

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

August 23, 2023

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)
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 ¹	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen ²	(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. Greg Martin (CH), and Mr. Brian Thrower (SH). SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, Ms. Sandy Schreiber, Treasurer and Director of Finance, and Mr. Brett Spain, General Counsel.

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

1. CALL MEETING TO ORDER

Dr. Baugh, Chairman of the Board of Directors, called the August 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 Mr. Parnell was absent.

² Mr. Hansen was absent and Mr. Kline served as the voting Ex-Officio Member for the City of Virginia Beach.

3. CHAIRMAN'S COMMENTS

Chairman Baugh thanked the Board for their attendance. He reminded them that the planned adjournment time for the day's meeting was noon, but that with a closed session and several important discussion topics on the agenda, that completion time was at risk unless everyone worked together to watch the agenda and keep engagement appropriate to respect the schedules of members who needed to return to the business of running SPSA's member communities. Chairman Baugh added that the Executive Committee had engaged in the topics of the day's meeting extensively and that he would be calling on them to share their views to help the full Board understand the finer details of the matters at hand and how the conversation has progressed to this point. He thanked the Board for their support and respect for the meeting's time constraints.

4. APPROVAL OF MINUTES

The minutes of the July 26, 2023 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 July 26, 2023 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

5. FLYOVER COMMITTEE REPORT

In the absence of Mr. Lewis, Chair of the Flyover Oversight Committee, Mr. Sorey provided the Flyover Report stating that a meeting was held on August 21, 2023 and that while the project is on schedule in terms of permitting and plan development, VDOT informed them that there has been an increase in the budget driven by a number of factors. Mr. Sorey went on to say that VDOT tracks unit prices they pull from bids for construction materials like structural steel, and looking at that data cumulatively, their offices are requiring an inflationary factor increase from 2.4% to 8%. The actual costs for the Flyover Project will not be known until construction bids are advertised in December 2023 and opened in February of 2024, however, a project cannot be advertised for bid unless it is fully funded. With the inflation increase, VDOT requires an additional \$1.7 million commitment from SPSA to consider the project fully funded. Mr. Bagley commented that later in the meeting he would be recommending a plan for that allocation, as it is not currently in the budget. Mr. Leahy added, based on briefing in Executive Committee, that the increase may prove to be more than \$1.7 million depending on the content of the bid responses, but that the Board should also keep in mind that the Flyover is not a discretionary project, but one that must move forward even in the face of budget challenges. Mr. Sorey agreed, noting that the range of the estimated increase is \$1.7 to \$7 million, and that it seems that last year's inflation numbers are being applied at this point, but that current inflation numbers seem to be improving and that actual numbers will be more evident in February. Mr. Keaton commented that Isle of Wight County is seeing similar inflationary challenges with VDOT projects and that it is standard practice that required funding is based on a projection of costs. He also added that he is hopeful that the timing of the project coinciding with completion of other major transportation projects may prove favorable for construction bid responses. Mr. Sorey offered to answer any further questions, but there were none.

6. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley recognized Lead Mechanic, Kenneth Littleton, as the SPSA Values in Action Employee of the Month. Mr. Littleton has been with SPSA for 29 years and takes great pride in the work that he does for his co-workers who he says are like his extended family. Mr. Bagley commented on Mr. Littleton's unique dedication to having spent his entire career with one company and how much that says about a person and their character. Dr. Baugh presented Mr. Littleton with a certificate and a lapel pin as tokens of the Board's appreciation.

