

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

June 26, 2024

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

Mr. John Maxwell	(CH)	Mr. Earl Sorey <sup>1</sup>	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Darlene Burcham <sup>2</sup>	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams <sup>3</sup>	(PO)
Mr. Tony Parnell <sup>4</sup>	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene <sup>5</sup>	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy <sup>6</sup>	(VB)	Mr. L.J. Hansen	(VB)

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

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

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

## 1. **CALL MEETING TO ORDER**

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

---

<sup>1</sup> Mr. Sorey left the meeting briefly for an urgent business matter at 10:21 a.m. and returned before the conclusion of the closed session. Mr. Martin voted, as the Ex-Officio Member from Chesapeake, to enter closed session.

<sup>2</sup> Ms. Burcham was absent from this meeting.

<sup>3</sup> Ms. Graham-Williams was absent from this meeting.

<sup>4</sup> Mr. Parnell was absent from this meeting.

<sup>5</sup> Mr. Greene participated in this meeting electronically for the personal reason of being out of town for a business trip in Long Beach, CA. There were no objections to his electronic attendance.

<sup>6</sup> Mr. Leahy participated in this meeting electronically for medical reasons from his home in Virginia Beach, VA. There were no objections to his electronic attendance.

2. **PUBLIC COMMENT**

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

3. **CHAIRMAN’S COMMENTS AND NOMINATING COMMITTEE REPORT**

Chairman Baugh asked Ms. Raulston, Chair of the Nominating Committee, to share the Committee’s recommendations. Ms. Raulston reported that she, Mr. McCoy, and Mr. Keaton discussed a number of candidates and spoke with potential nominees, who, if elected, would accept the role. Mr. Tom Leahy is being recommended for Chair, Ms. Raulston for Vice Chair, Ms. Schreiber for Treasurer, and Ms. Preston for Secretary. Chairman Baugh reminded the Board that the vote for new officers would take place at the July 24, 2024 Board Meeting.

4. **APPROVAL OF MINUTES**

The minutes of the May 22, 2024 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

**Mr. Broad moved, seconded by Ms. Lowe, to approve the May 22, 2024 minutes of the SPSA Board of Directors, as presented. Electronic participants were polled individually. The motion was approved by a unanimous vote in favor.**

The minutes of the June 4, 2024 Special Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

**Mr. Keifer moved, seconded by Mr. McCoy, to approve the June 4, 2024 minutes of the SPSA Board of Directors Special Meeting, as presented. Electronic participants were polled individually. With the exception of Mr. Hansen and Mr. Broad, who abstained from voting as they were absent from the June 4, 2024 meeting, the motion was approved by a unanimous vote in favor.**

5. **ADOPTION OF THE FY 25 BUDGET AND STRATEGIC OPERATING PLAN**

Mr. Bagley briefly reviewed the Budget highlights, which had been covered in depth at previous meetings. He noted that, aside from a close read from Ms. Raulston, there had been no questions or comments raised by the Board on either the FY25 Budget or the revisions to the Strategic Operating Plan (SOP).



The slide titled "Budget Highlights" features a blue background with a green header bar containing the number "4". It lists six key points:

- Revenues = Expenses for a Total of \$54,347,141
- Proposed budget represents a 4.5% increase from FY-24 or \$2,351,218.
- The proposed budget represents a municipal tip fee of \$65.00 / ton or a decrease of \$2.00 per ton.
- Provides an additional \$9,000,000 to the fund balance for construction of the Flyover and Cell VII.
- Includes a one time increase of \$5,000,000 for capital equipment replacement.
- Provides for a 3.5% COLA for all employees.

**Mr. Moor moved, seconded by Ms. Lowe, to approve the Southeastern Public Service Authority of Virginia FY-2025 Operating and Capital Budget, as presented. Electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.**

While no concerns were raised about the SOP, there was a matter that Mr. Bagley brought forward for discussion. For the past several years, since its adoption as a State Holiday, SPSA has been closed in observance of Juneteenth, as is reflected in both the current SOP and the proposed revision. However, in recent years, there have been operational challenges with some member communities seeking to have waste collection on June 19<sup>th</sup>, while others are adjusting collections to accommodate the closure. Mr. Bagley stated that it is his recommendation that SPSA remain closed on Juneteenth, as was the case in the first year the holiday was recognized.

