

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

September 28, 2022

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 ( <i>absent</i> )	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor ( <i>absent</i> )	(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. Robert Baldwin (PO), Mr. Michael Etheridge (IW), Mr. Jeremy Kline (VB), Mr. Robert Lewis (SU), Mr. Oliver Love, Jr (NO), and Mr. Greg Martin (CH), 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. Because of Mr. Moor's absence, Mr. Robert Lewis served as Suffolk's Ex-Officio member.

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**

In the absence of Chairman Baugh, Vice-Chair Raulston served as acting Chairman for the meeting and called the September Board Meeting to order at 9:30 a.m. and led the Pledge of Allegiance.

## 2. **PUBLIC COMMENT**

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

3. **CHAIRMAN’S COMMENTS**

Vice-Chair Raulston welcomed Mr. Jeremy Kline, Deputy Director of Public Works for the City of Virginia Beach, as SPSA’s newest Alternate Ex-Officio Member.

4. **APPROVAL OF MINUTES**

The minutes of the August 24, 2022 Board Meeting had been distributed. Vice-Chair Raulston asked if there were any additions or changes and there were none.

**Ms. Jarratt moved, seconded by Mr. McCoy, to approve the August 24, 2022 minutes of the SPSA Board of Directors, as presented. With the exception of Mr. Leahy’s abstention due to not attending the August meeting, the motion was adopted by a unanimous vote in favor.**

5. **AUDIT COMMITTEE REPORT**

Ms. Lowe, Chair of the Audit Committee, informed the Board that the Audit Committee, which is made up of herself, Mr. Love, and Mr. Maxwell, met with staff and the auditors on September 26, 2022 to review a draft copy of the Fiscal Year 2022 audited financial statements. She reported that the auditors found no material weaknesses or matters of non-compliance and that the Committee discussed specific numbers and the narrative of the report. The auditors plan to present at the October Board Meeting, giving SPSA a clean, unmodified report. Ms. Lowe went on to say that Ms. Schreiber has done an excellent job maintaining SPSA’s financial information and has prepared a very successful closeout of the general ledger for the year. She asked the other Committee members if they had any additional comments, but they did not. Vice-Chair Raulston asked for any questions or comments, but there were none.

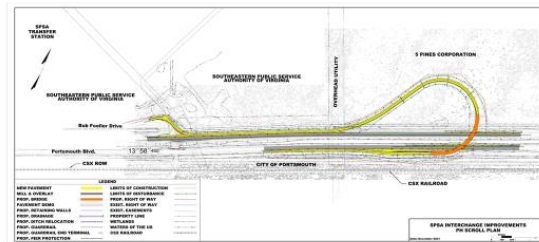
6. **VDOT FLYOVER PROJECT PRESENTATION**

Mr. Mike Davis of the Virginia Department of Transportation (VDOT) delivered a presentation updating the Board on the status of the Flyover Project.

SPSA Flyover entrance over us 13/58/460 - Phase 1



SPSA FLYOVER ENTRANCE OVER US 13/58/460



Project Status Update

Chris Hall, PE District Engineer  
VDOT - Hampton Roads District

September 28, 2022



### SPSA Project Update

- **Preliminary Design**
  - Submitted Field Inspection Plans for review to VDOT on 3/23/22
  - Submitted Revised Final OSAR on 8/25/2022
- **FI Plan Review (60% Design)**
  - Plans were distributed to VDOT reviewers 3/23/2022
  - Sent to SPSA on 4/11/2022 for review and comments
    - Including:
      - City of Suffolk- Robert Lewis
      - SPSA Oversight Committee- Robert Lewis, LJ Hansen, Earl Sorey



### SPSA Project Update

- **Right of Ways Plans**
  - Plans will be distributed by 10/5/2022
  - Working with the City of Portsmouth for proposed temporary construction easement.
- **Utilities**
  - We have two remaining test pits and our timeframe conflicts with the hunting season for the 5 Pines property. They have requested we complete these in January. We will continue with the information we have and collect this information in January 2023.
- **Tree clearing**
  - 5 Pines Property owner is planning to clear cut trees on property impacted by this project.