Regarding the wetlands permitting process required for the proposed expansion at the Regional Landfill and the Army Corps of Engineers' Environmental Impact Statement (EIS), Mr. Bagley drew the Board's attention to the wildflower seed planting bookmarks at their tables which are a part of the initiatives being taken to help educate the public on SPSA and responsible waste practices. He added that some staff were not present at the meeting because they were participating in a YMCA event to further that cause, which is something that the Board can expect to see more of from SPSA in the future. The Public Hearings on the draft EIS held in in Suffolk and Southampton County went well. There were no comments in opposition to expansion of the Regional Landfill and the comments from the citizens from the Town of Ivor opposing the alternate site were well organized and appeared to be well received. The Public Comment period for the draft EIS closed on August 15, 2023. Staff has been made aware of those comments, most of which are similar to those received in the past, and they will be meeting with the Army Corps of Engineers to review those comments and make a plan for addressing them, working toward a goal of a Record of Decision in January of 2024. SPSA has also submitted the Joint Permit Application and staff and consultants have answered several requests for additional information.

The Renewable Natural Gas (RNG) Facility is two-weeks operational and injecting RNG into the Columbia pipeline. Staff are working with Terreva Renewables to identify the few remaining items need to complete the work on site. A ribbon cutting ceremony is scheduled for October 18, 2023 at 11:00 a.m., to be hosted by Terreva and SPSA. The City of Suffolk has been consulted and local officials and the media will be invited, along with the Board, to celebrate this great advancement for the region. Mr. Bagley encouraged Board Members to reach out to Ms. Preston if they had any questions or if there were individuals that they would like to receive an invitation from Terreva.

Mr. Bagley informed the Board that the Waste Characterization Study, the groundwork for which was completed in July of 2023 at the Chesapeake and Landstown Transfer Stations, will be submitted in draft form by SCS Engineers on August 31, 2023. He is eager to get those results and looks forward to sharing them with the Board.

The RFP for Alternative Waste Disposal, which will take into consideration the results of the Waste Characterization Study, will go out in December of 2023 and the Board will be briefed on the exact process to be used at the October Board Meeting. Mr. Bagley reiterated that the results of this RFP will shape the future of SPSA so it is critical that it be handled correctly and as such he will be seeking input from the Board and relying on consultants SCS Engineers to shape and guide the process.

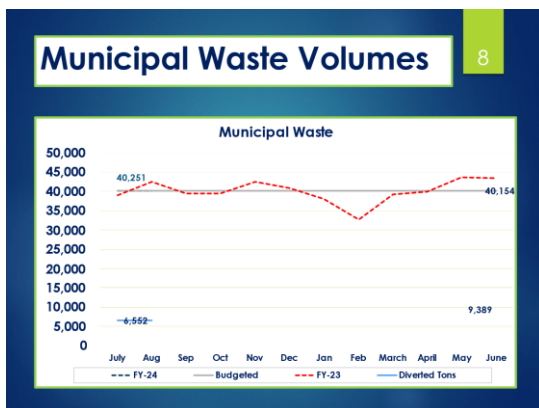
The Regional Solid Waste Management Plan (RSWMP) is moving along with all eight Public Hearings having been completed. Mr. Bagley introduced Mr. Eric Walberg from the HRPDC, who has done excellent work on this project, to discuss next steps. Mr. Walberg reminded the Board that HRPDC's role is as the region's Solid Waste Planning Agency and, working

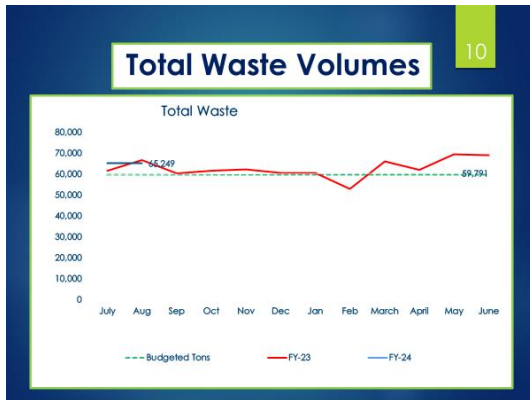
alongside SPISA, the goal is to move the RSWMP forward for amendment. In order to complete that task, they were required to hold eight Public Hearings and now must document that process as an appendix to the plan in such a way that the regulatory agency is fully satisfied. He is also working to ensure that staff and member communities are aware of where they are in the process, which will include a presentation to the City Managers and County Administrators and then require approval of the HRPDC Board. With joint signatures from Mr. Crum of the HRPDC and Mr. Bagley, the formal request for the amendments to be made would be submitted. He offered to answer any questions, but there were none.