The Board discussed honoring the significance of the holiday while still addressing operational challenges, including the preference of member communities' waste collection workers. It was clarified that a vote to keep Juneteenth as one of SPSA's full closure holidays would still allow requests from member communities for SPSA to remain open for additional fees, as provided in the SOP and Use and Support Agreements. Mr. Bagley and many members of the Board are hopeful that through socializing the importance of the holiday and presenting a unified message moving forward, the concerns with modifying collection on Juneteenth can be managed well ahead of next year's holiday. It was suggested that reinstating the Regional Waste Meetings that were held prior to the pandemic might serve as a tool to assist this process.

There were no further questions or concerns regarding the SOP. Ms. Preston read aloud the following resolution:

**RESOLUTION APPROVING REVISIONS TO THE  
STRATEGIC OPERATING PLAN – JUNE 26, 2024**

**WHEREAS**, the Southeastern Public Service Authority of Virginia ("SPSA") is a party to identical Use and Support Agreements (the "Post-2018 Use & Support Agreements") with each of its member communities (the "SPSA Members");

**WHEREAS**, the Post-2018 Use & Support Agreements (1) include a Strategic Operating Plan to be attached thereto as Schedule I and incorporated therein by reference; and (2) require that the SPSA Board of Directors (the "Board") review the Strategic Operating Plan on at least an annual basis in connection with the Board's review and consideration of the annual operating budget of SPSA, and at such other times as the Board may deem necessary or appropriate;

**WHEREAS**, pursuant to the Post-2018 Use & Support Agreements, if deemed necessary or appropriate after review, the Strategic Operating Plan may be updated or modified by a resolution approved by at least seventy-five percent (75%) of the Board, and any such updated and/or modified Strategic Operating Plan shall be appended to the Post-2018 Use & Support Agreements as the new Schedule I thereto, in replacement of all prior Strategic Operating Plans.

**WHEREAS**, SPSA Executive Staff with the assistance and advice of legal counsel has reviewed the Strategic Operating Plan, and has recommended to the Board that certain updates and modifications be made to the Strategic Operating Plan; and

**WHEREAS**, the Board after review and consideration has deemed it necessary and appropriate to make the recommended changes to the Strategic Operating Plan.

**NOW THEREFORE BE IT RESOLVED**, by the SPSA Board of Directors as follows:

1. The Strategic Operating Plan shall be updated and modified as shown on the Strategic Operating Plan attached to this resolution, the updated and modified Strategic Operating Plan shall replace the version of the Strategic Operating Plan approved by the Board on June 28, 2023, and the updated and modified Strategic Operating Plan shall be deemed to be appended as Schedule I to the Post-2018 Use & Support Agreements, and duly incorporated therein.

2. The Board hereby authorizes and directs the Executive Director of SPSA, in the name and on behalf of SPSA, to do all such acts and prepare, execute, file and deliver all such other documents, each in the name and on behalf of SPSA, that they may deem necessary or desirable to carry out the intent and purposes of the foregoing resolution.

Adopted this 26<sup>th</sup> day of June, 2024

Dale E. Baugh, Chairman

**Ms. Raulston moved, seconded by Mr. McCoy, to adopt the Resolution to Approve Revisions to the Strategic Operating plan, as presented. Electronic participants were polled individually. The motion was adopted by a unanimous vote in favor, constituting the required 75% approval by the Board.**

## **6. EXECUTIVE DIRECTOR UPDATES**

Mr. Bagley recognized Ms. Rebecca Hartley, Scalehouse Supervisor, as the SPSA Values in Action Employee of the Month. Mr. Bagley commented that Ms. Hartley, who has worked for SPSA for six years and earned her promotion three years ago, has truly embodied SPSA's dedication to supporting staff. He thanked her for going above and beyond on a regular basis, but most recently for Waste Worker Appreciation Week. Chairman Baugh presented Ms. Hartley with a certificate and lapel pin as tokens of the Board's appreciation.

Staff has completed meetings with all eight City Councils and Boards of Supervisors regarding SPSA's role in the future of waste. Mr. Bagley noted that these interactions have been well-received, and he continues to accept invitations to meet with civic groups and municipal leagues. It is his hope that the more people learn about SPSA's philosophy on waste management and saving space in the Regional Landfill, the more successful SPSA's innovative efforts will become.