### SPSA Project Update

#### Environmental Update

- **Wetland Delineation/Permitting**
  - Jurisdictional Determination (JD) received, March 2022.
  - Agency coordination meeting held on April 12, 2022; alternatives discussion is ongoing (agencies questioning if bridge alt. feasible)
  - Field Assessments for the endangered and threatened species – Completed January 2022
    - Mabee’s Salamander, Canebrake Rattlesnake, Red-Cockaded Woodpecker, and Tricolored Bat. Report preparation and coordination ongoing, anticipated submission October / November 2022.
  - Compensatory mitigation for habitat loss appears likely for canebrake rattlesnake.
  - Enhanced coordination with U.S. Fish and Wildlife Service (USFWS) required for the northern long-eared bat due to status listing change from “Threatened” to “Endangered” (anticipated Nov.- Dec. 2022).
    - Biological Assessment will need to be conducted.
    - Time-of-year restriction for tree clearing anticipated.
    - Additional compensatory mitigation anticipated.



### Environmental Update - Continued

#### Assessments for endangered and threatened species – continued.

- Formal consultation with USFWS and potential requirement for biological opinion, which may include mitigation and time of year restriction for tree clearing.
- Coordination with DWR regarding canebrake rattlesnake and other State-listed species ongoing (including mitigation for canebrake).

#### Next steps

- Continue agency coordination
- Detailed alternative analysis

#### Project Permits Anticipated

- Individual DEQ
- Individual USACE
- DEQ Coastal Zone Consistency
- Joint Permit Application – Anticipated October/November 2022



### SPSA Project Update

Key Milestone Activity	Scheduled Date	Actual Date
Preliminary Field Investigation (PFI) Plans (30%)	9/24/2021	9/10/2021
Public Hearing (Posting of Willingness)	2/11/2022	2/22/2022
Field Inspection (FI) Plans (60%)	6/1/2022	3/23/2022
Right of Way (ROW) Plans (75%)	10/5/2022	
Pre-Advertisement Conference (PAC) Plans (90%)	2/3/2023	
Bidability Plans (99%)	3/24/2023	
Advertisement	11/30/2023	
Award	2/23/2024	
Fixed Completion Date	4/29/2026	



### SPSA Project Update

#### Project Budget Status:

Phase	Budget	Spent to Date	Remaining
FE	\$6,720,000	-\$1,682,134	\$5,037,866
RW	\$3,097,500		
CU	\$20,840,710		
Total	\$30,268,210		

- Notes:
1. Geotechnical Information is still under review to determine if soil conditions are better than anticipated when initial budget was developed.
  2. Open Ditch versus Piping ditch is still under review with Agencies. Current Budget reflects piping existing ditch in impacted areas.
  3. Adjusted project budget to 4.0% inflation rate instead of 2.4%.



Mr. Davis offered to answer any questions. Mr. Hansen, Chairman of the Flyover Oversight Committee commented, on behalf of the Committee, that he appreciates all of the effort that VDOT has put forth on this project and how well they have kept the Committee informed. He went on to say that all things considered, the project seems to be coming along quite well and, while he can't speak for everyone, he is very happy with the progress and wishes all his projects

ran as smoothly. Vice-Chair Raulston also thanked Mr. Davis for VDOT's work. Mr. Maxwell asked Mr. Davis about the 4% escalation for the project calling it rather optimistic and asking him to elaborate on the selection of that percentage. Mr. Davis replied that there is an extensive process in place and that each estimate is checked against three-month averages for unit prices across all the bids in the state and that they keep a close tab on market price in terms of inflation and price escalation. As they get closer to construction and bidding, they will continue to monitor that number and anticipate that some of the savings they are seeing now can act as a contingency should additional escalations be needed. Vice-Chair Raulston asked if there were any further questions, but there were none.

## **7. EXECUTIVE DIRECTOR UPDATES**

Mr. Bagley introduced Mr. Anthony "Ant" Murrell, an Environmental Technician, who prides himself on being the face of SPSA's Household Hazardous Waste (HHW) Program and loves educating the community about how to handle their waste in an environmentally responsible way. Mr. Murrell says that he loves the people he works with and how they operate as a team and Mr. Bagley added that Mr. Murrell is someone he can rely on to go above and beyond the call of duty. Vice-Chair Raulston presented Mr. Murrell with a certificate and a lapel pin as a token of the Board's appreciation.