Mr. Bagley and Mr. Spain updated the Board on legal language in Commercial Contracts. At the June 2023 Board Meeting the Board voted to approve a 60-day extension to existing Commercial Contracts from 2018 that have now reached the point for their first five-year extension. Due to the reduction in minimum tonnages for Commercial Contract Customers from 50,000 to 30,000, as already approved by the Board in the tipping fee schedule that took effect January 1, 2023, and a cross-termination clause that is no longer relevant, contractual legal language needed to be altered, but those alterations would have no new financial implications for SPISA. It was clarified that the Board does not need to vote to approve these contracts again.

Since the engineering consultants reported to the Board last month, staff have continued to meet with DEQ regarding permitting for the Leachate Evaporator. DEQ has provided SPISA with an email that will allow site work and slab installation to proceed while the New Source Review is taking place. Mr. Bagley summarized that while the air permit is not complete, staff and consultants feel the project is in a good place with the submitted calculations agreed upon and permit writing begun.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted. Mr. Bagley noted that the municipal tonnage graph includes a dashed red line showing the previous year's actuals for comparison. The FY24 line in grey is difficult to see because at 40,251 it is too close to the budgeted line to differentiate clearly. Commercial waste is significantly higher than budgeted and total waste volumes came in at 66,240 tons.





Mr. Strickland delivered the operations report giving a landfill capacity update from recent drone data and shared the good news that capacity in Cells V and VI remain on target to reach capacity in May of 2027. He also detailed the work that continues to be done to ensure that target is reached, including regular analysis, and being mindful of the change in composition of waste and compaction factors now that there is less ash being delivered to the landfill.

Landfill Capacity Update

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- ▶ Great News on Cells V and VI!
- ▶ 3.8 Years of Capacity Remain.
- ▶ Projected to reach capacity in May of 2027.
- ▶ Assumes 500,000 Tons annually after June of 2024 with 1% annual growth.
- ▶ Assumes 1,600 lbs./CY compaction after June of 2024. Airspace Utilization Factor (AUF) = 8

Cells V and VI Airspace Analysis

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- ▶ SPSA has historically performed one airspace analysis per year.
- ▶ Changes in waste flow during the last year along with nearing capacity in Cells V and VI have resulted in a need for more frequent analysis of airspace utilized.
- ▶ SPSA staff utilizes aerial drone photography and Propeller Trimble Stratus software to develop topography.
- ▶ Topography is turned over to SCS Engineers who compare the new topography to design drawings, as well as the previous topography, to provide information contained in the report.

Important Data From Report

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▶ Total tons disposed to date	12.7 M
▶ Total CY of air space utilized to date	12.9 M
▶ <u>Actual CY of recoverable airspace remaining</u>	2 M
▶ Cumulative Waste Density in lbs./cy	1,969
▶ Airspace consumed during the reporting period	360,000 CY
▶ Operational Waste Density in lbs./cy	1,496

What Does The Data Mean ?

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- ▶ As a result of the reduction in the disposal of ash coupled with an increase in MSW disposal, operational density has fallen to 1,496 lbs./cy.
- ▶ 360,431 CY were consumed in the first eight months of 2023, while 330,876 CY was consumed in all of 2022.
- ▶ If current operations continue through June of 2024 and post June 2024 waste increases to approximately 500,000 tons / year, Cells V and VI would have 3.8 years of life remaining.
- ▶ Cells V and VI would reach capacity in May 2027.

