

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

July 28, 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 (<i>absent</i>)	(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	(SH)
Mr. David Arnold	(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. Gary Kelly (VB), Mr. Oliver Love, Jr. (NO), and Mr. Greg Martin (CH), 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.

** Indicates late arrival.

Mr. Baugh (IW) participated from Enterprise, Oregon due to a personal family matter. There were no objections to his electronic attendance.

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

Mr. Keifer, Chairman of the Board, called the meeting to order at 9:30 a.m. and welcomed Mr. Love as the new Alternate Ex-Officio member representing Norfolk.

2. PUBLIC COMMENT

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

3. CHAIRMAN'S COMMENTS

Chairman Keifer delivered the following remarks:

This is my last meeting as Chair of the SPSA Board. It has been a privilege to have served as the Chair of this wonderful Board for the past four years. I want to start by thanking each of you on the Board and the communities you represent for your support of me and SPSA. I met with some of you more than others, but each of you has always been constructive, interested, and you take your responsibilities seriously. You ask good questions. I particularly want to thank those who have been on the Executive Committee, Randy Keaton, Sheryl Raulston, and Bill Sorrentino before her, and most of all Luke McCoy. I've enjoyed working with Luke for over twenty-five years. I considered him a co-chair and have appreciated his excellent advice and counsel. He is a friend and I will miss our regular meetings.

The past four years have been a transition time for SPSA. We hired a new Executive Director, Liesl DeVary, and that's the best decision we've made, in my opinion. She has hired an excellent support staff. New Use and Support Agreements were implemented with all of our member communities and a landfill Host Agreement was entered with our partners in the City of Suffolk. We made the critical decision of whether to landfill or continue to convert our garbage to energy and entered into a new contract and partnership with WIN/Wheelabrator. SPSA paid off its debt and reduced the tipping fee paid by our members from \$125 to \$57 dollars per ton. SPSA has operated safely and efficiently and has endeavored to take care of our workforce with pay and benefits.

There are a number of ongoing initiatives that are very important. We've entered into an agreement with VDOT to build the flyover at the landfill to alleviate some serious safety problems. SPSA has gotten control of the leachate from our landfill and are evaluating ways to reduce the quantity that is hauled over the region's highways. We have planned far into the future and are pursuing landfill expansions that will support our communities decades into the future.

We have some major challenges ahead. We will be facing the decision of whether to landfill our trash or convert it to energy. Our contract with WIN expires in 2027. If we want to continue to partner with them, and they have said they are interested in doing that, we'll need a new contract. The permitting process for Cells VIII and IX is working its way through the environmental process with the Corps of Engineers. How this process plays out will have a big impact on our future operations.

I want to thank Liesl DeVary, Dennis, Tressa and the SPSA staff, and our Counsel, Brett Spain for their continuing excellence. In particular, I have had the pleasure of working closely with Liesl for the past four years. I am very pleased to turn over the chair of the Board, depending on the election today, to Dale Baugh and Sheryl Raulston. They'll have my full support and I'm certain they'll provide the leadership needed to take SPSA into the future. Thank you all.

Chairman Keifer then asked Mr. McCoy if he would like to say a few words. Mr. McCoy stated that it has been an honor and a pleasure for the Board to have elected him four years ago as Vice Chairman, noting that he and Chairman Keifer have done a nice job of working together. Mr. McCoy went on to say that he feels that SPSA has the best staff that the organization has

ever had and that he and Chairman Keifer are leaving the Board in good hands. Mr. McCoy thanked Ms. DeVary for the leadership she is providing. Mr. McCoy spoke of his good fortune in serving as the Chair of the Search Committee working with Mr. Maxwell, who was serving in another capacity at that time. It was Mr. McCoy's recommendation that the Board hire Ms. DeVary, and she, in turn, hired Mr. Bagley and their administrative staff and he believes that SPSA is the best-run regional organization that they could possibly have. He wished all of the SPSA Board and staff, whom he has come to know and love, his best wishes and offered his thanks.

Ms. DeVary took the opportunity to present Chairman Keifer with a plaque which read "Presented with gratitude to John M. Keifer for his service, Southeastern Public Service Authority, Chairman, July 26, 2017 – July 28, 2021." Ms. DeVary thanked both Chairman Keifer and Mr. McCoy for all they have done for the organization and she thanked them personally for their support.

4. APPROVAL OF MINUTES

The minutes of the June 23, 2021 Board Meeting had been distributed. Chairman Keifer asked if there were any additions or changes and there were none.

