

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

December 14, 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(<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)	Ms. Lavonda Graham-Williams	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen (<i>absent</i>)	(VB)

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

Others present at the meeting included Alternate Ex-Officio Members Mr. Robert Baldwin (PO), Mr. Robert Lewis (SU), Mr. Oliver Love, Jr (NO), and Mr. Greg Martin (CH),¹ 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**

Mr. Baugh, Chairman of the Board of Directors, called the December Board Meeting to order at 9:30 a.m. and led the Pledge of Allegiance.

2. **PUBLIC HEARING ON SCHEDULE OF FEES AND CHARGES**

Chairman Baugh informed those in attendance in person and electronically, that the subject of the public hearing was the preliminary Schedule of Fees and Charges as adopted at the October 26, 2022 Board Meeting and made available for public consideration. The desire was to add a service available through SPSA's refuse collection and disposal system by adding rates payable for residential disposal of select electronic waste, with such changes to be effective January 1, 2023, and that following the close of the public hearing, the Board could

¹ In Mr. Sorey's absence, Mr. Martin participated as the voting Ex-Officio Member from the City of Chesapeake.

take such action on the preliminary tipping fee schedule and any amendments thereto which it deemed appropriate.

To open the public hearing, Ms. Preston read the following statement for the record:

“This public hearing is being held in accordance with Section 15.2-5136 of the Virginia Water and Waste Authorities Act. Its purpose is to take public comment on the proposed Schedule of Fees and Charges adopted in preliminary form by the Board of Directors of the Southeastern Public Service Authority of Virginia on October 26, 2022.

The notice of public hearing was published in The Virginian Pilot on November 15th and November 22nd as required by law. After conclusion of the public hearing, the Board of Directors will consider comments offered here today and will proceed to adopt a final schedule to become effective January 1, 2023, and to continue in effect until such time as modified by the Board of Directors in accordance with the procedures set forth in the Virginia Water and Waste Authorities Act.”

Ms. Preston informed Chairman Baugh that she received no requests, either in person or electronically, to speak at the public hearing. Seeing that there were no comments to be made, Chairman Baugh concluded the public hearing portion of the meeting.

3. PUBLIC COMMENT

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

4. CHAIRMAN’S COMMENTS

Chairman Baugh thanked everyone for attending the final SPSA Board Meeting of 2022 and reviewed the items to be covered in the agenda. He also reminded Board Members that they will be receiving emails from Mr. Spain and Ms. Preston reading the completion of the annual Virginia Ethics Advisory Council Financial Disclosure Statements that are required of each Board Member at the beginning of their service and each January thereafter.

5. APPROVAL OF MINUTES

The minutes of the October 26, 2022 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. Keifer moved, seconded by Ms. Graham-Williams, to approve the October 26, 2022 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

6. ACTION ARISING FROM PUBLIC HEARING

Chairman Baugh noted that there were no comments made or feedback given at the Public Hearing on the Schedule of Fees and Charges. In light of that fact, he opened the floor for a motion to approve the advertised schedule of fees and charges as presented at the October 26, 2022 Board Meeting.

Mr. McCoy moved, seconded by Ms. Raulston, to approve the Schedule of Fees and Charges, as advertised. The motion was adopted by a unanimous vote in favor.

7. CLOSED SESSION

Chairman Baugh reminded those present that a closed session to discuss the annual performance review of the Executive Director was on the agenda and announced that only Board Members would be present for that closed session. There were no objections to that plan. Prior to the beginning of the closed session, Chairman Baugh asked that Mr. Spain also participate in the closed session and there were no objections.

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussion regarding the annual performance review of the Executive Director, in accordance with Virginia Code Section 2.2 3711(A)(1) relating to the performance of a specific public officer.

Mr. Broad moved, seconded by Mr. Leahy, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

Once back in open session both in person and electronically the following motions took place.

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.

Ms. Jarratt moved, seconded by Ms. Graham-Williams, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

Mr. Keifer moved, seconded by Mr. Maxwell, to approve, in recognition of the outstanding performance of Executive Director, Dennis Bagley, an annual salary increase of 3% and a one-time bonus of \$6,000, to be effective January 1, 2023. The motion was adopted by a unanimous vote in favor.

Due to his outstanding performance, Mr. Bagley was honored as the "SPSA Values in Action" employee of recognition and Chairman Baugh presented him with a certificate and SPSA lapel pin as a token of the Board's appreciation.