*Assumptions:

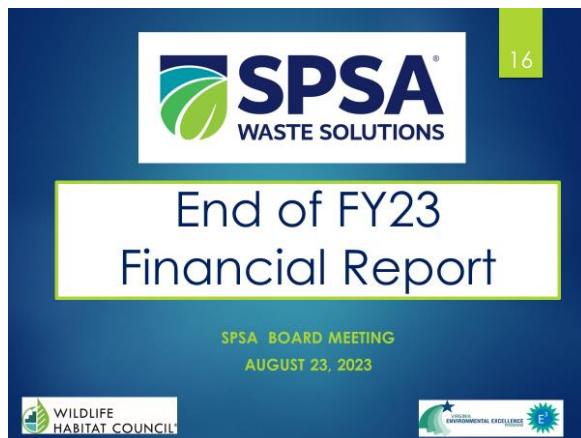
- 1% annual growth
- Staff will achieve 1,600 lbs./cy operational density post June 2024

Mr. Sorey asked if the current numbers take into consideration the closing of WIN Waste and Mr. Strickland confirmed that they do. Mr. Leahy asked if the estimated 1% growth in anticipated waste volumes is realistic given the rise in commercial tonnages, and it was clarified that commercial waste tonnages do not impact airspace at the Regional Landfill because, per the Use and Support Agreements, only municipal waste tonnages are landfilled at the

Regional Landfill and SPSA uses private landfills for commercial waste. That being said, Mr. Strickland and Mr. Bagley are comfortable with a 1% annual growth rate for municipal waste. Mr. Keifer asked for an update on the construction plans for Cell VII. Mr. Bagley responded that consultants are working on a redesign of Cell VII to capture more airspace than the original design and, once that is completed, it will be submitted to DEQ for approval and go out to bid in early 2024 for completion in 2026. Mr. Bagley added that he will be updating the Board on pay schedules, construction schedules, and funding at an upcoming meeting. There were no further questions or comments.

7. END OF FISCAL YEAR 2023 FINANCIAL REPORT

Ms. Schreiber reviewed the year's revenue and expenses, reminding the Board that in October the Auditors will present a review of the year's financial statements. Ms. Schreiber stated that although municipal tipping fees were short by \$35,000, commercial tipping fee revenues were \$2.5 million over budget. There were also increased revenues from tires, e-waste, household hazardous waste, and white goods, as well as seeing a much better than anticipated return on investment interest earnings. There were also savings in expenses, such as nearly \$300,000 saved in personnel costs and \$1.1 million for contracted waste disposal, even with additional costs for legal fees, materials, hauling, and overtime associated with WIN Waste operational changes. Ms. Schreiber reported that the total net revenue over expenses was approximately \$5.1 million. Mr. Maxwell asked and Ms. Schreiber confirmed that these are unaudited figures and that the Audit will be presented in October.



FY 2023 Revenue ~ Actual

REVENUES	FY 2023 Adjusted Budget	FY 2023 Actual	Budget to Actual \$ Variance
Tipping Fees:			
Municipal	\$ 31,320,290	\$ 31,285,172	\$ (35,078)
Other Tip Fees	18,825,262	21,388,837	2,563,575
Total Tipping Fees	\$ 50,145,512	\$ 52,674,009	2,528,497
Tire/HHW/White Goods	1,255,000	1,601,049	346,049
Landfill Gas Royalties	90,000	89,404	(596)
Miscellaneous Income	258,729	389,188	130,459
Interest Earnings	500,000	1,048,608	548,608
Transfer from FY22 Surplus	279,867	279,867	-
Rolled PO's/Projects Pd from Reserves	14,225,116	14,225,116	-
Total Other Revenue	16,608,712	17,633,232	1,024,520
Grand Total Revenue	\$ 66,754,224	\$ 70,307,241	3,553,017