Mr. McCoy moved, seconded by Ms. Raulston, to approve the June 23, 2021 minutes of the SPSA Board of Directors as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

5. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary was pleased to once again report that SPSA staff continues to do a great job keeping operations running smoothly. Staff continues to work on finalizing the proposed Amended and Restated Landfill Gas Agreement with Mas Energy. As she reported at the previous meeting, they are still working on exhibits in order to have them reflect current permit requirements and that is taking more time than originally expected. The Cells VIII and XI permitting process is progressing. SPSA had a call with the Corps of Engineers and progress is happening on their end. They have spoken internally and received guidance on moving forward with the next steps and SPSA staff is pleased with the progress they are making.

The monthly meeting for the VDOT flyover took place the day prior to Ms. DeVary delivering her report and they are also progressing according to schedule. At Ms. DeVary's request, VDOT reported that they have incurred costs of \$320,500 through the end of fiscal year 2021. VDOT will likely not invoice SPSA until October, when their systems are in place, but Ms. DeVary is keeping an eye on the expenses. The project is on schedule and they hope to have preliminary engineering designs at the 30% level by the end of September or first of October. Mr. Hansen asked to be reminded if the project was under a design build contract. Ms. DeVary responded that it is a design build contract. Mr. Spain clarified that, from SPSA's perspective, it is more of a funding agreement where VDOT is handling the design and construction through a design build contract and SPSA provides funding, as opposed to a true design build where SPSA would be responsible for design and construction.

Ms. DeVary had no new information to report on future plans for Wheelabrator regarding their ability to fulfill their contract with SPSA through 2027 after the conclusion of the Navy's steam contract with Wheelabrator in 2024. Wheelabrator has been delayed on relaying that

information, but Ms. DeVary has been told that they will provide her a response at the beginning of August and she looks forward to being able to bring that information to the Board.

Ms. DeVary received a request from the Hampton Roads Planning District Commission (HRPDC) for an annual contribution of \$20,000 to offset costs associated with their role as the region's solid waste planning agency, which include maintaining the Regional Solid Waste Management Plan (RSWMP) and preparing and submitting the annual recycling report. SPSA's members are eight of the seventeen communities represented by HRPDC, but the only ones that are included in the RSWMP and recycling report. Ms. DeVary believes that the member communities' Chief Administrative Officers discussed and thought it best to have HRPDC invoice SPSA.

Chairman Keifer commented that there are solid waste functions that each of SPSA's member communities are responsible for providing, but are not currently the responsibility of SPSA, as they were years ago. He went on to say that the Executive Committee believes it makes sense that SPSA could make this payment on behalf of the communities, rather than the communities working individually with HRPDC.

Mr. Keaton added that, having previously worked on the RSWMP and the recycling report in his role at HRPDC, he can attest to the enormous amount of effort that goes in to gathering and presenting this data and that each task that HRPDC accomplishes must be charged to a specific function. Because HRPDC serves seventeen communities, but only the eight members of SPSA benefit from the RSWMP and the recycling report, billing was something of a challenge. At the CAO Meeting, it was discussed that it might be simpler to bill SPSA on behalf of its member communities as an efficient solution which would also be fair to the other nine communities represented by HRPDC.

Mr. Leahy asked if it was correct that the member communities' eight CAOs supported SPSA paying this fee to HRPDC. Ms. DeVary responded that that was her understanding and indicated that Mr. Moor, Mr. Keaton, and Ms. Jarratt could comment to that, if they liked. Mr. Leahy asked if Ms. DeVary intended to bring the item to the Board at a future meeting or have the action ratified. Ms. DeVary replied that she intended to move forward with the request as there are funds available in the approved budget, and inform the Board of the action. She added that she expects HRPDC to always include SPSA in ongoing conversations regarding recycling because recycling quantities impact the waste stream and SPSA's service to its member communities. Ms. DeVary has requested that HRPDC ensure that SPSA receives a copy of the annual recycling report, once it is completed.

Chairman Keifer commented that if it was the pleasure of the Board they could ratify this action, but should the Executive Director execute this action, which it is with her authority to do, it would be presumed that it was supported by the Board. Mr. McCoy recommended that the Board ratify the decision to make the annual payment of \$20,000 to the HRPDC.