Mr. Bagley's first update was on the future Portsmouth Transfer Station at the current WIN Waste facility. Staff's meetings with the Navy and their representatives have been productive and the plan for moving forward has been established, based on a mutual understanding of the legal parameters of the existing agreements. The Navy asserts that WIN Waste should assign its current easement for the Refuse Derived Fuel (RDF) plant back to SPSA at the conclusion of their contract in June of 2024 and WIN Waste is amenable to that transfer. This will ensure ease of transition and minimize bureaucratic challenges. Mr. Bagley is meeting with Mr. Pete DiCecco of WIN Waste to discuss the specific details of the transition, which will be confirmed by the attorneys. Mr. Bagley further advised the Board that he has spoken with Portsmouth's representatives to keep them updated on the progress of these discussions. In response to a question asked by Mr. Hansen, Mr. Bagley clarified that the new SPSA easement will include absorbing the tipping floor associated with the RDF plant, adjacent to the SPSA Transportation and Operations facilities, but not the Waste to Energy Plant that is located within the fenced-in Navy Yard across the street.

Ms. Graham-Williams thanked Mr. Bagley for taking the time to walk Portsmouth through the process and commented that they feel confident with the updates and assurances that they have been given that Portsmouth will have a transfer station at the end of this process. Ms. Graham-Williams added that they look forward to being at the table at the appropriate time and look forward to continuing to keep the lines of communication open. Mr. Keaton asked how the transfer of the easement will impact the decommissioning of the RDF plant. Mr. Bagley responded that his meeting with Mr. DiCecco will help determine those details, which will then be outlined in the agreement. Mr. Bagley went on to say that Mr. DiCecco has given every assurance that it is WIN Waste's intention to turn over the facility in the exact condition that SPSA desires, it is only a matter of making those desires clear in the legal agreement and the path to achieving that goal by July 1, 2024.

Staff received a draft copy of the draft Environmental Impact Statement (EIS) from the Army Corps of Engineers, carefully reviewed it, and submitted nearly 140 comments back to the Corps to address. Staff will speak to their concerns about the document with Colonel Hallberg at a meeting taking place later that day. Staff also met with Senator Cosgrove and Delegate

Knight, both of whom have been very supportive and helpful about possible resources for mitigation strategies. Staff are awaiting updates from Delegate Knight about conversations with the House Appropriations Committee and Delegate Brewer for potential avenues of support. Staff is in communication with state and federal representatives seeking their support for the expansion project. Meetings with staff from Senator Kaine, Senator Warren, and Congressman McEachin's offices have all been positive. Staff also had very positive meeting in Richmond with Mr. Travis Voyles, Acting Secretary of Natural and Historic Resources and Mr. Michael Rolband, Director of Virginia DEQ. Mr. Bagley reported that the meeting with Mr. Voyles and Mr. Rolband and their staff left him with more confidence about the State and the Governor's support for the project. DEQ's Director of Wetlands has reached out and offered assistance to staff. Mr. Bagley went on to say that staff has learned that the traditional hierarchy laid out by the Corps is not going to be sufficient to mitigate the project and an extensive, creative mitigation package will be required. DEQ also recommended that SPSA secure the services of an environmental attorney. Mr. Bagley spoke with a number of attorneys at several firms, including Mr. Brad Nowak at Williams Mullen, who recommended Mr. Channing Martin and Mr. Speaker Pollard, both of whom have experience working with the EPA and DEQ. Mr. Bagley reviewed their bios, interviewed Mr. Martin and Mr. Pollard, and determined them to be the right people for the job due to their proven track record of getting projects permitted and performing complicated mitigation. The last part of the update on wetlands mitigation is the recommendation from DEQ and Mr. Voyles that SPSA staff meet with Mr. Adam Ortiz, the Administrator of Region 3 of the EPA at his office in Philadelphia. Mr. Ortiz has a great deal of influence over this project, but at this point he has only heard one perspective. By meeting in person, staff can present their passion and scientific proof that expansion at the Regional Landfill is the least environmentally damaging practicable alternative (LEDPA). Mr. Bagley went on to say that if the site in Southampton County that is currently included in the draft EIS were to be found as the LEDPA, he could not recommend to the Board that SPSA move forward on that site because, not only is Southampton County opposed, but State Legislation prohibits siting a landfill on more than two acres of wetlands unless exempted, as the Regional Landfill is. Mr. Bagley is confident that that the right people are in place to move the project forward and he foresees great strides in the near future. Mr. Bagley offered to answer any questions. Mr. Leahy suggested that, if it had not already been done, that letters be circulated for signature to member community mayors and board chairs for their support. He added that his experience with Mr. Pollard has been good and that he trusts his judgement. Mr. Leahy also suggested that the Senators send carefully crafted letters to the EPA. Mr. Bagley confirmed that it has been requested that the Senators reach out to the Army Corps of Engineers and the EPA as federal representatives. There were no further questions.

