

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

July 24, 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	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Darlene Burcham ¹	(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	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor ²	(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. Michael Etheridge (IW), Mr. Jeremy Kline (VB), Mr. Robert Lewis (SU), Mr. Greg Martin (CH), Mr. Oliver Love, Jr. (NO) 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, Mr. Henry Strickland, Director of Operations, Ms. Angie Hutchins, Management Analyst, Ms. Deborah White, Executive Assistant, Mr. Brett Spain, General Counsel and Mr. Brad Nowak and Mr. Kevin Cosgrove, Special 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 July Board Meeting to order at 9:30 a.m. and then he led the Pledge of Allegiance.

2. **PUBLIC COMMENT**

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

¹ Ms. Burcham was absent from this meeting.

² Mr. Moor left the meeting at 11:14am, at which time Mr. Lewis became the voting Ex-Officio Member for the City of Suffolk.

3. CHAIRMAN'S COMMENTS

Chairman Baugh commented how good it was to see such a full room, and that, as this was his last meeting as Chair, he voiced his appreciation to the members of the Board for their outstanding work during his tenure. Calling them engaged, insightful, and supportive team members, he thanked them for a job well done. Noting that there was a closed session on the agenda that would require the attention of the Board, as well as the Annual Meeting's election of new officers, he moved on to the rest of the meeting's business.

4. APPROVAL OF MINUTES

The minutes of the June 26, 2024 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 June 26, 2024 minutes of the SPSA Board of Directors, as presented. The motion was approved by a unanimous vote in favor.

5. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley began his report by sharing touching anecdotes of his early days working with Chairman Baugh, recalling his kindness, inclusivity, and generous approach to team building. He said that three years ago he was certain that Chairman Baugh was the right person to lead SPSA during this time of transition and culture change, and he is incredibly grateful to Chairman Baugh for the amazing work he has done. Mr. Bagley stated that he has truly appreciated working for Chairman Baugh, calling our SPSA Values Employee program his brainchild, making it all the more appropriate that he be honored at this portion of the meeting. Chairman Baugh was presented with an engraved clock as a token of SPSA's appreciation for his service. Mr. Bagley spoke to Chairman Baugh's special expertise, as a retired Rear Admiral in the US Navy, and in negotiating the closure of the WIN Waste facility and the transfer of the Navy's easement for the RDF property to SPSA. Also of note is that the Chairman completed his PhD during his service. On behalf of everyone, Mr. Bagley again thanked Dr. Baugh and wished him more time doing the things he loves, like spending time with his daughter and grandchildren and playing the bass. Chairman Baugh accepted the gift and words with gratitude.

Mr. Bagley commented that there are many long-standing projects coming to fruition that he is excited to deliver updates on. Firstly, regarding the RDF facility, Mr. Bagley reminded the Board that the closing papers were signed on July 1, 2024, the early termination payment was received, and the transfer is going smoothly. Interior demolition and cleanup are underway, and painting of the facility is scheduled. SPSA staff is also working with the City of Portsmouth, the Jordan Bridge, and the Port to make improvements to the entire corridor near Victory Boulevard.

In what he considered to be incredibly good news, Mr. Bagley received notice from DEQ that conditional approval of the Solid Waste Permit-417 Part A has been granted to construct Regional Landfill Cells VIII and IX. The condition included is receipt of the Wetland and Stream Impact Permit issued by the Army Corps of Engineers.

Regarding the Environmental Impact Statement (EIS) required for the Wetlands Permit, Mr. Bagley reported that SPSA has made suggestions of appropriate cultural mitigation to the Nansmond Indian Nation and their attorneys. SPSA counsel has received a commitment from

them to speak later in the week. If approved, SPSA will finalize the purchase of the Magnolia Farms Property, which would resolve the final two hurdles of 26 additional wetlands mitigation credits, as well as cultural mitigation.

The Leachate Evaporator Air Permit is still under review, as DEQ recently requested modeling for eight additional constituents, which SPSA consultants have provided. On site, utility conduits have been installed and the slab for the evaporator has been completed. Mr. Bagley showed a picture of the site so the Board could visualize the area in context to the rest of the Regional Landfill as a whole.

