

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

September 25, 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	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton <sup>2</sup>	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy <sup>3</sup>	(PO)	Ms. Lavonda Graham-Williams <sup>4</sup>	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe <sup>5</sup>	(SH)
Mr. D. Rossen S. Greene <sup>6</sup>	(SU)	Mr. Albert Moor <sup>7</sup>	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen <sup>8</sup>	(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<sup>9</sup> (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, Mr. Kevin Cosgrove and Mr. John Brunini, 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.

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<sup>1</sup> Mr. Sorey left the meeting at 11:13 a.m. and after that time Mr. Martin served as the voting Ex-Officio Member for the City of Chesapeake.

<sup>2</sup> Mr. Keaton left the meeting at 12:55 and after that time Mr. Etheridge served as the voting Ex-Officio Member for Isle of Wight County.

<sup>3</sup> Mr. McCoy left the meeting at 1:44 p.m.

<sup>4</sup> Ms. Graham-Williams was absent from the meeting.

<sup>5</sup> Ms. Lowe was absent from the meeting and Mr. Thrower served as the voting Ex-Officio Member for Southampton County after he arrived.

<sup>6</sup> Mr. Greene arrived at 9:43 a.m.

<sup>7</sup> Mr. Moor left the meeting at 11:44 a.m. and after that time Mr. Lewis served as the voting Ex-Officio Member for the City of Suffolk.

<sup>8</sup> Mr. Hansen was absent from the meeting and Mr. Kline served as the voting Ex-Officio Member for the City of Virginia Beach.

<sup>9</sup> Mr. Thrower arrived at 9:50 a.m.

1. **CALL MEETING TO ORDER**

Mr. Thomas M. Leahy, Chair of the Board of Directors, called the September Board Meeting to order at 9:30 a.m. and then he led the Pledge of Allegiance. A moment of silence was held in honor and memory of Alternate Ex-Officio Board Member, Oliver Love, Jr. and details on his memorial service were distributed.

2. **PUBLIC COMMENT**

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

3. **CHAIRMAN'S COMMENTS**

Chairman Leahy began the meeting by reminding the Board that a long closed session for presentations from the Alternative Waste Disposal Request for Proposals (RFP) offerors was on the day's agenda and, in keeping with that schedule constraint, his comments would be brief. Noting that the administrative duties of being a SPSA Board Member are relatively light most of the time, he entreated the Board to take on the more arduous task of actively engaging with their administrative bodies about the need to update SPSA's Use and Support Agreements to include longer terms. Chairman Leahy reminded the Board that SPSA, in the past, has approved an alternate Use and Support Agreement expiration date related to an alternative waste contract, which did not come to fruition because of the vendor's inability to meet the obligations of the contract. He encouraged the Board to review the Use and Support Agreement and begin these conversations, adding that the current Agreements require very little modification to serve SPSA's new needs for securing a vendor for alternative waste disposal. While it is never simple to get eight jurisdictions to agree to a document, Chairman Leahy is hopeful that with the proven success SPSA has had over the years with the current Use and Support Agreement, the localities will be comfortable with a 20-to-30-year commitment.

Mr. McCoy brought it to the Chairman's attention that Ms. Graham-Williams was unexpectedly absent, but Mr. Burle Stromberg, Portsmouth Assistant City Attorney, was present in the gallery. Mr. Spain confirmed that Mr. Stromberg was welcome to attend the meeting but could not act as an alternate ex-officio member for Portsmouth.

4. **APPROVAL OF MINUTES**

The minutes of the August 28, 2024 Board Meeting had been distributed. Chairman Leahy asked if there were any additions or changes and there were none.

**Mr. Broad moved, seconded by Ms. Burcham, to approve the August 28, 2024 minutes of the SPSA Board of Directors, as presented. The motion was approved by a unanimous vote in favor of the Board members present (Mr. Greene and Mr. Thrower did not vote as they had not arrived at the meeting).**

5. **EXECUTIVE DIRECTOR UPDATES**

In the absence of both Ms. Lowe and Ms. Graham-Williams to provide an update, Mr. Bagley informed the Board that the Audit Committee met with staff and the auditors on Friday, September 20, 2024 for a thorough review and discussion of the FY 2024 financial records. He was pleased to report that SPSA has received a clean, unmodified audit with no signs of

material weaknesses. Ms. Laura Harden of the Cherry Bekaert Accounting Firm will provide a full overview of the audit at the October Board Meeting and the Audit Committee will also speak to their recommendations.

Mr. Bagley reminded the Board that on September 21, 2024, SPSA hosted its first Family Day for employees and their loved ones at Historic Greenbrier Farms. It was a beautiful day, and a good time was had by those who attended. Mr. Bagley recognized Ms. Cam Smith, HR Manager, and Ms. Rebecca Hartley, Scale House Supervisor, for their efforts in organizing and executing the event.