August 23, 2023

FY 2023 Expenses ~ Actual

EXPENSES	FY 2023 Adjusted Budget	FY 2023 Actual	Budget to Actual \$ Variance
Operating Expenses:			
Personnel	\$ 9,881,811	\$ 9,583,062	\$ 297,949
Professional/Contracted Services	3,708,025	3,778,362	(70,337)
Other Operating Expenses	1,264,024	1,261,561	2,463
Materials & Supplies	2,537,011	2,393,060	143,151
Contracted Waste Disposal	23,638,237	22,449,225	1,189,012
Total Operating Expenses	41,029,108	39,469,070	1,560,238
Capital Expenses	3,500,000	3,500,000	-
Rolled PO's/Projects Pd from Reserves	14,225,116	14,225,116	-
Landfill Closure/Expansion	8,000,000	8,000,000	-
Total Expenses	\$ 66,754,224	\$ 65,191,086	1,562,238
Net Revenue over Expenses		\$ 5,115,255	

August 23, 2023

- Recommendation for FY 2023 Surplus**
1. Appropriate \$244,000 (from \$297,949 in personnel savings) for one time \$1,200 employee bonuses.
 2. Appropriate \$40,000 (from \$297,949 in personnel savings) for employee appreciation/safety and environmental awards event.
 3. Appropriate \$1,700,000 to cover VDOT change order for Flyover.
 4. Appropriate remainder (\$3,131,255) to the reserve fund.
- August 23, 2023

In addressing staff recommendations for allocation of the \$5.1 million surplus, Mr. Bagley told the Board that staff wanted to address that, in large part, the surplus was due to staff performing above and beyond expectations and in light of that, the first recommendation was for one-time \$1200 bonuses for employees and the second recommendation was for \$40,000 for a safety and environmental awards employee appreciation event, each funded from the \$297,949 in personnel savings from FY23. The third recommendation would be to allocate \$1.7 million for the Flyover project, as discussed earlier and the fourth would be to appropriate the remaining \$3,131,255 to the reserve fund for the Flyover in the event that construction bids come in over budget there will be additional funds ready to cover those costs. Mr. Bagley added that he would be requesting separate motions for each recommendation.

Chairman Baugh commented that the Executive Committee discussed these recommendations thoroughly and when considering the additional work and shortage of staff, the staff bonuses are well-deserved, if not too low for the amount of work done. He asked for further comments. Mr. Moor suggested that in recommendation number four the remaining surplus amount be referred to as the “balance” of the surplus, as the numbers are not yet audited. His suggestion was noted for the motion language. Mr. Leahy commented that the proposed bonus is very well deserved, noting that the City of Virginia Beach is offering \$4000 signing bonuses for CDL truck drivers. He added that, looking over the years, SPSA has managed to do a tremendous amount of cost-cutting while still providing excellent service, particularly in recent times with critical vacancies during changes in operations. Mr. Leahy went on to say that these sorts of one-time bonuses are things that employees never forget. He also added support for allocating the balance of the remainder to reserves and continuing to build to the reserve to plan for an uncertain future, particularly in light of the unique position that SPSA is in as an organization with annual operational budgets in the \$50 million range that cash funds projects equal to or greater than the annual budget. Ms. Graham-Williams asked about the amount already in reserve and which reserve fund the balance would go to. Mr. Bagley offered to review the multiple fund designations with Ms. Graham-Williams, and she was also directed to page 22 in the agenda for the financial report. Mr. Bagley answered that his recommendation is the Flyover reserve to plan for potential additional budget increases, but that the money in the reserve fund moves between that project and Landfill Construction, as needed. Mr. Bagley added that he plans to review those draw schedules with the Board at an upcoming meeting in a way that should make the information clearer. Mr. Thrower asked if approving the recommendations would keep SPSA within the appropriate approved financial policy guidelines on keeping a percentage of funds in reserve. Mr. Bagley responded that the required reserve is two months’ operating expenses, noting that the full reserve accounts were broken down on page 29 of the agenda. Mr. Leahy commented, as he has on other occasions, that SPSA’s balance sheet indicates that there is a huge amount of unrestricted cash, but in fact, those funds are strategically allocated to projects even though they are not yet bound through financial restrictions, so he urges the Board to keep that in mind. Ms. Schreiber added that this topic has been discussed in depth with SPSA’s auditors and, while the funds cannot be officially restricted due to their reporting processes, there are notes in the financial statements on what the “unrestricted” funds are set aside for. Ms. Raulston commented that in a year when there are excess funds, putting some of it back into hands of the employees is a good thing.