Mr. Broad moved, seconded by Mr. McCoy, to ratify the agreement to pay HRPDC \$20,000, as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

Mr. Bagley delivered the operations report, stating that 31,571 tons were landfilled during the reporting period, which was an increase of 1,407 tons from the previous month. 1,480,562 gallons of leachate were sent to HRSD, which is an increase of 285,445 gallons from the previous month. Mr. Bagley included in his report that there were 7.28 inches of rainfall in the

reporting month, which converts to just over 200,000 gallons of rainwater that was picked up in the leachate ponds, which has significant impact to operations at the landfill. 676,952 gallons of leachate were pumped at 15.7 GMP or 78% of available flow, a figure Mr. Bagley noted as low, likely due to a probable lightning strike on one of the control valves, resulting in a temporary shutdown until repairs could be made. 803,610 gallons of leachate were hauled.

Chairman Keifer commented that SPSA is limited to how much leachate can be pumped to HRSD, which means that a certain amount of leachate must be hauled over the roads. At a future meeting there will be more information about efforts to reduce leachate and possibly treat it onsite. Mr. Bagley added that not only is SPSA looking for ways to manage leachate independently from HRSD, so SPSA doesn't have to rely on hauling in tractor trailers for treatment, it is also important to decrease the total amount of leachate so that it can be managed at a lower cost. These goals are the reasons he reports on rainfall and flow rates, because staff want to ensure that they are doing all they can to monitor as closely as possible the best management of leachate. Mr. Bagley went on to say that HRSD is going to continue to be restrictive in terms of what can and cannot be sent to them and it is critical that SPSA be prepared to manage its own leachate, if necessary.

Mr. Hansen asked if the HRSD force main project was delayed or officially cancelled. Ms. DeVary responded that SPSA is waiting for more information to be gathered to meet with HRSD to discuss alternatives. HRSD has reported that their cost estimate has nearly tripled, making it no longer cost effective. SPSA is examining ways to reduce leachate and manage it onsite, and there are some interesting alternatives, but the information is not yet ready to be presented to the Board. Ms. DeVary anticipates being able to make that presentation in the next few months.

Mr. Arnold asked approximately how many gallons of leachate each tractor trailer can haul and Mr. Bagley responded that each trailer holds only 4600 gallons. Mr. Bagley commented that the low number of gallons that can be hauled each trip is a good example of how important it is to reduce the amount of leachate on the road and the potential liability associated with hauling. Ms. DeVary added that hauling was originally seen as a temporary situation, which is why it is even more important for SPSA to find an onsite solution. She added that SPSA's drivers do an outstanding job, but there is a better way to address managing leachate.

Mr. Bagley reported that 89% of the ash received from WIN was suitable for alternative daily cover, which is a little low for WIN's projected goal of 90% to 95%. A new Fill Sequence Plan has been completed and is in place at the Regional Landfill and has been designed to capture as much of the remaining airspace as possible.

There were missed readings on gas wells at the Regional Landfill in the month of June. Mr. Bagley explained that SPSA's Title V permit requires that every gas well in the landfill be tested once a month and reported. The Title V permit lists Gasco as SPSA's co-operator and it is clearly stated that the responsibility for monitoring each of the wells is with Gasco. Last month, Gasco had some issues and neglected to do their monthly testing. They have stated it was because they knew the wells would show exceedances due to the known issues they were having with the collection system. Gasco has taken full responsibility for the missed readings, but SPSA is not pleased with the situation as it may result in a Notice of Violation (NOV). NOVs are issued on the permittee, not Gasco specifically. Mr. Bagley commented that one of the reasons that the Amended and Restated Landfill Gas Agreement is taking so much time is that SPSA is putting in provisions to protect itself from these types of situations in the future. SPSA determined, with their consultants, that it was in SPSA's best interests to immediately self-

disclose these missed readings to DEQ even though the reporting is not required until September. SPSA has explained the circumstances and is awaiting a response from DEQ. Mr. Bagley went on to say that if any NOV is received it will be brought to the Board, but he also wanted to inform the Board of the history of the situation and inform them that SPSA acted as quickly as it could upon being informed that their co-operator responsible for gas well readings had missed readings in the month of June.