Mr. Brad Nowak was present to discuss the impending closure of WIN Waste/Wheelabrator's Portsmouth facilities and the transfer of the RDF facility and land easement to SPSA on July 1, 2024. One final matter was successfully negotiated. At the request of the attorneys for Norfolk Naval Shipyard, SPSA will pay the Navy rent each year. However, it has been agreed

upon by both the Navy and SPSA, that SPSA will issue new rates for service to the Navy to cover any rental cost. New rates will begin in October and the current year's rent requirement will be credited back to SPSA in return for the current lower service rates.

Mr. Keaton asked for specific details on the rates per ton paid by the Navy and it was clarified that the current contracted rate of \$69.25 per ton will be increased to cover the cost of rent at the upcoming contract renewal. Mr. Keifer called the arrangement a reasonable solution with a long-standing partner, resulting in the positive outcome of SPSA continuing to lease the property. He commended Mr. Bagley and Mr. Nowak for working out a great deal. Mr. Hansen raised concerns about approving contract changes without having reviewed the contract but agreed to follow the will of the Board. The urgency of the matter was reiterated, and it was determined that a contact could be provided at a later date. Mr. Moor referred to the situation as an operational matter in which he encouraged the Board to allow the Executive Director and counsel to guide their actions.

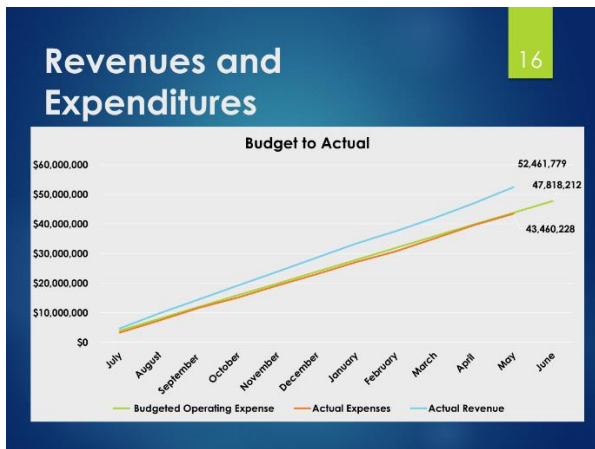
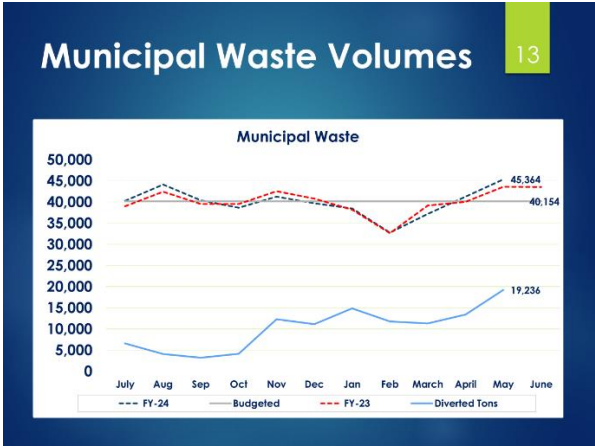
**Mr. Keifer moved, seconded by Mr. Broad, to approve the Executive Director executing the Navy easement agreement with changes, as presented. Electronic participants were polled individually. The motion was adopted by a unanimous vote in favor.**

Regarding the Environmental Impact Statement (EIS) process required by the Army Corps of Engineers for the wetland permitting necessary for planned expansion at the Regional Landfill, Mr. Bagley reported that progress is being made on cultural impact mitigation and the wetland mitigation plan has been submitted. Staff tours of the mitigation sites have been taking place with EPA, DEQ, the Nansemond Indian Nation, and the Army Corps of Engineers. The Corps has provided notice that they believe the EIS process should be finalized by September 30, 2024.

The RFP Committee has made progress and will be ready to brief the Board in closed session at the August Board Meeting. Mr. Bagley asked Mr. Leahy to give a brief update. Mr. Leahy mentioned the Committee's review of proposals, requests for additional information from vendors, and the Committee's work to assess technologies and locations being presented in the context of what will work best for SPSA's member communities. He indicated that in upcoming meetings, the Committee will prepare to present their findings to the full Board in closed session in the coming months. Mr. Bagley and Mr. Leahy offered to answer any questions, but there were none.

