. T. Gresham
 - A. R. Chesson
 - The Miller Group
 - R D Lambert
- A Request For Proposal (RFP 10-21) was issued to the five pre-qualified vendors on 3/18/21.

08-19-21



Procurement Process

- The Miller Group declined to provide a proposal because they typically do larger projects and did not feel they would be competitive.
- R D Lambert declined to submit a proposal due to work load.
- Harkins Group, E.T. Gresham and A.R. Chesson submitted Technical Proposals along with a separate sealed Financial Proposal on 4/22/21.

08-19-21



Procurement Process

- Staff, along with HDR Engineering reviewed the technical proposals and determined that all three proposals met the scope of the RFP.
- Staff, along with HDR Engineering reviewed the financial proposals on 5/13/21.
- Proposals were evaluated on the following:

Technical Approach	30 Points
Ability to meet milestone dates	10 Points
Similar project experience	25 Points
Lump sum pricing	40 Points
- Ranking:
 - A. R. Chesson
 - E. T. Gresham
 - Harkins



Lump Sum Pricing

- Bid Prices

A. R. Chesson Construction	\$3,316,052
E. T. Gresham	\$3,476,800
Harkins Builders	\$5,557,949
- Recommendation is to award a design build to A. R. Chesson Construction



Project Funding

- Insurance Proceeds of \$1,180,000 on hand.
- Projected Surplus in FY-2021 Budget is anticipated to be between \$3 – 5 million.
- Staff recommends utilizing \$2.2 million of FY-2021 surplus to bridge the gap between available funds and actual bid price.



Recommendation

Authorize the Executive Director to finalize and award a design-build contract for the Operations Area Improvement Project to A. R. Chesson in a not to exceed amount of \$3,316,052 to be funded with approximately \$1.18 million in insurance proceeds and the balance from the Undesignated Fund Balance, as presented.



QUESTIONS/COMMENTS

Chairman Keifer complimented Mr. Bagley on his ability to present these types of briefings so well and in a way that everyone can understand.

Mr. Maxwell asked about the engineer's estimate for the project and Ms. DeVary responded that the engineers estimated that the project would cost \$5.5 million.

Mr. Keaton asked Mr. Bagley to speak to the unusual nature of the pricing for this project due to elevated industry costs, such as steel and other building supplies. Mr. Bagley responded

that it is indeed an unusual situation. The two top bids included caveats in their bids. A.R. Chesson informed SPSA that they created their estimate based on current-day pricing and then added 8% to account for continued rising costs of supplies. However, they assured SPSA that, should that contingency prove unnecessary, SPSA would not pay those costs, but the contractor needs to cover their risk that prices will increase before the project is shovel-ready. Mr. Bagley noted that as early as the pre-bid meeting, contractors were expressing concerns about their risk exposure and the volatility of the market. E.T. Gresham added a separate section to their proposal addressing these increased prices. Staff has been keeping an eye on inflation rates and the unfavorable market doesn't appear that it will be correcting itself any time soon. Mr. Bagley went on to say that some of the increased prices are due to the closing of the local gypsum plant. Supply is low and demand is high.

Mr. Keaton added that Isle of Wight County is seeing similar issues with constructing shelters at their fairgrounds, noting that this year's award was 63% higher than the informal price they received the previous year, strictly due to metal prices. Mr. Keaton went on to say that this subject was discussed extensively in Executive Committee and he wanted to be sure that the full Board was aware of the situation. Mr. Keaton also raised the point that the recommended contractor has taken these factors into account and their proposed a not-to-exceed amount already includes an 8% increase to cover their risk, which means that, contractually, the cost to SPSA can only come down, not go up.

Mr. Baugh thanked Mr. Bagley for a great presentation and asked how he would describe the prime reasons for the gap between the engineers' estimate and the recommended bid price. Mr. Bagley responded that HDR does excellent work and that their estimates tend to be very thorough and conservative regarding planning for costs, which SPSA appreciates. He added that the HDR estimate was not far off from the bid from Harkins.

There were no further questions or comments on the bid, save Mr. Arnold requesting it be noted in the minutes that he abstained from this vote.