At the August Board Meeting, the Board instructed Mr. Bagley and staff to meet with HRPDC's subcommittee on recycling regarding the proposal on electronics disposal. Mr. Bagley spoke to Mr. Bob Crum and his staff about this and was informed that there is no longer a recycling subcommittee, but rather they have formed a workgroup on the subject which will be chaired by Mr. Patrick Roberts, Deputy City Manager of Norfolk, and will also include SPSA Board Members. They will meet on October 5, 2022 and Mr. Bagley will attend that meeting. Mr. Bagley also suggested that he may bring back a similar proposal at the October Board Meeting that may better satisfy the needs of the communities.

The HRPDC has informed SPSA that they have received all the information necessary to update the Regional Solid Waste Management Plan (RSWMP). They also informed SPSA that they have been reaching out to some of the member community managers to inform them about the RSWMP. It is SPSA's preference that all information about regional waste management come from SPSA, particularly because one of the points of information is that the

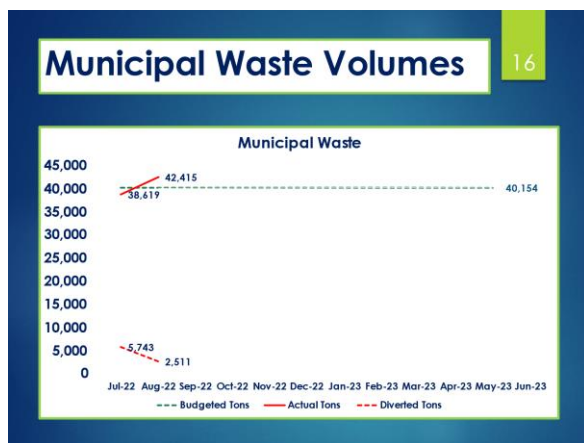
amendments to the RSWMP will require public hearings and staff wants to ensure that member communities have ample time and ability to inform their citizens. Mr. Bagley is speaking with the HRPDC about communication strategy moving forward.

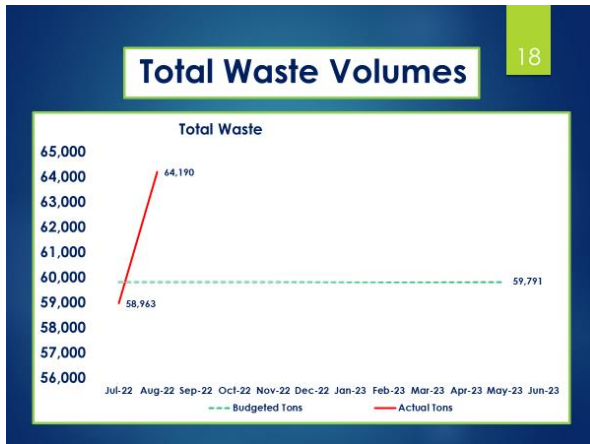
Mr. Bagley reminded the Board that several months ago they approved changes to the Landfill Gas Rights Agreement. Upon further investigation it appears that the easement that is included as an exhibit in that agreement needs to be updated to correct a discrepancy between what was agreed upon and what was reflected in the final version of the agreement. Mr. Bagley, Mr. Spain, and Mr. Nowak have been actively working on the correction and plan to bring it to the Board at the October Board Meeting.