As staffing levels have been a concern and topic of conversation in the past several months, Mr. Bagley updated the Board on current staffing levels. He believes that staff has done a good job recruiting in the current hiring environment that all the communities are facing. In July of this year, the Regional Landfill is seeking a Supervisor, a Landfill Equipment Operator (LEO), a Solid Waste Assistant, and an Environmental Technician. The Supervisor position has received few applications and is being actively recruited, and just two months ago there were four open LEO positions, so there has been great improvement in that area. Transportation is only seeking one Transfer Vehicle Operator and at one time they were short as many as six drivers. A Heavy Equipment Operator is needed at both Chesapeake and Norfolk Transfer Stations. Operations needs a Mechanic's Helper, which is an entry level position that has been open for some time and difficult to fill in this climate. There is also a part-time Scale Attendant position open to fill in on weekends and with other scheduling needs. HR staff and supervisors are doing a good job of contacting applicants quickly and keeping the interview and hiring process moving along. Mr. Bagley wanted to take the opportunity to let the Board know that SPSA is moving in the right direction in terms of staffing.

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

6. WIN WASTE INNOVATIONS PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton thanked Mr. Keifer and Mr. McCoy for their support over their years as Chairman and Vice Chairman. He then presented the WIN monthly report electronically.

WIN Waste Innovations - Portsmouth

July 2021 Report to SPSA Board



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



WIN Waste Innovations Portsmouth

June 2021

Actual Operational Data



Net Refuse Received			Total Refuse Processed			Total NP Disposed			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
49,826	54,951	(5,125)	45,597	54,500	(8,903)	6,208	6,217	9	11,602	15,533	(3,931)
Driven by double outages during the month			Driven by double outages during the month						Driven by unfavorable processing due to outages on an ash outages during the month		
Steam Range			Boilers Unscheduled Downtime			TD's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
28,450	31,789	6,661	44	120	(74)	27	0	(27)	15,483	19,522	(4,039)
Usage increased at NYS's this period			Driven mainly by ash removal system failure						Driven by unfavorable processing due to ash outages		

- Includes 1,254 tons of non-qualifying residue delivered to landfill, qualifying residue 89.38% for June
- Waste delivered by SPSA to RDF: 50,768 tons. Boiler availability - 83%, Turbine Generator availability - 99%, Ash Screen availability - 95%
- 0 OSHA Recordable accident this period. 1 for the YTD. 0 Environmental Incident and 0 Citizen Complaints
- Boilers 1 & 3 outages completed this period. Replaced Superheater on Boiler 1 and overhaul on Boiler 3 hv' feed conveyor. Other work completed to both units included pressure part work and overlay RDF system repairs, bottom ash and fly ash removal repairs, flue gas and duct work repairs.



Mr. Stratton offered to answer any questions, but there were none. Chairman Keifer commented that WIN began presenting their reports electronically during the pandemic, at SPSA's request, but he hopes they will begin presenting in person again next month.

7. FINANCIAL REPORT

Ms. DeVary informed the Board that preliminary analysis indicated that total revenues exceeded total expenses for fiscal year 2021 by approximately \$2.5 million as compared to \$5.1 million in the previous fiscal year. Ms. DeVary noted that the \$2.5 million is net of the surplus money that will be used for the Design Build Project for Landfill Improvements, which was a little over \$2 million. This means that the total net surplus for fiscal year 2021 was roughly the same as the \$5 million surplus in fiscal year 2020. This surplus was due to the significant increase in tonnages over the last two years. Tipping fees fiscal year to date reflect an increase of 4%, or approximately \$1.75 million as compared to FY 2020. Ms. DeVary clarified that this was the total of tipping fees received in the system. Municipal tipping fees made up the bulk of that number at roughly \$1.58 million. Municipal waste tonnages were up approximately 6% or 27,932 tons as compared to last fiscal year. Commercial tons were up about 3% or 4,786 as compared to last year. Ms. DeVary drew the Board's attention to the Municipal Tonnages Graph which showed a record year for waste. In fiscal year 2021, SPSA received 500,461 tons of municipal waste, which was 109% of what was budgeted and a significant increase from 472,529 in fiscal year 2020. Ms. DeVary commented that that graph only shows five years of data, but her research indicated that the last time SPSA exceeded 500,000 tons of municipal waste was in 2009.