Mr. Maxwell moved, seconded by Mr. Broad, to authorize the Executive Director to finalize and award a design-build contract for the Operations Area Improvement Project to A.R. Chesson in a not to exceed amount of \$3,316,052 to be funded with approximately \$1.8 million in insurance proceeds and the balance from the Undesignated Fund Balance, as presented. Mr. Arnold abstained from voting on this motion. The electronic participants were polled individually. With the exception of Mr. Arnold's abstention, the motion was adopted by a unanimous vote in favor.

Chairman Keifer commented that this is SPSA's first Design-Build contract and that it is a good process that has been put into practice. Ms. DeVary told the Board that regular updates on the project will be presented.

The next series of contracts Ms. DeVary presented were all contract renewals.

The first was for Annual Audit services, exercising option year 1 of 4 for an annual amount of \$35,100. This represents a 3% increase from last year.

The second contract was for Household Hazardous Waste (HHW) Disposal with MXI Environmental Services, exercising option year 3 of 4 in the approximate annual amount of \$55,000. Cost is based on actual unit prices in the bid and there was no change in rates from the previous year.

The next contract was for Security Services at the Regional Landfill with United American, exercising option year 3 of 4 for an estimated annual amount of \$92,957. This represents an 11% increase in rates due to the increase in the minimum wage, which took place on May 1st and will raise again January 1, 2022.

The next contract was for Service and OEM Caterpillar Replacement parts with Carter Machinery, exercising option year 4 of 4 for an estimated annual amount of \$275,000 - \$300,000. This is based on unit prices, which have not changed.

The next contract was for Loader Tire Services with Colony Tire, exercising option year 4 of 4, at an annual fixed rate of \$512,582.20 to be paid in monthly installments. There is no change in pricing from the previous year.

The final renewal contract presented was for Property, Liability, and Workers Comp Insurance with VRSA (Virginia Risk Sharing Association) for a term of one year in the annual amount of \$341,359. This represents a net increase of 1.2%, as property and liability insurance increased about 5.8%, but workers comp insurance decreased 4.5%. Ms. DeVary added that staff is very pleased with the service that VRSA provides.

Ms. DeVary proposed that, provided there were no objections, that the Board could make a single motion for all of the renewal contracts. Mr. Spain commented that would be possible if everyone was in agreement on considering the renewals as a whole. He added that if anyone had issues or wished to discuss any particular contract they should be considered individually.

Mr. Sorey had a question about the 11% increase in the Security Services Contract, particularly as the other contracts had modest or no increases, and asked if there was any language in the contract that would limit the increase, as it is quite substantial. Ms. DeVary responded that the increase is solely due to the increase in minimum wage, which is what their employees are paid. The current rate paid to security guards is \$13.50 and as of January 1st the rate increases to \$15.50, which accounts for the total increase.

There being no further questions or issues raised, Chairman Keifer suggested he would entertain a motion to authorize the renewal contracts with a single vote. Mr. Arnold did not object to voting on the renewal contracts with a single motion, but noted that he would be abstaining from voting.

Mr. Maxwell moved, seconded by Mr. Broad, to authorize the Executive Director to award the renewal contracts with each vendor, as presented. Mr. Arnold abstained from voting on this motion. The electronic participants were polled individually. With the exception of Mr. Arnold's abstention, the motion was adopted by a unanimous vote in favor.

9. VDOT FLYOVER AGREEMENT

Ms. DeVary was pleased to announce that the proposed VDOT Flyover Agreement has been received and is ready to be presented. The agreement is a slightly modified version of VDOT's standard locally funded project administration agreement. The Agreement will be between VDOT and SPSA authorizing VDOT to design and construct the project in accordance with the conceptual design, with a project completion date of April 2026. Ms. DeVary reminded the Board that the total projected cost of the project is \$39,266,210, which is broken out into preliminary engineering, right of way and utilities, and construction. VDOT will provide monthly updates to SPSA and invoice SPSA on a monthly basis, so SPSA will not be advancing any

money to VDOT. The estimated cash flow for this fiscal year could be up to \$908,110 and fiscal year 2022 is almost \$2.2 million.