For about a year, staff has been in communication with TC Energy, the company that owns the Columbia Pipeline and the easement that allows the pipeline to run through the Regional Landfill property, to request a cost estimate for relocating the pipeline. Many years ago, that estimate was \$23 million, making the project unreasonable, but recently there has been discussion that TC was interested in relocation of one of the pipelines that runs through SPSA's property to upsize for better support of the Navy's proposed heat and power plant. Upon learning of this information, staff reached out to TC Energy to discuss the possibility of reaching an agreement to relocate both lines with SPSA taking on some of the expense. Mr. Bagley went on to say that if the costs could be drastically reduced from the original estimate, it would be a very valuable endeavor for SPSA to undertake in order to capture airspace that otherwise would never be realized. TC Energy has already brought in engineers for surveying work and has agreed to bring their Vice President of Operations to meet with SPSA staff the first week in October.

Mr. Bagley offered to answer any questions. Vice-Chair Raulston thanked Mr. Bagley for his excellent report and thanked staff for all they do to make the projects SPSA is involved in successful. She asked if there were any questions or comments. Mr. McCoy commended Mr. Bagley and staff for looking into relocation of the pipeline, calling it a phenomenal opportunity to create airspace at the Regional Landfill. There were no further questions.

Mr. Bagley presented comparative charts on budgeted and actual municipal and commercial waste tonnages, as well as tonnages diverted from WIN Waste over the reporting period.





Mr. Henry Strickland presented the operations report stating that total waste diverted in the month of August was 2,511 tons, which is the equivalent of about 125 truckloads. At the new administration building at the Regional Landfill, storefronts have been installed and glass is being installed. Roughly 85% of the project is complete and exterior grading and sidewalks are scheduled for the end of September. Construction of the HHW building is underway with electrical to begin by the end of September and garage doors scheduled to be installed in October. The steel frames for the storage building are being erected and the concrete slab for the fleet mechanic shop has been completed. The heat assisted leachate evaporation system has finished the primary pre-engineering phase and the site layout and schedule has been submitted to SPSA for approval. The site survey and geotechnical work have been scheduled for late September. The building for the RNG facility is complete, as are the additional equipment pads. Installation of equipment is on schedule and completion is expected for late January or early February of 2023. Mr. Strickland offered to answer any questions. Vice-Chair Raulston asked if there were any special precautions being taken at the Regional Landfill to prepare for the storm anticipated to hit over the weekend. Mr. Strickland replied that yes, absolutely, staff would be implementing their regular storm precautions by executing a specific process of securing, tightening, moving equipment out of low-lying areas, and ensuring that storm drains are clean. Because of those efforts, coordinated closely with the Environmental Team, he does not anticipate any issues. There were no further questions.

Mr. Mike Kelley delivered the environmental report, noting that there were no odor complaints, and all sampling and reporting was completed on time within the reporting period. All permits are in compliance. Mr. Kelley illustrated for the Board some of the ways the Environmental Team manages sediment control around the stormwater drains at the Regional Landfill. Vice-Chair Raulston asked if there were any questions for Mr. Kelley, but there were none.

## 8. FISCAL YEAR END REPORT

Mr. Bagley commented that at the September Board Meeting, staff provided a surplus number that was much lower than what was being presented. To clarify, Mr. Bagley went on to say that in the previous month they were discussing the audited financial reports and not fiscal year end. The large difference is due to the fact that audited financials take into consideration the status of an organization should they need to liquidate their assets. The Audit Committee was made aware of those differences and the auditors did an excellent job of explaining the discrepancy. For example, in audited financial statements there is a loss on investments reflected that will never be realized because SPSA holds investments until they mature. However, if they were sold at the end of the fiscal year, SPSA would have realized a loss due

to the market. Looking at the revenues over expenses is a different matter because that is a reflection of the actual cash value of what is in the bank and what has been spent over the last year. Ms. Schreiber presented the Fiscal Year 2022 Revenue and Expenses as reflected in the charts below.