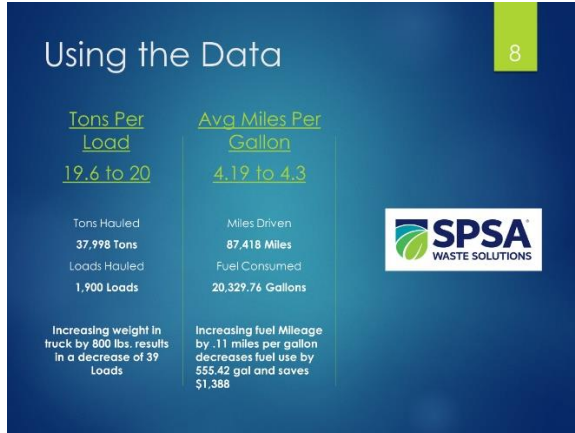
The RFP for Alternative Waste Disposal continues. The RFP Committee has been working diligently and all Board Members have received copies of the proposals for review. Mr. Bagley continued that a full report would be provided by the RFP Committee in closed session later that meeting.

Mr. Bagley attended the VDOT Flyover project pre-construction meeting on July 12, 2024 and work is scheduled to begin July 29, 2024. SPSA has leased office space and a temporary laydown area to the contractors. Mr. Bagley noted that designating an area for laydown that is away from the construction area will be helpful for ensuring safety along the corridor. He mentioned that, fortunately, Mr. Lewis was also in attendance at that meeting and will be deeply involved in the placement of precautionary measures like installing work zone speed limits with cameras, as well as strategy on reducing backed up traffic entering the landfill. Mr. Bagley asked if he had anything to add and Mr. Lewis reiterated that safety is at the forefront of every decision being made.

Mr. Bagley had an additional Flyover matter to bring for the Board's consideration. VDOT has sent Mr. Bagley an amended contract to sign with updates to the new price, pay schedule, and completion dates. These are all matters that the Board has previously approved or been made aware of, but counsel has advised that the matter be brought to the Board for approval. Mr. Spain explained that these changes are being made to the appendix as an update to the contracting document reflecting current information.

Mr. Keifer moved, seconded by Mr. McCoy, to authorize the executive director to sign the VDOT Flyover agreement, as amended, and any similar amendments in the future and report back to the Board, as presented. The motion was approved by a unanimous vote in favor.

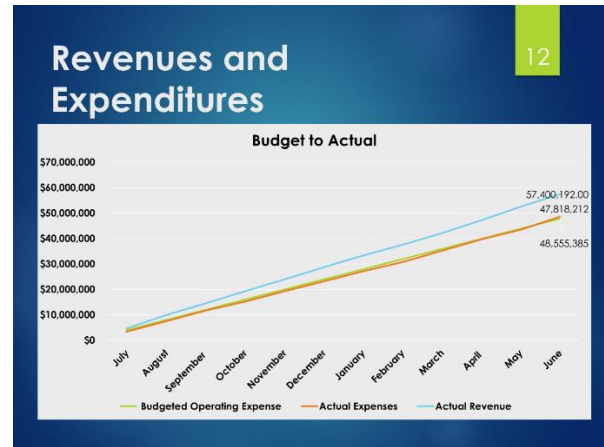
In an effort to provide more robust and varied metrics, Mr. Bagley reviewed and discussed recent efforts to evaluate efficiency and costs as they relate to hauling waste. Looking at gallons of fuel consumed and average tonnages per load, he and staff have been able to assess potential savings for the organization. Mr. Bagley noted the great strides that have been made since Mr. Tatem was promoted to Transportation Manager.



There was discussion about the possibility of seeking an exemption from requirements for SPSA vehicles to be weighed on Virginia highways, as well as the value of having pre-pass technology in SPSA vehicles, so that time is not lost making an actual stop at the scales while hauling.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted, noting that municipal volumes were uncharacteristically lower than budgeted, but commercial waste volumes remain greater than expected for the month. He pointed out that with the closure of WIN Waste, diverted tons will no longer be a metric, as at this point, all tonnage is “diverted.” The final graph Mr. Bagley presented showed the relationship between total expenses and revenues compared to the budget, which reflected expenditures just above budget and revenues above budget.