8. FLYOVER COMMITTEE REPORT

In the absence of Mr. Hansen, Chair of the Flyover Committee, and Mr. Sorey, member of the Committee from the City of Chesapeake, Mr. Lewis, Alternate Ex-Officio Member from the City of Suffolk and Member of the Flyover Oversight Committee delivered a brief report. Mr. Lewis reported that the Committee and staff met with VDOT on December 5, 2022, that the project remains, more or less, on time and on budget, but the cost savings that have been realized may very well be absorbed in future project costs. He offered to answer any questions, but there were none.

9. EXECUTIVE DIRECTOR UPDATES

Before Mr. Bagley began his report he told the Board and staff that he was humbled by their recognition that morning. He went on to call his work a labor of love noting how much he cares for the organization and everyone that works to make it a success. He reminded the Board that because of the role he plays he regularly gets recognized and never intended to be a recipient of the employee recognition given at the Board Meeting, but that he appreciates their efforts to surprise him with this honor. On that subject, the person he wanted to honor at today's meeting was Mr. Marshall Tatem, the Chesapeake Transfer Station Supervisor who, from the first weekend in December to the day before Christmas Eve, invites children from around the community to his decorated home and yard to have their picture taken with himself and his wife as Santa and Mrs. Claus free of charge. People come from all around and it's a wonderful thing to do for the community and Mr. Bagley wanted to be sure to recognize Mr. Tatem for that work.

Moving on to his regular updates, Mr. Bagley reported that plans for the Portsmouth Transfer Station are moving forward and that SPSA has provided a term sheet to WIN Waste's attorneys for their review so that a transition agreement can be reached. Mr. Bagley spoke with WIN's representatives that morning and was told they were finishing their budget and putting a team together to go through the term sheet and get back with SPSA in about 30 days with any changes they would like to see made. As far as Mr. Bagley is concerned, the project is full speed ahead he has seen nothing that would lead him to believe otherwise. Staff will continue to remain in contact with WIN on the term sheet and moving the agreement forward.

Regarding wetlands permitting, staff continues to have monthly meetings with Colonel Hallberg of the Army Corps of Engineers, who takes SPSA's concerns very seriously. Mr. Bagley credits Colonel Hallberg for the positive direction the process has taken since his involvement began. A matter that has developed is that the Corps plans to have a public meeting in the town of Ivor to seek public comment on the alternative site in Southampton County. Mr. Bagley had a very productive meeting with Southampton County staff to brief them on the project and develop a strategy to inform the community and manage the message. Mr. Bagley will be presenting to the Southampton County Board of Supervisors when the time is right and SPSA's attorneys are working with their County Attorney on a possible resolution concerning landfill construction at that site. SPSA is doing everything possible to protect Southampton County's interests and ensure that the public is not unnecessarily alarmed by any misinformation. Staff is preparing for the January legislative session to put the best foot forward for moving forward the bill for land in Suffolk to be returned to the Nansemond Indian Nation with an environmental easement. Lobbyists are in place and letters to member communities' legislative liaisons will go out at the end of December.

Staff has yet to receive a response from Administrator Ortiz with Region 3 of the EPA regarding the requests for a meeting that have been submitted. Staff has also reached out to Travis Voyles, Acting Secretary of Virginia Historic and Natural Resources, and asked for his help to arrange this meeting. He responded quickly to say that he would, as he knows how important this project is to the community. The Army Corps of Engineers is now looking at a target date of early March for publishing the draft Environmental Impact Statement (EIS) with public comment to follow. Mr. Bagley emphasized that, at this point, quality is more important than

timing and having waited three years for a draft, he wants to ensure an accurate report and that a great deal more work is still needed to reach achieve that goal.