**SPSA WASTE SOLUTIONS** 28

# Fiscal Year End Report

SPSA BOARD MEETING  
SEPTEMBER 28, 2022

WILDLIFE HABITAT COUNCIL

**SPSA WASTE SOLUTIONS** FY - 2022 Revenue ~ Actual 29

REVENUES	FY 2022 Adjusted Budget	FY 2022 Actual	Budget to Actual \$ Variance
<b>Tippling Fees:</b>			
Municipal	\$ 29,392,850	\$ 28,340,410	\$ (1,052,440)
Other Tip Fees	16,558,618	21,419,094	4,860,476
<b>Total Tippling Fees</b>	<b>\$ 45,951,468</b>	<b>\$ 49,759,504</b>	<b>\$ 3,808,036</b>
Tire /HHW / WG	1,036,650	1,531,469	494,819
Landfill Gas Royalties	260,000	131,158	(128,842)
Miscellaneous Income	268,729	303,952	35,223
Interest Earnings	450,000	647,810	197,810
Fund Balance	7,800,803	7,800,803	-
<b>Total Other Revenue</b>	<b>9,816,182</b>	<b>10,415,192</b>	<b>599,010</b>
<b>Grand Total Revenue</b>	<b>\$ 55,767,650</b>	<b>\$ 60,174,696</b>	<b>\$ 4,407,046</b>

**SPSA WASTE SOLUTIONS** FY - 2022 Expenses ~ Actual 30

EXPENSES	FY 2022 Adjusted Budget	FY 2022 Actual	Budget to Actual \$ Variance
<b>Operating Expenses:</b>			
Personnel	\$ 9,270,793	\$ 8,719,895	\$ 550,898
Professional/Contracted Service	3,737,082	3,150,586	586,496
Other Operating Expenses	1,324,695	1,149,321	175,374
Materials & Supplies	1,988,838	2,029,500	(40,662)
Contracted Waste Disposal	21,998,420	20,460,477	1,537,943
<b>Total Operating Expenses</b>	<b>38,319,828</b>	<b>35,509,779</b>	<b>2,810,049</b>
Capital Expenses	11,204,672	11,204,672	-
Landfill Closure/Expansion	6,243,150	6,243,150	-
<b>Total Expenses</b>	<b>\$ 55,767,650</b>	<b>\$ 52,957,601</b>	<b>\$ 2,810,049</b>
<b>Net Revenue over Expenses</b>		<b>\$ 7,217,095</b>	

**SPSA WASTE SOLUTIONS** Recommendation 31

Item	Amount
<b>FY-2022 Revenue over Expenditure</b>	<b>\$7,217,095</b>
Transfer to reserve fund for Landfill Expansion	\$3,500,000
Transfer to reserve fund for Flyover	\$3,500,000
Salary Survey	\$75,000
Facilities Improvement	\$100,000
Employee Appreciation / Safety Awards	\$42,095

**Recommendation:**  
Motion to approve the allocation of FY-2022 revenues over expenses as presented.

Ms. Schreiber offered to answer any questions. There was a discussion of the challenges around budgeting specific municipal and commercial tonnage amounts—and therefore revenue—in the recovery period after a pandemic. With municipal tonnages inflated and commercial tonnages low during COVID due to people staying home, the 2022 revenues over expenses show a return to a more a pre-pandemic waste flow, which resulted in coming up “under” on municipal tonnages and “over” on commercial tonnages from a budgeting perspective but was the best estimate from the information available and resulted in an overall surplus of revenues over expenses. It was also noted that, while this year’s surplus is particularly high, it is being recommended that the majority of those funds be transferred to the Landfill Closure and Expansion Fund and the Flyover Fund, which will help to offset future tip fee increases. Mr. Bagley also added, regarding the surplus, that when he was appointed Executive Director in January of 2022, he made the Board aware that the budget contained some consistent anomalies year over year that result in consistent surpluses. It is his intention to budget more closely because his perspective is to allocate appropriately for actual spending needs and if a new need arises, to prove the case for that need and request additional funding, rather than include hidden contingencies that result in regular surpluses.



Mr. Bagley recommended that the surplus be allocated as \$3.5 million to the Landfill Expansion fund, \$3.5 million to the Flyover fund, \$75,000 for a salary survey, \$100,000 for facilities improvement including outfitting the new administration building and breakroom at the Regional Landfill, and \$42,095 for employee appreciation and safety awards. By allocating the majority of the funds to landfill expansion and the flyover, Mr. Bagley explained to the Board that those additional funds would help the stability of the authority in terms of managing investments and reserves. His plan is to come to the Board in January with a revised long-term projection for tip fees that takes into account this year and the previous year's surplus. Mr. Bagley reminded the Board that tip fees have been projected for the next eight years. His recommendation would be to stay consistent with that projection for next year, but the year after that the projected increase should not be as significant. He reiterated that in January he plans to bring the Board a report outlining where the authority stands in terms of funding and when those funds will be needed over the next eight years until the current landfill expansion and the flyover is complete.