SPSA WASTE SOLUTIONS VDOT Agreement Flyover at Landfill

- VDOT Administered – Locally Funded Project Administration Agreement between VDOT and SPSA authorizing VDOT to design and construct the project in accordance with the conceptual design. Projected completion date is April 2026.
- Total Projected Cost: \$39,266,210
 - Preliminary Engineering \$0,720,000
 - Right of Way & Utilities \$3,697,500
 - Construction \$28,848,710
- VDOT will provide SPSA with monthly updates and invoice SPSA on a monthly basis
- The estimated cash flow needs are:
 - FY 2021 \$908,110
 - FY 2022 \$2,179,464
 - FY 2023 \$3,841,334
 - FY 2024 \$6,894,005
 - FY 2025 \$12,821,852
 - FY 2026 \$12,821,645

SPSA WASTE SOLUTIONS VDOT Agreement Flyover at Landfill

Recommendations

1. Adopt the Resolution Approving and Authorizing the Execution and Delivery of the VDOT Administered – Locally Funded Project Administration Agreement.
2. Amend the FY 2021 Operating & Capital Budget by \$908,110 from the Landfill Expansion and Closure Fund Balance for expenses incurred by VDOT through June 30, 2021
3. Amend the FY 2022 Operating & Capital Budget by \$2,179,464 from the Landfill Expansion and Closure Fund Balance for expenses incurred by VDOT for the period July 1, 2021 through June 30, 2022.

The recommendation was to adopt the resolution printed in the Board Agenda to approve and authorize the execution and delivery of the VDOT Administered – Locally Funded Project Administration Agreement. Mr. Spain made sure that the Board was aware that the resolution was printed in the agenda and that the Board has had time to review it before the vote. Those present in person indicated that they had and Mr. Spain confirmed with Ms. Lowe and Ms. Jarrett that they both had the resolution available to them.

Mr. Leahy asked for confirmation that the proposed motions to amend the fiscal year 2021 and 2022 budgets that would follow the vote on the resolution would not change the bottom line of those budgets, but would only move funds that were set aside to the line item indicating the purpose for which the funds had been earmarked. Ms. DeVary confirmed that Mr. Leahy was correct. There were no further questions or comments.

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VDOT ADMINISTERED – LOCALLY FUNDED PROJECT ADMINISTRATION AGREEMENT

WHEREAS, the Conditional Use Permit (“CUP”) granted to the Southeastern Public Service Authority of Virginia (“SPSA”) by the City of Suffolk on August 16, 2017, requires, among other things, that, “[prior] to beginning operation of Cell VII, one of the access alternatives, in accordance with the Traffic Impact Study provided by HDR Engineering, Inc., dated June 2016, must be completed and in operation;”

WHEREAS, the 2016 Traffic Impact Study prepared by HDR Engineering, Inc. proposed, as the first alternative, a flyover roadway in the vicinity of the Intersection at Route 13/58/460, Bob Foeller Drive, and Welch Parkway, which would connect the eastbound and westbound routes of Routes 13/58/460 and provide eastbound traffic with the ability to reverse direction and enter the facility through Bob Foeller Drive (hereinafter, the “Flyover”);

WHEREAS, the Virginia Department of Transportation (“VDOT”) prepared a conceptual drawing of the proposed Flyover;

WHEREAS, by a countersigned letter dated April 26, 2021, the City of Suffolk, through its interim City Manager, confirmed that construction of the Flyover in substantial conformity with the conceptual drawing prepared by VDOT will satisfy the requirement of the CUP to construct an alternative access;

WHEREAS, VDOT has estimated that the total cost of the design and construction of the Flyover is \$39,266.210;

WHEREAS, VDOT has agreed to design and construct the Flyover in substantial conformity to the conceptual drawing approved by the City of Suffolk and in accordance with the terms and conditions set forth in the VDOT Administered – Locally Funded Project Administration Agreement (the “Funding Agreement”), attached hereto as Exhibit A;

WHEREAS, based on current estimates of landfill capacity, the Board of SPSA has determined that it is necessary and in the best interests of SPSA’s member communities to have Cell VII constructed and operational by June 30, 2027; and

WHEREAS, the Executive Committee and Board of SPSA have investigated and pursued various funding options to pay for the construction of the Flyover and determined that, in order to meet to the June 30, 2027 deadline, it is necessary and in the best interests of SPSA’s member communities to fund the construction of the Flyover with municipal tipping fees in accordance with the funding schedule specified in the Funding Agreement.