Ms. DeVary reported that total expenses for the fiscal year ending June 30, 2021, including all encumbrances, were approximately \$49.1 million, compared to \$41.6 million in the prior fiscal year. Ms. DeVary explained that the increase from the prior year was for the Design Build Project at the Regional Landfill which is around \$3.4 million, the Flyover Project, for which projected fiscal year 2021 expenses were \$908,000, and for increased costs for waste disposal due to the increase in tons. Ms. DeVary noted that SPSA sent WIN more than 26,000 tons over what was anticipated. Cash balances were at \$51.1 million, designated as \$3.2 million in the operating fund, \$5.9 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$4.7 million for FY 2021 purchase orders, \$2.5 million for the proposed HRSD force main, and \$34.8 million in the landfill expansion and closure fund. Ms. DeVary commented that she will have more details and actual results to report at the August or

September Board Meeting, once the fiscal year is wrapped up. She then opened the floor for questions or comments.

Mr. McCoy commented that he encourages Chairman Keifer and Ms. DeVary to keep the door open with HRSD regarding the force main project, even if it means SPSA contributing more funding than originally thought, due to the potential liability of continued hauling. Ms. DeVary responded that, yes, SPSA is keeping all options open at this time and looking at the situation closely to determine all of the different opportunities available. There were no further questions.

Mr. Hansen moved, seconded by Mr. Keaton, to approve the SPSA financial report as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

8. CONTRACTS

The first item for consideration was an emergency contract for a Scale at the Chesapeake Transfer Station. Chesapeake Transfer Station has both an inbound and an outbound scale. In mid-June, the inbound scale failed and an Invitation for Bid (IFB) was immediately issued for a replacement. Given the urgent need, the IFB expressly stated that the evaluation would be based on the price and time for delivery. A factor was determined for cost and number of days, which was applied to the three bids that were received from Fairbanks Scale, Carlton Scale, and Security Scale Service. Fairbanks, being the lowest bid, proposed a concrete scale versus a steel bridge scale and could begin work on July 23, 2021 with the scale being operational in 17 days on August 9, 2021. Their next available start date would have been August 30, 2021. Due to safety concerns, Ms. DeVary discussed the situation with Chairman Keifer and Mr. Spain and they were in agreement to award the contract to Fairbanks Scale on July 14, 2021. The emergency award was due to safety concerns because if the contract award was delayed until the Board Meeting, there would have been a major delay on the scale installation.

Chairman Keifer reiterated that he, Mr. Spain, and Ms. DeVary thoroughly discussed the situation and ensured that SPSA's procurement regulations, which align with Virginia state law, do give authority for emergency procurement to the Executive Director, in consultation with the Board Chairman. The three of them agreed that this was an emergency situation and that the award was procedurally in accordance with SPSA's procurement manual. In order to support this action, Chairman Keifer suggested that the Board ratify the contract award to Fairbanks Scale and asked if there were any questions or comments. Mr. Leahy asked for clarification as to whether a concrete scale or a steel scale was better equipment. Mr. Bagley responded that the concrete scale and weighbridge is a better option for SPSA operations because occasional leachate leakage from incoming trucks can deteriorate the steel. There were no further questions or comments.

Mr. McCoy moved, seconded by Mr. Keaton, to ratify the contract awarded to Fairbanks Scale for an inbound scale at Chesapeake Transfer Station, as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

The next contract was for the Truck Tire Management Program, which is a comprehensive program including new tire purchases, retreading, recapping, mounting repairs, service calls, etc. SPSA issued an RFP May 28, 2021, which was opened June 9, 2021. Two bids were received, one from Colony Tire and one from McCarthy Tire. Ms. DeVary reminded the Board that at the June Board Meeting there was a public comment noting that SPSA had received a

bid protest from McCarthy Tire the evening before the meeting took place. The Board elected to postpone awarding a contract until the protest could be assessed. Ms. DeVary thought it important to inform the Board of the details of that protest. The bid protest from McCarthy Tire alleged that the tire proposed by Colony Tire did not meet the bid specifications for "high scrub application" and the requirement of a "chip and cut resistant compound." The allegation was based solely on marketing material that was included with the proposal. SPSA received confirmation from Michelin that the tire proposed by Colony did meet bid specifications. The second allegation was that Colony misrepresented a tire and type of mold retread within their proposal. These were typos that were clarified during negotiations with Colony Tire and there was no confusion about what was being proposed. McCarthy Tire also stated that the retread they proposed was more economical based on a mathematical calculation of tread depth. However, the bid specifically stated that SPSA was evaluating proposals on a number of factors, not just that single component. SPSA denied the protest and there has been no further action taken by McCarthy Tire. The estimated cost for the Truck Tire Management Program is \$166,808, based on usage and service rates and this would be a one-year contract with four option years. Staff recommends authorizing the Executive Director to award the contract to Colony Tire, as presented.