Staff has met with the contractor for the Flyover project and are proposing to lease available office space at the Suffolk Transfer Station to the contractor for use as a project office at the rate of \$18,000 annually, or \$1500 per month. SPSA's standard office lease terms, like those included in leases to the HRPDC and HRTAC, will apply. Mr. Bagley called this arrangement a benefit to SPSA because it frees up laydown space and keeps construction traffic centralized. He asked if there were any questions or concerns but there were none.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted, noting that both municipal and commercial waste volumes are even higher than they usually are this time of year. He pointed out the continued increase in diverted tons, as anticipated with WIN Waste's forthcoming closure. The final graph Mr. Bagley presented showed the relationship between total expenses and revenues compared to the budget which reflected expenditures just below budget and revenues above budget, which is always a good sign.



**7. CONTRACTS**

Ms. Preston presented a number of new contracts for the FY25 Capital Replacement Plan, as well as new and renewal operational contracts for approval, in preparation for the new fiscal year. Ms. Preston reviewed the use and cost for each contract and Mr. Norman Strickland was present to offer operational details for each item. Mr. Leahy commented that a consent vote on these contracts was especially appropriate given that they are all part of the FY25 Budget, which had just been approved and each contract was at or below the budgeted allocation.

**New Contracts**  
FY25 Capital Replacement Plan 19

**Walking Floor Trailers (12)**

- HGACBuy Cooperative Contract with Ken's Truck Repair
- Budgeted at \$1,417,599 for 12 Trailers
- Cost: \$1,386,654.96 (\$115,554.58 per unit)
- Savings: \$30,944.04



**Wheel Loaders (3)**

- Sourcewell Contracts – Carter Machinery (2) & McClung-Logan (1)
- 926 Wheel Loader for FTS Replacement
  - Budgeted: \$386,000
  - Cost: \$367,000
- 927 Wheel Loader for NTS Replacement
  - Budgeted: \$641,000
  - Cost: \$641,000
- 1180 Wheel Loader for LTS Replacement
  - Budgeted: \$641,000
  - Cost: \$639,419

**New Contracts**  
FY25 Capital Replacement Plan 20

**Track Dozers (3)**

- Sourcewell Contracts with Carter Machinery
- Caterpillar D6 Track Type Tractor Dozer – RLF Replacement
  - Budgeted: \$742,000
  - Cost: \$742,000
- Caterpillar D6 Track Type Tractor Dozer - RLF Addition
  - Budgeted: \$742,000
  - Cost: \$742,000
- Caterpillar D4 Track Type Tractor Dozer – RLF Addition
  - Budgeted: \$380,000
  - Cost: \$380,000

**Excavators with Rubber Tire Crane (2)**

- Sourcewell Contracts with Carter Machinery
- M316 Excavator (Rubber Tire Crane) – NTS Replacement
  - Budgeted: \$483,000
  - Cost: \$483,000
- M316 Excavator (Rubber Tire Crane) – Addition for PTS
  - Budgeted: \$483,000
  - Cost: \$483,000

**New Contracts** 21

**Caterpillar D8T Dozer Rebuild**

- Sourcewell Contract with Carter Machinery
- Same program used successfully with other equipment
- Budgeted at \$720,000
- Cost: \$719,908.14

**Service & OEM Caterpillar Replacement Parts**

- Sourcewell Contract with Carter Machinery
- Budgeted at \$350,000
- Pricing Structure included in Agenda



**Diesel Fuel**

- Cooperative Contract through the City of Norfolk with Parker Oil Company
- Budgeted at \$1,892,163

**Renewal Contracts** 22

**FY 2025 Property, Liability & Workers' Compensation Insurance**

- VRSA – 15<sup>th</sup> Year of Service
- \$452,337 Budgeted (14.5% overall increase due to increases to Workers Compensation)

**Laboratory Analysis Services**

- Enthalpy Analytical – 3<sup>rd</sup> of 4 option years
- \$90,000 Budgeted (based on FY 2024 per-service rates)

**Truck Tire Management Program**

- Colony Tire – 2<sup>nd</sup> of 4 option years
- \$150,000 Budgeted (based on FY 2024 per-service rates)

Mr. Broad moved, seconded by Mr. Leahy, authorize the Executive Director to award contracts, as presented, to:

- Ken's Truck Repair for 12 Walking Floor Trailers with Covers
- Carter Machinery for 2 Wheel Loaders and McClung-Logan for 1 Wheel Loader
- Carter Machinery for 3 Track Dozers
- Carter Machinery for 2 Excavators with Rubber Tire Cranes
- Carter Machinery for a Cat Certified Rebuild of a D8T Dozer
- Carter Machinery for Service and OEM Caterpillar Replacement Parts
- Parker Oil Company for Diesel Fuel
- VRSA for FY25 Property, Liability, & Workers' Comp. Insurance
- Enthalpy Analytical for Laboratory Services and
- Colony Tire for the Truck Tire Management Program

The electronic participants were polled individually. With the exception of Mr. McCoy abstaining from contacts associated with Carter Machinery to avoid any appearance of impropriety, as his son-in-law works in a separate division of that vendor, the motion was adopted by a unanimous vote in favor.

Additional Contracts - FYI		
<b>Grounds Maintenance</b>		
Coastal Lawn Services	approx. \$78,000	4 <sup>th</sup> of 4 Option Years
<b>Solid Rubber Cutting Edges</b>		
Rubberedge	\$90,000 budgeted	4 <sup>th</sup> of 4 Option Years
<b>Tank Pumping Services</b>		
Accurate Marine Env.	\$64,680 budgeted	2 <sup>nd</sup> of 4 Option Years
<b>Service and OEM Volvo Replacement Parts</b>		
McClung-Logan Equip.	\$65,000 budgeted	Cooperative Contract
<b>Voyager Fuel Card – Gasoline Only</b>		
Mansfield Oil Company	\$40,000 budgeted	Cooperative Contract

Ms. Preston reviewed additional contracts valued between \$30,000 and \$99,999, for which the Executive Director has authority to approve, but the Board must be informed of their award. She offered to answer any questions but there were none.

**8. WRITTEN REPORTS**

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

**9. CLOSED SESSION**

Chairman Baugh reminded those present that there was a closed session on the agenda for discussion regarding potential acquisition related to federal wetlands permitting and the Army Corps of Engineers Environmental Impact Statement process and the current RFP for alternative waste disposal. Only Board Members, SPSA Executive Staff, SPSA Counsel, and Counsel for the City of Chesapeake would be present for that closed session discussing the EIS. For the portion of the discussion regarding the RFP, Counsel for the City of Chesapeake would not be present. There were no objections to that plan.

Motion to Approve Request for Closed Meeting.

*I move that a closed session be held for discussions regarding (a) the potential acquisition of real property for wetlands mitigation in conjunction with the permitting process for Cells VIII and IX, in accordance with Virginia Code Section 2.2 3711(A)(3) for the purpose of discussion or consideration of the acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and (b) proposals received in response to the RFP issued by SPSA for Solid Waste Disposal Services, in accordance with Virginia Code Section 2.2 3711(A)(29) for the purpose of considering the negotiation and award of a public contract involving the expenditure of public funds, where discussion in open session would adversely affect the bargaining position or negotiating strategy of the public body.*

**At 10:58 a.m., Mr. Hansen moved, seconded by Mr. McCoy, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor, as noted in the above attendance footnotes.**



The Board came back into open session at 11:25 a.m. Once back in open session both in person and electronically the following motion was presented.

Motion to Approve Certification after Closed Meeting.

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

**Mr. Hansen moved, seconded by Ms. Lowe, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor, as noted in the above attendance footnotes.**

#### **10. OTHER BUSINESS**

Mr. Keifer suggested that, upon the closing of their Portsmouth facilities, a resolution of appreciation to WIN Waste/Wheelabrator would be appropriate to acknowledge their historic relationship with SPSA.

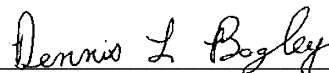
Mr. Leahy clarified that an RFP Committee meeting will take place on August 19, 2024.

Mr. Greene clarified his current electronic attendance address as 333 East Ocean Boulevard in Long Beach, California.

Chairman Baugh, as this was the last meeting that he will be closing as Chairman, thanked the Board, calling it a blessing and an honor to serve them and SPSA.

#### **11. ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:34 a.m.



\_\_\_\_\_  
Dennis L. Bagley  
Executive Director

---

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