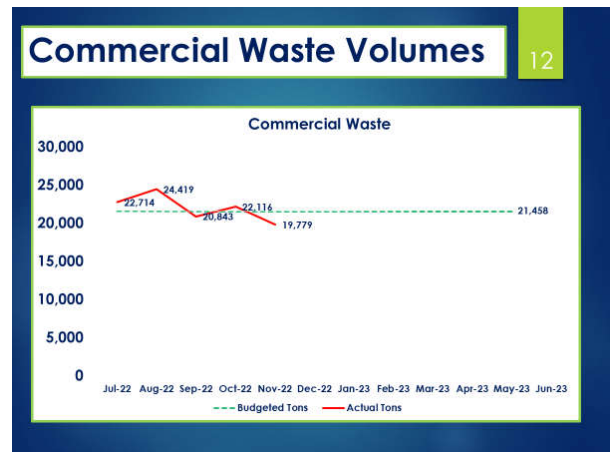
Mr. Bagley has met the HRPDC workgroup on the Regional Solid Waste Management Plan (RSWMP) and they are in agreement with the RSWMP moving forward with SPSA's recommended amendments. They intend to have a public hearing in January and Mr. Bagley will inform the Board when that date is set. In the past, public hearings on adoption of the RSWMP have not generated much comment.

Mr. Bagley reminded the Board that the Landfill Gas Amended and Restated Easement Agreement is something that he and counsel have been working on since the Board approved the last Landfill Gas Agreement. The issue remains that some appendices to the document which reference land easements do not match up. Mr. Bagley and Mr. Spain went into detail on their efforts to work with the companies and attorneys involved in the situation and the potential impacts to SPSA if the agreements continue to be delayed.

Mr. Keifer moved, seconded by Mr. McCoy, to authorize the Executive Director to execute the amendments with Mas Energy and TC Energy, as they are related to the Landfill Gas Facility, once the documents are finalized in accordance with what counsel, the Chairman, and the Executive Director deem appropriate. The motion was adopted by a unanimous vote in favor.

SPSA staff met with Mr. Ray Crabbs at his request so that he could update them on the status of IBC Renewables. As he has in the past, Mr. Bagley is updating the Board to let them know that Mr. Crabbs is still working on getting his facility up and running and SPSA is still in communication with him, but he is still short on funding and Mr. Bagley's recommendation continues to be that SPSA not enter into any sort of agreement with Mr. Crabbs until he has seen that the facility is successfully operational. As always, SPSA wishes Mr. Crabbs the best of luck, but at this point cannot partner with him unless the Board directs him otherwise.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted. As the graphs show, municipal waste is slightly above anticipated average and commercial waste is slightly below expected average for the reporting period.



Overall total waste volume for the reporting period is 62,334 tons which is above what was budgeted, which Mr. Bagley noted as a good sign financially speaking.



WIN Waste Update

	Oct	Nov
• Total tons municipal waste diverted	2,275	1,475
• Total loads of municipal waste diverted	119	84

In the Operations Report, 280,361 gallons of leachate, or 61 tanker loads, were hauled to HRSD in in October and 271,221 gallons, or 59 loads, were hauled in November. In October 863,848 gallons were pumped at 96% of allowable capacity which is the equivalent of avoiding 188 tanker loads. In November only approximately 75% of allowable flow was achieved due to some maintenance needs, so 653,031 gallons were pumped and 142 loads avoided. Even with these differences in pumping, the number of loads hauled were virtually the same because staff strategically managed the levels of leachate in the ponds. WIN Waste diverted 2,275 tons, or 119 loads of municipal waste in October and 1,475 tons, or 84 loads, in November.

The construction project at the landfill is moving swiftly and the administration building is nearing completion. The certificate of occupancy is expected around December 15, 2022 and furniture should be moved in around the first of the year. Mr. Bagley commented that he hopes to work out a plan to have the Board come and see the new facility in a way that is compliant with FOIA regulations. He is very proud of the work that has been done there and thanked Mr. Henry Strickland for all his work managing the project to make sure it was completed on time and on budget. The fleet building, storage building, and HHW building are coming along as well. Due to a third-party supply chain delay on the steel doors, their completion is delayed until January 30, 2023 and liquidated damages have been extended to that date as a courtesy.

Project delays are anticipated on the Leachate Evaporator due to electronic component delivery delays which have been confirmed by a third party. Staff is in regular contact with HRSD to keep them updated on the status of the project. Site work like sonar and underground utility mapping are underway. The contractor surveys are due back and HDR has completed site work drawings. Fabrication of the concentrator has begun on skids. The application to modify SPSA's Title V and Solid Waste Permits are under review by DEQ. At a meeting the day before, Mr. Bagley and staff were told that DEQ will look at the permit, provided the application is complete, even though most of their new work is several months out. Mr. Bagley plans to be in regular contact with DEQ to ensure that this critical path issue is addressed and is confident that it can be addressed due to precedent set in other permitting matters in nearby regions.