After the below motion and second but before the vote, Mr. Keaton asked if the bonus would be for all employees or those who were employed through June 30, 2023. Mr. Bagley responded that it would go to all employees, himself excluded. He added that Executive Staff

discussed extensively where that cutoff would be and determined that the best choice for morale would be to award the bonus to all employees. Mr. Keaton suggested revisiting that idea, as well as considering only giving bonuses to those employees in affected areas, such as truck drivers and people in the field, in a similar response to how many localities gave bonuses during the COVID pandemic only to front line workers. Ms. Lowe commented that she supports giving the bonuses to all of the staff as a team, noting that looking back on the COVID response, the contributions of office staff should not have been excluded. Mr. Sorey added that, in an item down in the agenda, the Board is scheduled to discuss signing bonuses and if bonuses don't go to all employees some will be lost in the gap between a retention bonus and a signing bonus if a cutoff date were set, which is something to be mindful of. Mr. Moor agreed with Mr. Leahy's comments on competition, calling the bonus not only a "thank you" for past performance but also a sustainability effort. Mr. McCoy agreed that even if someone has only been on the job two months, that is a morale builder and as Ms. Lowe said, that person becomes part of the larger group as a team member, noting that is how bonuses were distributed in his time at the City of Portsmouth. Mr. Keifer noted that Mr. Keaton made good points and that he is glad of it, as the Board needs to be challenged, but that he agrees with the original intent of the motion, which is to give the bonus to all employees. Ms. Raulston agreed with the majority, asking how one could determine who is of value and who isn't, aligning with the team approach. Mr. Broad added that when a new employee comes on, veteran staff are relieved to have the help as they are really taking the burden off existing staff just by being there. Mr. Thrower commented that he appreciated Mr. Keaton's points, but in this circumstance, he agrees with the team approach, as echoed by many. Ms. Graham-Williams added a final thought saying that it is important to respect the culture of what employees would want to be included and to know that you have to trust leadership to know the best fit for that organization and she encouraged the Board to rely on that aspect of the recommendation.

Mr. Keifer moved, seconded by Mr. McCoy, to authorize the Executive Director to appropriate \$244,000 from the FY23 surplus for one-time \$1200 employee bonuses, as presented. Mr. Keaton voted "No." With the exception of Mr. Keaton's vote against, the motion was adopted by a unanimous vote in favor.

After the below motion and second but before the vote, Mr. Leahy commented that, in his 40 years of experience, an event like the one proposed goes a long way in improving employee morale and making people feel appreciated. Chairman Baugh agreed and added that he expects to see the Board there at the next event.

Mr. Leahy moved, seconded by Ms. Raulston, to authorize the Executive Director to appropriate \$40,000 from the FY23 surplus for an employee appreciation/safety environmental awards event, as presented. The motion was adopted by a unanimous vote in favor.

Mr. Moor moved, seconded by Mr. Keifer, to authorize the Executive Director to appropriate \$1,700,000 from the FY23 surplus to cover the VDOT change order for the Flyover, as presented. The motion was adopted by a unanimous vote in favor.

After the below motion and second but before the vote, it was clarified that while, from a banking perspective, the reserve fund is a single fund, at the request of the Board, the planned project allocation is noted in the financial statements for project pay schedule visibility. The reserve funds can be moved between projects at any time at the Board's discretion at the recommendation of the Executive Director.

Mr. Sorey moved, seconded by Mr. Leahy, to authorize the Executive Director to appropriate the balance of the FY23 surplus to the Flyover reserve fund, as presented. The motion was adopted by a unanimous vote in favor.