Chairman Keifer added that this matter was reviewed at Executive Committee and with counsel. The way he interpreted the situation is that there was an allegation that Colony's proposal did not meet the bid specifications and it did meet the specifications, therefore he and the Executive Committee support the recommendation to award to Colony Tires. Chairman Keifer asked if there were any comments or need for further discussion, but there were neither.

Mr. Moor moved, seconded by Ms. Raulston, to authorize the Executive Director to award a contract to Colony Tire for a Truck Tire Management Program, as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

The next contracts for consideration were budgeted equipment replacements. The first was for a Wheel Excavator for the Norfolk Transfer Station, which replaces a 2005 model with a new M316. The procurement was based on a Sourcewell Cooperative Contract with the vendor Carter Machinery. \$351,500 had been budgeted for this replacement and the total cost is \$342,109.

Mr. Broad moved, seconded by Mr. Hansen, to authorize the Executive Director to award a contract to Carter Machinery, as presented. Mr. McCoy abstained to avoid any conflict issues because his son-in-law works for Carter Machinery. The electronic participant was polled individually. With the exception of Mr. McCoy's abstention, the motion was adopted by a unanimous vote in favor.

The next replacement contract was for a Wheel Loader for the Norfolk Transfer Station, which replaces a 2015 Volvo L-180 with a Caterpillar 972M. The procurement was based on a Sourcewell Cooperative Contract with the vendor Carter Machinery. \$545,000 had been budgeted for this replacement and the total cost is \$535,570.

Mr. Keaton moved, seconded by Mr. Leahy, to authorize the Executive Director to award a contract to Carter Machinery, as presented. Mr. McCoy abstained. The electronic participant was polled individually. With the exception of Mr. McCoy's abstention, the motion was adopted by a unanimous vote in favor.

The next replacement contract was for a Wheel Loader for the Oceana Transfer Station, which replaces a 2003 Volvo L-120F with a Caterpillar 950M. The procurement was based on a Sourcewell Cooperative Contract with the vendor Carter Machinery. \$400,000 had been budgeted for this replacement and the total cost is \$385,228.

Mr. Moor moved, seconded by Mr. Leahy, to authorize the Executive Director to award a contract to Carter Machinery, as presented. Mr. McCoy abstained. The electronic participant was polled individually. With the exception of Mr. McCoy's abstention, the motion was adopted by a unanimous vote in favor.

The next replacement contract was for an Articulating Dump Truck for the Regional Landfill, which replaces a 2009 model with a new 725. The procurement was based on a Sourcewell Cooperative Contract with the vendor Carter Machinery. \$442,500 had been budgeted for this replacement and the total cost is \$442,388.

Mr. Maxwell moved, seconded by Mr. Hansen, to authorize the Executive Director to award a contract to Carter Machinery, as presented. Mr. McCoy abstained. The electronic participant was polled individually. With the exception of Mr. McCoy's abstention, the motion was adopted by a unanimous vote in favor.

The final replacement contract for consideration was for four new road tractors. Ms. DeVary was pleased to announce that these four road tractors complete the replacement of thirty-two road tractors over the course of five years. She reminded the Board that in 2017 there was discussion about needing to replace all of the road tractors. Having accomplished the replacements through the scheduled capital replacement plan, SPSA was able to cash-fund all of these purchases and intends to continue to manage equipment replacement in the future with the same strategy. The procurement of the road tractors was based on a Sourcewell Cooperative Contract with the vendor Peterbilt Store. \$606,000 had been budgeted for this replacement and the total cost is \$622,624. The difference of \$16,624 is covered by savings on the previous capital replacements that had just been approved.

Mr. McCoy commented that purchasing the tractors from the same vendor over a period of five years, along with the cost savings of working with the same components are a smart move that sets SPSA apart. Mr. McCoy went on to suggest that it may be helpful for the newer Board Members if Ms. DeVary explained Sourcewell contracts. Ms. DeVary explained that Sourcewell is a group that does collective procurement by taking care of all of the procurement procedures, soliciting the best nationwide contracts possible, and then permitting government entities, such as SPSA, to use those contracts, as well. Ms. DeVary went on to say that it is an excellent resource for SPSA because it saves a great deal of administrative time.