Mr. Bagley offered to answer any questions. Mr. Sorey asked for confirmation that the \$3.5 million is in addition to the surcharge that is included in the tip fee. Mr. Bagley confirmed and reiterated that in January he will be revisiting future surcharges on the tip fee based on this year and previous year's surpluses. Mr. Hansen raised the question of the division of funds between landfill expansion and the flyover fund, suggesting that it may be better to allocate more funds to the flyover. Mr. Bagley explained that both funds have an immediate need and that allocating more or less to one or the other will not impact the tip fee negatively. He also mentioned that having cash in these funds allows investment choices to be made based on the market rather than on funding need. Ms. Graham-Williams asked if any of the surplus funding was being considered for developing the Portsmouth Transfer Station or if would WIN Waste be assuming that cost. Mr. Bagley responded that in 2024 WIN Waste will be contractually obligated to pay SPSA \$8 million in liquidated damages and they have recognized that obligation. His anticipation is that whatever renovations that are needed would come from those funds. Mr. Keifer received clarification on fund balance roll overs. There were no further questions

**Ms. Lowe moved, seconded by Ms. Jarratt, to approve the allocation of the Fiscal Year 2022 revenues over expenses as presented. The motion was adopted by a unanimous vote in favor.**

## **9. CONTRACTS**

Ms. Preston informed the Board that Dime Oil ceased operations in the region and SPSA has accepted their request for contract termination under force majeure. SPSA has secured a cooperative contract with Parker Oil for a term of five years to deliver diesel fuel and fill storage tanks at the Operations Center, the Regional Landfill, and all Transfer Stations. Staff is pleased that Parker Oil is a local company that comes highly recommended for great reliability and is well regarded among the member communities, such as the City of Norfolk, where this cooperative contract originated. Ms. Preston thanked Mr. Broad and Ms. Angie Hutchins for their assistance on this procurement. Ms. Preston offered to answer any questions. Mr. Maxwell asked about the price difference between Dime Oil and Parker Oil. Mr. Bagley confirmed there was a slight increase in price and explained the intricacies of commercial fuel pricing, noting that pricing varies by market rate. Mr. Hansen added that Parker Oil is an excellent company, and he is glad to see the change.

**Mr. Hansen moved, seconded by Mr. Leahy, to authorize the Executive Director to award a contract to Parker Oil for diesel fuel delivery, as presented. With the exception of Mr.**

**Greene's abstention due to potential professional conflict of interest arising from his law firm's possible representation of Parker Oil, the motion was adopted by a unanimous vote in favor.**

Ms. Preston reminded the Board that earlier in the meeting Mr. Bagley explained that it has been recommended by Virginia DEQ and other consultants that SPSA secure legal counsel to assist with the landfill expansion wetlands mitigation process. An engagement letter from Williams Mullen detailing the services of Speaker Pollard and Channing Martin has been distributed to the Board Members. Ms. Preston reminded the Board that legal services are exempt from the Virginia Public Procurement Act and that staff does not anticipate that this engagement will exceed the \$100,000 threshold granted to the Executive Director in the SPSA Procurement Policy, but due to the subject matter and potential cumulative expenses related to wetlands permitting, staff is bringing this matter to the Board for approval. Ms. Preston asked if there were any questions or comments. Mr. McCoy commented that Mr. Nowak of Williams Mullen has provided excellent service for many years. Mr. Hansen asked if funding for these services would come from landfill expansion funds. Ms. Preston confirmed that was correct. There were no further questions.

**Mr. McCoy moved, seconded by Mr. Hansen, to authorize the Executive Director to execute the engagement letter, as presented. The motion was adopted by a unanimous vote in favor.**

**10. WRITTEN REPORTS**

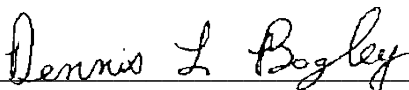
Vice-Chair Raulston asked if there were any questions for WIN Waste representatives regarding the written WIN Waste report or for Ms. Schreiber regarding the financial reports, but there were none.

**11. OTHER BUSINESS**

Vice-Chair Raulston asked if there was any other business, but there was none.

**12. ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:04 a.m.

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

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