

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

August 28, 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 ²	(IW)	Mr. Randy Keaton ³	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams	(PO)
Mr. Tony Parnell ⁴	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen ⁵	(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 Etheridge⁶ (IW), Mr. Jeremy Kline (VB), Mr. Robert Lewis (SU), 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, Mr. Henry Strickland, Director of Operations, Ms. Angie Hutchins, Management Analyst, Ms. Deborah White, Executive Assistant, Mr. Brett Spain, General Counsel 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

Mr. Thomas M. Leahy, Chair 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.

¹ Ms. Burcham arrived at 10:23 a.m.

² Dr. Baugh arrived at 9:41 a.m.

³ Mr. Keaton arrived at 9:50 a.m.

⁴ Mr. Parnell was absent from the meeting.

⁵ Mr. Hansen left the meeting at 10:44 a.m., at which time Mr. Kline became the voting Ex-Officio Member from the City of Virginia Beach.

⁶ Mr. Etheridge arrived at 9:50 a.m.

2. **PUBLIC COMMENT**

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

3. **CHAIRMAN'S COMMENTS**

Chairman Leahy began the meeting with a review of the challenges and opportunities SPSA will be addressing in the next two years. He touched on capacity at the Regional Landfill and permitting processes to increase capacity in Cells V and VI, as well as a redesign for similar gains in future Cell VII, which will begin construction in the near future, but cannot accept waste until the completion of the Flyover Project. He also discussed permitting for proposed Cells VIII and IX and how they will be the last constructed landfill Cells in the region in the foreseeable future. Chairman Leahy highlighted the need for SPSA to reduce, reuse, and convert as much of the region's solid waste as possible and SPSA's responsibility to accomplish that goal at a reasonable price. He pointed to the Alternative Waste Disposal RFP process, which would be discussed later in the meeting in closed session, as a positive movement in that direction. Chairman Leahy concluded his comments with a reminder of the importance of making the localities aware of the need for updated Use and Support Agreements that will support SPSA's endeavors and serve the member communities. He detailed specific points like length of agreement and long-term commitment options. Chairman Leahy also noted that as the Board works through these strategic plans, staff will continue to do the work they have done for decades, which is managing the region's solid waste with proper care, efficiency, and environmental stewardship.

4. **APPROVAL OF MINUTES**

The minutes of the July 24, 2024 Board Meeting had been distributed. Chairman Leahy asked if there were any additions or changes and there were none.

Mr. McCoy moved, seconded by Ms. Graham-Williams, to approve the July 24, 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 (Board members Keaton, Baugh, and Burcham did not vote as they had not arrived at the meeting).

5. **EXECUTIVE DIRECTOR UPDATES**

Mr. Bagley brought to the Board's attention that, in the month of August, there were nine employees being recognized for at least 20 years of service. Those nine employees total 235 years of total service. He invited those employees: Richard Wilson, 35 years; Shelton Sawyer, 30 years; James Stone, 30 years; Kenneth Littleton, 30 years; Joe LeClair, 25 years; Herbert Porter, 25 years; Marshall Tatem, 20 years; Ray Aninzo, 20 years; and Alphonso Thompson, 20 years—to come to the day's meeting and be recognized by the Board of Directors. Chairman Leahy thanked those present for their years of service and hoped that each of them felt the satisfaction of knowing what a positive impact they have made on their community with their work.

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 due September 30, 2024, and the record of decision should be published shortly after that. Mr. Bagley commented that he and staff are cautiously optimistic and have worked hard to position SPSA well in the process. Staff and consultants are finalizing the wetlands mitigation plan,

providing supporting documentation on both the impacted area and the mitigation wetlands. The Nansemond Indian Nation has rejected 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 moves forward with the Committee scheduled to meet with the selected vendors and begin discussions toward negotiations. Mr. Bagley added that counsel will provide additional updates in the day's closed session.

The next item was an update on the 13/58/460 Flyover project. Mr. Bagley informed the Board that the contractor is beginning to mobilize equipment and materials for construction. He asked Mr. Lewis, Chair of the Flyover Committee, to speak about the traffic conditions that will impact the region. Mr. Lewis indicated that the contractor is working with the City of Suffolk to put in a five mile per hour work zone speed reduction to draw attention to the need for motorists to slow down and be cautious. Work zone cameras are being considered, but a final decision will not be made until after roadwork has begun and the situation is assessed. Mr. Lewis also added that everything appears to be on schedule and conversations with the contractor have been going well.