Mr. Leahy thanked Mr. McCoy and Ms. DeVary as he had questions about Sourcewell contracts that were answered by Ms. DeVary's comments. Mr. Leahy went on to ask Mr. Bagley, out of personal interest, if he was satisfied that SPSA was getting the appropriate years of performance from their rolling stock capital, as compared to industry standards. Mr. Bagley responded that, yes, they are satisfied. Staff has completed an in-depth analysis of equipment costs over the years, as well as resale value, and developed a 20-year plan for equipment replacement. Mr. Bagley went on to say that the 20-year plan takes into account that industry standards are not always relevant to SPSA's operations. For example, the ash received at the landfill deteriorates equipment much faster than regular usage. Staff has taken operational specifics into account using internal data and on-site evaluations from Caterpillar to ensure that the correct equipment is being used for the specific work being done and that the replacement

cycle is appropriate. Mr. Bagley continued that staff has seen, as they have with the wheel loaders being replaced this year, that equipment will have increased costs for maintenance when they begin to reach their maximum hours of usage. The replacement schedule is based on a system that balances increased maintenance costs against replacement costs. Mr. Bagley added that the results shown from this system being implemented are increases in the value of surplus equipment and reduced costs for maintenance on equipment. There were no further questions or comments.

Ms. Raulston moved, seconded by Mr. Moor, to authorize the Executive Director to award a contract to Peterbilt Store, as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

9. ANNUAL MEETING AND ELECTION OF OFFICERS

Chairman Keifer reminded the Board that legislation concerning SPSA requires an Annual Meeting where officers are elected and that the July Meeting would serve that purpose. The Nominating Committee, chaired by Mr. Keaton, along with Mr. McCoy and Mr. Broad, offered the following slate of officers for the fiscal year beginning July 1, 2021.

Chairman:	Mr. Dale Baugh (IW)
Vice Chairman:	Ms. Sheryl Raulston (FR)
Treasurer:	Ms. Liesl R. DeVary, Executive Director
Secretary:	Ms. Tressa Preston, Executive Administrator

Chairman Keifer asked if there were any other nominations from there floor, but there were none.

Mr. McCoy moved, seconded by Mr. Keaton, to approve the slate of officers, as presented. The electronic participant was polled individually. The motion was adopted by a unanimous vote in favor.

Chairman Baugh was invited to appoint the Executive Committee. He first thanked Mr. Keifer and the Board for their vote of confidence. Chairman Baugh remarked that he is humbled to serve with such a distinguished group and that he and Ms. Raulston commit to uphold and sustain the high standards that Mr. Keifer and Mr. McCoy have maintained for the past four years. He and Ms. Raulston intend to reach out to each Board Member to introduce themselves and to listen to their ideas and concerns. Chairman Baugh invited Ms. Raulston to comment. Ms. Raulston thanked the Board for their confidence in her and Chairman Baugh, noting that they have met several times to learn more about each other and the duties of Chair and Vice Chair. Ms. Raulston hopes they will serve the Board as well as those in the past have done and she thanked the Board again.

Chairman Baugh commented that his first duty, under Article V, Sections 1 and 2 of the Bylaws, was to appoint Committees. Chairman Baugh commented that he appreciated that the members he appointed have volunteered their time and talent. Mr. Maxwell and Mr. Leahy were appointed members of the Audit Committee, with Ms. Lowe serving as Chair. The Executive Committee appointments were Mr. Keifer, Mr. Keaton, and Ms. Raulston. Chairman Baugh noted that the only change to the committee would be the departure of Mr. McCoy and the addition of himself.

Chairman Baugh went on to say that his appointment of the Executive Committee may require further discussion, as the Bylaws state that "together with the Chair, these Board members shall be generally representative of the geographic diversity of the Authority's service area." Because Chairman Baugh and Mr. Keaton both represent Isle of Wight County, that may present a question about that requirement. Chairman Baugh cited Mr. Keaton's years of government service in North Carolina, serving as Director of the HRPDC for three and a half years and developing the Regional Solid Waste Management Plan, and serving as a Board Member of the HRTPO and Western Tidewater Regional Jail, as well as a Chief Administrative Officer. It is Chairman Baugh's opinion that Mr. Keaton's viewpoint and experience represent the region as a whole in a unique and special way, which meet the intent of the Bylaw requirement. Chairman Baugh requested if any Board Member had concern over the geographic diversity of the Executive Committee that they contact him and he would take it under consideration.

10. OTHER BUSINESS

Mr. Keifer asked if there was any further business to come before the Board, but there was none.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 10:30 a.m.



Liesl R. DeVary
Executive Director

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