6. WRITTEN REPORT

Chairman Baugh asked if there were any questions or comments on the Financial Report but there were none. Mr. Bagley added that he and Ms. Schreiber should have fiscal year 2024 year end numbers to present at the next meeting.

7. CLOSED SESSION

Chairman Baugh reminded those present that there was a closed session on the agenda for discussion regarding the current RFP for alternative waste disposal. Only Board Members, SPSA Executive Staff, and SPSA Counsel referenced above would 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 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 an open session would adversely affect the bargaining position or negotiating strategy of the public body.

At 10:07 a.m., Mr. Leahy moved, seconded by Ms. Raulston, 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 11:47 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. Maxwell moved, seconded by Mr. McCoy, 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.

8. ACTION ARISING FROM CLOSED SESSION

Chairman Baugh reported that, in light of discussions held in closed session, the following resolution was being presented for consideration. Mr. Preston read aloud the below:

**RESOLUTION
SELECTION OF OFFERORS FOR COMPETITIVE NEGOTIATION PURSUANT TO
REQUEST FOR PROPOSAL FOR SOLID WASTE DISPOSAL SERVICES (RFP
01-24)**

WHEREAS, on February 5, 2024, SPSA issued a Request for Proposal for Solid Waste Disposal Services (RFP 01-24) (as amended, the “RFP”) to establish one or more contracts through competitive negotiation for the acceptance and processing, recycling, recovery, reuse and/or disposal of 100% of the waste delivered by or on behalf of SPSA to contractor’s permitted facilities, and for such contractor(s) facilities to serve as a Designated Disposal Mechanism (as defined in SPSA’s Strategic Operating Plan); and

WHEREAS, six offerors submitted proposals to SPSA in response to the RFP: BHS Projects @ Chesapeake, LLC, CarbonSweep, LLC, Commonwealth Sortation LLC, IBC Renewables, LLC, RePower South, LLC, and Tidewater Fibre Corp.; and

WHEREAS, on March 27, 2024, SPSA’s Board of Directors (the “Board”) established an RFP evaluation committee (the “Evaluation Committee”) to evaluate the proposals in accordance Section 5.0 of the RFP; and

WHEREAS, after the Evaluation Committee’s review of the proposals submitted by the six offerors, the Evaluation Committee sent letters dated June 10, 2024 to each offeror requesting additional information and/or clarification to their respective proposals;

WHEREAS, the Evaluation Committee evaluated all of the proposals in accordance with Sections 4.0 and 5.0 of the RFP relating to the submission of a complete proposal, minimum qualifications and the evaluation criteria/scoring; and

WHEREAS, the Evaluation Committee submitted its recommendation regarding the offerors and their respective proposals to the Board; and

WHEREAS, the Board has considered the recommendation of the Evaluation Committee and has evaluated the proposals in accordance with the evaluation criteria/scoring in the RFP; and

WHEREAS, following due consideration of the six proposals, including consideration of the recommendation of the Evaluation Committee and presentations prepared and delivered by SPSA Executive Staff, the Board believes, in its sole discretion, that (i) four offerors (BHS Projects @ Chesapeake, LLC, CarbonSweep, LLC, IBC Renewables, LLC, and Tidewater Fibre Corp.) did not include in their proposals all of

the mandatory materials listed in Section 4.0 subsections 2-10 of the RFP, and in accordance with Paragraphs 1 of Section 4.0 and Section 5.0 of the RFP, such proposals are deemed non-responsive and eliminated from further consideration; and (ii) two offerors (Commonwealth Sortation LLC and RePower South, LLC) submitted the mandatory materials listed in Section 4.0 subsections 2-10 of the RFP, and the Board desires to select Commonwealth Sortation LLC and RePower South, LLC and deem them to be fully qualified and best suited among those submitting proposals on the basis of the factors involved in the RFP and conduct competitive negotiations with both offerors.