The RNG facility is scheduled for completion in February. If the easement agreement can be completed the underground pipeline will be installed in late December. Underground utilities

have also been delayed because of the easement issues. Mr. Bagley reiterated that he and counsel are working to get that agreement solidified.

As a final operations matter, Mr. Bagley informed the Board that all of SPSA's facilities will be closed on Monday, December 26, 2022. All of the member localities have been contacted and any concerns have been satisfactorily addressed.

Mr. Bagley asked Ms. Preston to update the Board on some developments in the Human Resources department, reminding the Board that one of the goals he set forth in March was to address diversity and inclusion, recruitment, employee appreciation, and total compensation. In the past nine months SPSA has taken great strides in those areas.

Ms. Preston reminded the Board that the employee appreciation event that they allocated funding for, the Trash Bash, is taking place on Saturday, January 28th at the Hilton Garden Inn in Suffolk. She encouraged all members to RSVP to attend with their guest so that staff could thank them in person for their support and so that they could enjoy the evening as well. Ms. Preston went on to discuss updates to the Employee Handbook and Employee Orientation designed to make policy and procedures more accessible, inclusive, and appreciable. HR staff will be getting feedback from members of Joint Staff and incorporating their ideas and suggestions. HR is also onboarding the NeoGov software platform for recruiting, and tracking applications, as well as new hire metrics and onboarding. This is a platform designed for government use and utilized by several of SPSA's member communities. Ms. Preston called it an excellent value that SPSA was able to procure on a cooperative contract and staff is eager to begin implementation. Finally, the Classification and Compensation Study and Analysis that the Board allocated funding for has been procured through an RFP process. Ms. Kerri Arnold, Principal in Compensation Consulting Services from the Newport Group was present and spoke to the Board about her company's approach to the study and analysis.



**Compensation and Classification Study
and Analysis Project Plan**

Board of Directors Meeting
December 14, 2022

Kerri Arnold, SHRM-SCP, SPHR, CCP
Principal, Compensation Consulting



Our Understanding of Your Needs



We understand Southeastern Public Service Authority (SPSA) has become fully established as a partner southeastern Virginia can trust to deliver dependable service to meet their waste management needs.

SPSA is seeking the assistance of a qualified compensation consulting firm to provide:

- Compensation analysis
- Benefits program review

To support SPSA's ability to attract and retain key talent for the organization.



Consultant Approach



- ✓ Our team will do the **heavy-lifting** and work closely with you to develop feasible, fiscally responsible recommendations
- Partnership approach
- On-site discussions & regular online project meetings
- Shared project documents
- Updates prepared for the Board of Directors
- Ongoing support to keep SPSA's pay program sustainable



Project Steps



Compensation and Classification Study and Analysis

	Project Step	Timeline
1	Project Planning & Approach	December
2	Total Rewards Philosophy Discussion	December
3	Market Pricing Analysis	Preliminary Feb 2023
4	Job Classification System	March
5	Pay Grades & Ranges Development	March
6	Employee Benefits Analysis	March
7	Employee Pay Analysis	April
8	Salary Administration Guidelines	April
9	Staff & Management Communication Strategy	April
10	Final Report & Presentation	May



Kerri Arnold, SHRM-SCP, SPHR, CCP

Experience:

- 20+ years compensation experience
- 15 years client projects Nation-wide

Specializing In:

- Workforce and Executive compensation analysis & plan design to support organizational goals and objectives
- Resource to Nonprofit Boards of Directors to provide compensation guidance for executive compensation

Industry Expertise:

- Banking & Finance
- Consulting & Professional Services
- Cooperatives
- Distribution & Supply Chain
- Education
- Healthcare
- Information Technology
- Manufacturing
- Not-for-Profit & Foundations
- Public Sector
- Software
- Technology
- Utilities



Principal
Compensation Consulting Services



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Thank you!