8. COMPENSATION AND CLASSIFICATION STUDY RECCOMENDATIONS

Mr. Bagley walked the Board through the newly proposed Pay Plan, as printed in the agenda, along with the breakdown of how each position compares to local market value and peer group (member community) analysis. Hard to fill positions were broken out separately for analysis and it was noted that SPSA's study did not include member communities' additional financial incentives, such as signing bonuses and stipends, in its analysis. In addition to recommending that the Board adopt the new pay plan to go into effect December 1, 2023, he is recommending a \$1000 signing bonus for hard to fill positions. Mr. Bagley explained the cost of the changes to the pay plan which would be covered by investment interest earnings, which is new annual revenue, not one-time revenue. Mr. Maxwell asked if the numbers used in the study were weighted and Ms. Preston was able to confirm by phone with consultant Ms. Kerri Arnold that they were.

There was extensive discussion on the topic of signing bonuses for hard to fill positions with opinions ranging from concern that the proposed amount was far too low, to suggestions to vary the amount based on the job position, to opposition to the principle of signing bonuses at all. After listening to the Board's concerns, Mr. Bagley explained that the rationale for his recommendation lies in finding a balance that can work for SPSA as an Authority that represents all its member communities—some of which have significant signing bonuses and some of which do not offer signing bonuses at all. While it was clear to him that this step must be taken in order to remain competitive, it has to be taken conservatively and in such a way that the interests of all of the member communities are heard and considered. He expressed that the long-term changes needed for the work force must be regional changes, not just SPSA changes, and they require everyone coming together and changing over time. Board Members expressed appreciation and understanding of Mr. Bagley's goal of implementing this new pay plan and signing bonus as a means of helping lead the charge in the right direction.

Mr. Keifer moved, seconded by Ms. Lowe, to amend the Fiscal Year 2024 Operating Budget to incorporate a new Pay and Classification Plan, to take effect December 1, 2023, as presented. The motion was adopted by a unanimous vote in favor.

It was determined that no vote was required for Mr. Bagley to implement the policy on \$1000 discretionary signing bonuses for hard to fill positions, as the expense would be covered by previously budgeted payroll expenses. However, Mr. Bagley agreed to keep the Board well informed of any changes to the amount of the signing bonus as hiring practices have an impact on each of the municipalities. Chairman Baugh thanked the Board for a great discussion and the quality of their communication with each other.

9. WIN WASTE REPORT

Chairman Baugh asked if there were any questions regarding the WIN Waste Report, but there were none.

10. CLOSED SESSION

Chairman Baugh informed those present there was a closed session on the agenda for discussion about the WIN Waste contract. Chairman Baugh announced that only Board Members, SPSA executive staff (Dennis Bagley, Tressa Preston, Henry Strickland, and Sandy Schreiber), and legal counsel (Brad Nowak and Brett Spain for SPSA and Josh Johnson for the City of Chesapeake) would be present for the closed session. 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 the impact of the December 2022 fire at the WIN Waste facility on WIN Waste's continued performance under the Waste Disposal and Services Agreement executed by SPSA and WIN Waste's predecessor on September 18, 2018, in accordance with (a) 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 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; 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.

Mr. Broad moved, seconded by Mr. Sorey, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor by all voting members present as noted, with the exception of Mr. Kline, who had temporarily stepped out of the room. The closed session began at 11:22 a.m.

Once back in open session at 11:50 a.m. both in person and electronically the following motion was read.

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.

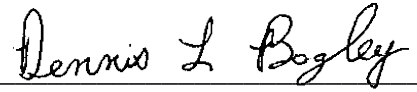
Mr. Broad moved, seconded by Ms. Lowe, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor, including Mr. Kline.

11. OTHER BUSINESS

Chairman Baugh 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 11:52 a.m.



Dennis L. Bagley
Executive Director

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