Mr. Bagley informed the Board that the Army Corps of Engineers' Environmental Impact Statement (EIS) required for proposed expansion into landfill Cells VIII and IX, is now likely due October 31, 2024, and the record of decision should be published shortly after that. Staff and consultants have finalized the wetlands mitigation plan, providing supporting documentation on both the impacted area and the mitigation wetlands. The Nansemond Indian Nation has offered a counterproposal to SPSA's offer to deed the Magnolia Farms property to the Nation as part of a cultural mitigation plan. Mr. Bagley informed the Board that this would be discussed further in the day's closed session.

The RFP process is moving forward with the Committee participating in site visits of facilities operated by offerors. Mr. Bagley added that those offerors were present to make presentations in the day's closed session.

The Regional Landfill's third-quarter airspace capacity analysis has been completed and indicates the projected site life for Cells V and VI to be February 2027. Mr. Bagley explained that additional data points have been added to improve the ability to more accurately project site life. Staff continues to make operational changes to improve waste density and preserve air space.

Regarding those operational changes, Mr. Bagley brought two contracts related to airspace capacity at the Regional Landfill to the Board for review. The first contract was for hauling and disposal of green waste in a third-party landfill that only takes that type of waste. This operational change would involve segregating green waste at Transfer Stations and having it hauled to and disposed by Military Highway Recycling at \$45 per ton, which was the lowest cost of the applicable vendors. Staff is anticipating that these efforts will divert 4,500 tons of green waste annually. The cost for these services will be approximately \$202,500 per year, however SPSA is currently paying \$20 more per ton to dispose waste at commercial landfills, making this change cost-effective as well as space-saving.

**6**

**Board Updates**

**Contract Approval**  
**Hauling and Disposal of Green Waste**

**All-In Costs:** Includes Hauling and Disposal  
Military Highway Recycling: \$45 / ton  
Bethel: \$67 / ton  
HRRC: \$75 / ton

**Anticipated Annual Cost:** \$202,500

**Budget Impact:** Currently paying approximately \$20 per ton more for disposal and hauling at commercial landfills.

**Procurement Type:** Bid Price

**Comments:** Staff recommends approval to award a contract to Military Highway Recycling at a price of \$45.00 per ton for hauling and disposal of approximately 4,500 tons of green waste annually.

**SPSA**  
WASTE RECYCLING

**7**

**Board Updates**

**Contract Approval**  
**Alternative Daily Cover**

**All-In Costs:** \$.65 per pound  
Almos Technologies  
17 Campus Blvd.  
Newtown Square, PA 19073

**Anticipated Annual Cost:** \$251,550

**Budget Impact:** This is an unbudgeted expense that will be covered by savings in operational cost and higher than expected gas royalty revenue.

**Procurement Type:** Sole Source

**Comments:** Staff recommends the award of a contract to Almos Technologies in the amount of \$.65 per pound to provide foam alternative daily cover. Almos will provide all equipment, storage delivery and training needed to utilize the Almos Cover 667 Foam system at the RLF as alternative daily cover.

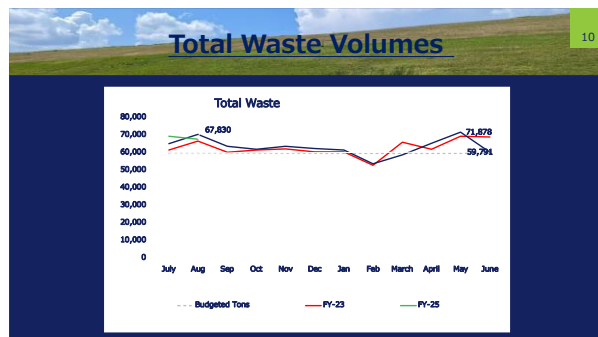
**SPSA**  
WASTE RECYCLING

**Mr. Keifer moved, seconded by Mr. McCoy, to authorize the executive director to award a contract to Military Highway Recycling for hauling and disposal of green waste, as presented. The motion was approved by a unanimous vote in favor of the Board members present (Mr. Greene had arrived at the meeting and voted in favor; Mr. Thrower did not vote as he had not arrived at the meeting).**

The second was for a sole source contract for a new form of alternative daily cover foam at the Regional Landfill that will save landfill space by reducing the depth of the cover needed by approximately 11 inches each day. Atmos Technologies has developed a cutting-edge product that gets sprayed over the working face at a depth of approximately 1 inch, while still providing appropriate protection from vectors and other concerns. At an estimated annual cost of \$251,5500, Atmos will provide equipment, training, and cover materials at a rate of \$0.65 per pound of cover. This would be an unbudgeted expense, but Mr. Bagley is confident that the cost will be covered by savings in operational costs and higher than expected landfill gas royalty revenue. It was clarified that the only Board action required to implement this change is a vote to approve the contract, not a change to the overall FY 25 Budget.