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Ms. Arnold offered to answer any questions. Mr. Maxwell asked for an explanation of what “salary administration guidelines” means. Ms. Arnold explained it as a written document that serves as a kind of “rules of the road” for how pay decisions are made in an organization, for example are new hires always started at the minimum of a pay range or is previous experience taken into account. Mr. Maxwell also asked if the final report will include a recommendation of how to implement the final plan. Ms. Arnold confirmed that it did and that she and staff will work through that together. Mr. Bagley returned to the discussion of the salary administration guidelines to note that in previous years, past experience not at SPSA wasn’t always taken into account for hiring salary and that one of his goals is working towards better guidelines and best practices that reflect what people really want from their employer in terms of recognition and benefits. Mr. Leahy asked Ms. Arnold if their market pricing analysis was similar to a market salary study and if they would be considering local governments as the basis for that analysis. Ms. Arnold responded that yes, municipalities would be studied, as well as other peer groups and local organizations. Mr. Keaton asked that Ms. Arnold’s group reach out to their human resources departments directly for that information and that they would provide information.

Mr. Moor asked about the timeline for the study wondering if five months was enough time to complete the analysis. Ms. Arnold called the timeline aggressive but doable. Mr. Bagley added that the hope was to have some initial numbers for the fiscal year 2024 budget, although he noted that the study would likely include a corrective plan that would take place over several years. Ms. Jarratt commented that if the study doesn’t fall in line with FY 24 budget planning,

perhaps the Board could take special action in the fall to address and begin to implement the study's findings. There were no further questions.

10. RENEWAL CONTRACTS

Ms. Preston reminded the Board that December is the time of year when they discuss professional engineering contracts. In 2021 a new RFP was put out that allowed the contracts to be awarded to more than one vendor. At staff's recommendation the Board elected to award contracts to two excellent firms familiar with SPSA's needs, HDR Engineering and SCS Engineers, to allow flexibility and competitive pricing. This year HDR's prices have increased and SCS's prices have remained the same. The contract renewals are estimates and are the same as they were in the previous year. However, moving forward, staff may determine to shift the balance of tasks, which is contractually allowable. Approving these contracts as stated allows for continuity of service and if any new Board action is needed in the future that will be brought later in the year. Staff wanted to be sure to inform the Board that there will be likely changes in the division of labor and funds given SCS's pricing, but, as always, staff will continue to look for opportunities to save money while still selecting the optimal work product from both of these quality companies. Ms. Preston asked if there were any questions but there were none.

Mr. Leahy moved, seconded by Mr. Keaton, to award renewal contracts to HDR Engineering and SCS Engineers for Professional Engineering Services, as presented. The motion was adopted by a unanimous vote in favor.

11. 2023 BOARD MEETING DATES

Ms. Preston asked the Board to turn their attention to the final page of their agenda packets where the proposed dates for the 2023 Board Meetings were listed. Ms. Preston explained that the 2023 dates follow the same pattern as they have previously: 9:30 a.m. on the fourth Wednesday of the month, with the exception of November, when there is no meeting, and December, when the meeting falls on the second Wednesday of the month. By following this pattern, major holidays and other established regional meeting schedules should be accommodated.

Mr. Broad moved, seconded by Ms. Jarratt, to approve the 2023 Board Meeting dates, as presented. The motion was adopted by a unanimous vote in favor.

12. WRITTEN REPORTS

Chairman Baugh asked if there were any questions for WIN Waste representatives regarding the written WIN Waste Report or for Ms. Schreiber regarding the Financial Report, but there were none.

13. OTHER BUSINESS

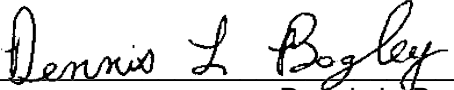
Chairman Baugh asked if there was any other business. Ms. Graham-Williams asked if the Board has a policy for minority and women owned businesses and enterprises. Ms. Preston responded that the language SPSA uses regarding minority and women owned businesses in their procurement documents is taken from the Virginia Public Procurement Act and is also included in SPSA's procurement policy.

Mr. McCoy commented that if he were in the workforce today that he would be happy to apply for a job at SPSA, noting that Board Meetings today are much improved because Mr. Bagley has laid out a plan forward that the Board can consistently follow. He thanked Mr. Bagley and staff for a job well done, adding a special thank you to all of the parties that worked to ensure that a regional plan for e-waste has been brought forward.

Chairman Baugh thanked all of the Board Members for their contributions throughout the year and voiced his appreciation for their support and expertise. He looks forward to seeing everyone at the Trash Bash and wished them all happy holidays.

14. ADJOURN MEETING

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



Dennis L. Bagley
Executive Director

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