NOW, THEREFORE, the Board hereby:

1. Determines, as it may in its sole discretion pursuant to Section 2.2-4302.2(A)(3) of the Virginia Code and the RFP, that (i) the proposals submitted by BHS Projects @ Chesapeake, LLC, CarbonSweep, LLC, IBC Renewables, LLC, and Tidewater Fibre Corp. pursuant to the RFP are deemed non-responsive and eliminated from further consideration, and (ii) Commonwealth Sortation LLC and RePower South, LLC be selected and deemed to be responsible offerors and fully qualified and best suited among those submitting proposals on the basis of the factors involved in the RFP; and
2. Directs the Evaluation Committee, with the assistance of legal counsel and other advisors, to conduct negotiations with Commonwealth Sortation LLC and RePower South, LLC in accordance with the RFP and applicable law; and
3. Directs the Evaluation Committee to negotiate with Commonwealth Sortation LLC and RePower South, LLC for proposed contractual terms that are in the best interests of SPSA and its member communities and, following such negotiation, to present one or more negotiated agreement(s) to the Board for its consideration and possible award at a future Board meeting; and
4. Reconfirms that, in accordance with the RFP and applicable law, the Board may cancel the RFP at any time.

Ms. Raulston moved, seconded by Mr. McCoy, to adopt the resolution.

Voting is reflected below:

Mr. John Maxwell:	YES	Mr. Earl Sorey:	YES
Ms. Sheryl Raulston:	YES		
Dr. Dale Baugh:	YES	Mr. Randy Keaton:	YES
Mr. John Keifer:	ABS	Mr. Richard Broad:	YES
Mr. C.W. "Luke" McCoy:	YES	Ms. Lavonda Graham-Williams:	YES
Mr. Tony Parnell:	NO	Ms. Lynette Lowe:	YES
Mr. D. Rossen S. Green:	YES	Mr. Robert Lewis:	YES
Mr. Thomas Leahy:	YES	Mr. L.J. Hansen:	YES

YES: 13
NO: 1
ABSTAIN: 1

The motion passed.

9. ANNUAL MEETING

Chairman Baugh 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 Ms. Raulston, along with Mr. McCoy and Mr. Keaton, offered the following slate of officers for the coming year.

Chairman:	Mr. Thomas M. Leahy (VB)
Vice Chairman:	Ms. Sheryl Raulston (FR)
Treasurer:	Ms. Sandy Schreiber, Director of Finance
Secretary:	Ms. Tressa Preston, Director of Administration

Ms. Raulston asked if there were any other nominations from the floor, but there were none.

Mr. Broad moved, seconded by Ms. Lowe, to approve the slate of officers, as presented. The motion was adopted by a unanimous vote in favor.

After a passing of the gavel, Chairman Leahy was invited to appoint the Committees. He first thanked the Board for their vote of confidence, and stated that while he had not lobbied for the position, his background is suitable to serving SPSA, an organization for which he has much respect, through the next transitions ahead.

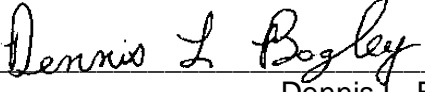
Regarding the appointment of Committees, due to his commitment as Chair of the RFP Committee taking much of his recent focus, Chairman Leahy announced his intention to reappoint the current Committees and reevaluate over the next month. With the exception of Dr. Baugh, who has requested to step down, the Executive Committee members will remain Ms. Raulston, Mr. Moor, and Mr. Keaton. The Audit Committee will be Chaired by Ms. Lowe, with Ms. Graham-Williams and Mr. Love as members. Chairman Leahy said that he will be speaking with Board Members about their interest in serving on Committees and reminded them to reach out to him with any questions or concerns. He concluded the Annual Meeting thanking the Board once again for their service and commitment.

10. OTHER BUSINESS

Chairman Leahy drew the Board's attention to a draft letter at their tables addressed to SPSA's member communities. He reminded the Board that at the previous meeting Mr. Keifer had raised the topic of reaching out to the localities regarding the RFP process and steps forward. Chairman Leahy and the RFP Committee took the action to draft a letter which he would like the Board to review before it is sent. While official Board action was not necessary, Chairman Leahy voiced his reticence to move forward without informing the Board. He noted that the letter was drafted with input from SPSA's attorneys and has been heavily vetted for distribution. Chairman Leahy asked that if anyone has concerns about the contents of the letter to please reach out to him before the end of the week.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 12:00 p.m.



Dennis L. Bagley
Executive Director

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