NOW, THEREFORE, be it resolved by the Board of SPSA as follows:

1. The Board hereby approves, adopts and accepts the Funding Agreement substantially in the form attached hereto as Exhibit A.
2. The Board hereby authorizes and directs the Executive Director of SPSA in the name of, and on behalf of SPSA, to execute the Funding Agreement and to deliver it to VDOT, such execution and delivery conclusively to evidence due authorization and approval thereof by SPSA, including SPSA’s commitment to fund the design and construction of the Flyover in accordance with the funding schedule specified in the Funding Agreement and to perform SPSA’s obligations as set forth in the Funding Agreement.
3. The Board hereby authorizes and directs the Executive Director of SPSA, in the name of, and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, instruments, certificates and agreements, each in the name of and on behalf of SPSA, that she may deem necessary, advisable or appropriate to carry out the intent and purposes of the foregoing resolutions.

Mr. Broad moved, seconded by Ms. Raulston, to adopt the Resolution Approving and Authorizing the Execution and Delivery of the VDOT Administered – Locally Funded Project Administration Agreement. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

Mr. Keaton moved, seconded by Mr. Maxwell, to amend the FY 2021 Operating and Capital Budget by \$908,110 from the Landfill Expansion and Closure Fund Balance for expenses incurred by VDOT through June 30, 2021. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

Mr. Sorey moved, seconded by Mr. Hodges, to amend the FY 2022 Operating and Capital Budget by \$2,179,464 from the Landfill Expansion and Closure Fund Balance for expenses incurred by VDOT for the period July 1, 2021 through June 30, 2022. The electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.

10. UPDATE TO PROCUREMENT POLICY

Ms. DeVary reminded the Board that at the April Meeting they voted in favor of amending the Procurement Policy pertaining to the change in legislation. There was a request to add a reporting requirement, which was included. Ms. DeVary illustrated the specific changes in her presentation, as well as including the cumulative policy changes as they appear in the pages of the policy in the Board Agenda. Ms. DeVary asked if there were any questions or comments, but there were none.

Mr. Keaton moved, seconded by Mr. Leahy, to approve the addition to Chapter II, 1 (j) of the SPSA Procurement Policy as presented and effective July 1, 2021. The motion was adopted by a unanimous vote in favor.

11. CLOSED SESSION

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussions regarding the proposed amendment to the Landfill Gas Rights, Easement and Lease Agreement between SPSA and Suffolk Energy Partners, LLC, 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.

Mr. Broad moved, seconded by Ms. Raulston, to enter into a closed session to discuss the Landfill Gas Rights, Easement and Lease Agreement between SPSA and Suffolk Energy Partners, LLC as presented. A roll call vote was taken of all voting members present either in-person or electronically. The motion was adopted by a unanimous vote of in favor.

Motion to Approve Certification after Closed Meeting.

The Board of the Southeastern Public Service Authority of Virginia hereby certifies that, to the best of each member's knowledge: (a) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (b) 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.

Mr. Broad moved, seconded by Mr. Sorey, to certify the closed session as presented. A roll call vote was taken of all voting members present either in-person or electronically. The motion was adopted by a unanimous vote in favor.

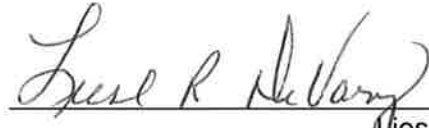
12. OTHER BUSINESS

Chairman Keifer congratulated Mr. Moor on having been selected as Suffolk City Manager. Chairman Keifer also called back to Senator Cosgrove's comments at the beginning of the meeting noting that they were very positive and that his compliments reflect very favorably on the Board and Executive staff. Mr. Leahy also asked to echo the Senator's comments, stating

that roughly 40% of the City of Virginia Beach's waste management expenses are paid to SPSA and that, compared to other areas in the state like Northern Virginia and Richmond, the SPSA service area receives a very good public service at a very good rate. Mr. Leahy went on to say that SPSA is the major owner of that benefit to the citizens.

13. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:35 a.m.



Leslie R. DeVary
Executive Director

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