**Ms. Raulston moved, seconded by Mr. Keaton, to authorize the executive director to award a contract to Atmos Technologies for alternative daily cover at the Regional Landfill, as presented. The motion was approved by a unanimous vote in favor of the Board members present (Mr. Thrower had arrived at the meeting and voted in favor).**

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes, noting that municipal volumes for the month came in slightly greater than budget, but commercial waste volumes were significantly higher than anticipated. Total waste volumes were greater than budgeted, but Mr. Bagley did note that he and staff would be keeping a close eye on waste volumes as there appears to be an unusual downward trend in commercial waste tonnage that has not been seen in previous years.



Mr. Strickland delivered an Operations update that the application for the general permit for SPSA's use of the former RDF plant has been awarded. Preparation for painting of the facility has begun and demolition continues. A sandblasting and an epoxy coat are in the process of being applied to the tunnel at Landstown Transfer Station and Norfolk Transfer Station's concrete repairs are complete. Neither project has adversely impacted operations. The additional Air Dispersion Modeling requested by DEQ for permitting has been approved and a draft Air Permit is expected the week of September 30, 2024. The public comment period will begin shortly after the posting of the draft permit and Mr. Strickland noted that staff would be updating Mr. Moor and the City of Suffolk, as well as the full Board, when the dates are set. He showed an aerial view of the installation of the new landfill gas line in conjunction with the redrilling of gas wells on Cells V and VI. Equipment has been moved on site for the VDOT Flyover project to begin utility work. The notice from VDOT on construction and lane closures has been distributed. Mr. Lewis added that the work impacting traffic has just begun and while there was a bit of a backup at the exchange, he thinks it is likely due to the newness of the situation and that conditions should improve. He also added that the contractor has not yet requested a lower speed limit to be posted, but that the City of Suffolk will continue to monitor the situation to ensure safety. Finally, Mr. Strickland informed the Board that the TC Energy Natural Gas Enlargement Project has begun with the contractor bringing in pipe and mats to the 2-acre laydown yard on SPSA property.

## **6. USE AND SUPPORT AGREEMENTS**

Mr. Bagley drew the Board's attention to the copies of their member communities' Use and Support Agreements, which had been placed at their tables. He informed the Board that he, Mr. Leahy, Mr. Keifer, and Ms. Preston would be working to facilitate the upcoming necessary updates to the Agreements. A full presentation is planned for the October Board Meeting, but Mr. Bagley asked that, before that time, Board members familiarize themselves with the documents and begin conversations with their localities' governing boards. He reminded them that in the coming months there will be extensive discussions regarding the Agreements, and he wants to ensure that each member is well informed. The three points he wanted to call to attention ahead of the October meeting are the need for the term to be extended to at least 20 years, the need for updating definitions of municipal solid waste, and discussions of options for moving forward to best meet the needs of individual communities.

Chairman Leahy reminded the Board that a few months ago he sent a letter to all of the elected officials of the member communities to make it clear that SPSA does not intend to prevent member localities from running their own recycling programs, as many of them do now. Any changes to the Agreements would continue to allow those efforts and both offerors in the RFP for Alternative Waste Disposal are aware that provision will remain in place and have indicated that it will not be an issue with respect to their proposals. Mr. Leahy added that he hopes that the result of the RFP process will make it so that member communities do not need to run a separate recycling program, but they will have as much right to do so in the future as they do now.

## **7. WRITTEN REPORT**

Chairman Leahy asked if there were any questions or comments on the written Financial Report but there were none.

## 8. CLOSED SESSION

Chairman Leahy reminded those present that there was a closed session on the agenda for discussion regarding the current RFP for alternative waste disposal and developments in the EIS process. Only Board Members, SPSA Executive Staff, and SPSA Counsel referenced above (and the offerors, during their portion of the presentations) would be present for the RFP portion of the session, but Counsel from the Cities of Chesapeake and Portsmouth would be allowed to attend the portion not relating to the RFP. 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 (1) 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, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body; (2) the lawsuit filed by BHS Projects @Chesapeake, LLC in accordance with Virginia Code Section 2.2-3711(A)(7) for the purpose of consulting with legal counsel pertaining to actual or probable litigation, where such consultation in an open meeting would adversely affect the negotiating or litigating posture of the public body; and (b) Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel; and (3) wetlands and cultural heritage mitigation issues that have arisen during the required Federal wetlands permitting and the Army Corps of Engineers' Environmental Impact Statement (EIS) process, which are necessary for proposed expansion of the Regional Landfill in accordance with Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.*

**At 10:08 a.m., Mr. Greene moved, seconded by Dr. Baugh, 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 1:50 p.m. Once back in open session both in person and electronically the following motion was presented.

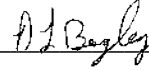
Motion to Approve Certification after Closed Meeting.

*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.*

**Dr. Baugh moved, seconded by Mr. Thrower, 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.**

9. **ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 1:54 p.m.



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Dennis L. Bagley  
Executive Director

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