Mr. Bagley brought a single contract to the Board for review, regarding budgeted capital projects at the Landstown Transfer Station and the Norfolk Transfer Station. The cooperative contract for work at both stations comes in under budget at \$128, 570.



The slide is titled "Board Updates" in white text on a dark blue background. A small green box with the number "5" is in the top right corner. The text on the slide provides details for a contract approval:

- Contract Approval**
- Capital Project:** Surface Prep and Epoxy Coat Landstown Transfer Station Load-out Tunnel.
- Budget:** \$135,460
- Actual Cost:** \$128,570
- Procurement Type:** Cooperative Contract City of Newport News - Contract # 24-2941-00
- Vendor:** W.W. Enroughty & Son, Inc.
- Comments:** This project was approved in the FY-25 Capital Budget. The project came in under the original estimate by \$4,890. Staff recommends approval.

The SPSA logo is in the bottom right corner.

Mr. Keifer moved, seconded by Mr. Sorey, to authorize the executive director to award a contract to W.W. Enroughty & Son, Inc., as presented. The motion was approved by a unanimous vote in favor of the Board members present (Board member Burcham did not vote because she had not arrived at the meeting).

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes, noting that municipal volumes for the year came in slightly under budget, but commercial waste volumes were significantly higher than anticipated. Total waste volumes were greater than expected. Mr. Bagley reminded the Board that the additional commercial waste is due to added contracts and he hopes that those numbers will continue to rise as commercial partnerships continue to grow.

Municipal Waste Volumes

6



Commercial Waste Volumes

7



Total Waste Volumes

8



Mr. Strickland delivered an Operations update that the application for the general permit for SPSA’s use of the former RDF plan has been submitted. Cleaning of the tipping floor has been completed, as well as runoff prevention for the outside of the building, and beautification of the Victory Boulevard corridor. Staff will begin the process seeking bids for repair work. As voted on earlier, Landstown Transfer Station will have sandblasting and an epoxy coat applied to the tunnel and Norfolk Transfer Station will be undergoing concrete repairs. Neither project will adversely affect operations. The Tire Processing Facility was closed the week of August 19, 2024 for scheduled maintenance and a knife change. Mr. Strickland reported that over one million tires have been processed since the last knife change. The concrete slab for the leachate evaporator has been poured and is curing and gas lines are being laid and the meter is being installed. Additional Air Dispersion Modeling requested by DEQ for permitting has been completed and submitted for review.

Regarding transportation statistics, Mr. Strickland also noted that average tons per load is up to 20.04 and average miles per gallon of fuel is at 4.27 miles per gallon. He stated that average tons are exactly where they need to be for maximum efficiency.



Mr. Bagley also added that the construction at the front of the Regional Office Building parking lot will be ongoing until the end of November. He apologized for the inconvenient parking situation, but noted that the HRPDC has received a grant for the project that will install a permeable surface that decreases stormwater runoff and provides environmental benefits.

Ms. Schreiber noted that that the July 2024 financials were written only and available in the Board Agenda. She then delivered the End of Year Financials by covering the actual revenue and actual expenses for fiscal year 2024.



FY 2024 Revenue ~ Actual

REVENUES	FY 2024 Adjusted Budget	FY 2024 Actual	Budget to Actual \$ Variance
Tipping Fees:			
Municipal	\$ 32,283,950	\$ 31,931,536	\$ (352,414)
Other Tip Fees	17,309,287	21,631,295	4,322,008
Total Tipping Fees	\$ 49,593,237	\$ 53,562,832	\$ 3,969,595
Tire/HHW/White Goods	1,400,000	1,573,194	173,194
Landfill Gas Royalties	250,000	250,794	794
Miscellaneous Income	398,220	573,898	175,678
Interest Earnings	500,000	1,691,393	1,191,393
Transfer from FY23 Surplus	5,115,255	5,115,255	-
Rolled PO's/Projects Pd from Reserves	21,558,855	3,846,167	(17,712,688)
Total Other Revenue	29,222,330	13,050,701	(16,171,629)
Grand Total Revenue	\$ 78,815,567	\$ 66,613,532	\$ 12,202,034

FY 2024 Expenses ~ Actual

	Adjusted Budget	FY 2024 Actual	\$ Variance
Operating Expenses:			
Personnel	\$ 11,070,778	\$ 10,982,179	\$ 88,599
Professional/Contracted Services	4,595,855	4,542,150	53,705
Other Operating Expenses	1,329,800	1,393,366	(63,566)
Materials & Supplies	2,641,185	2,494,722	146,463
Contracted Waste Disposal	20,321,127	20,918,447	(597,320)
Total Operating Expenses	39,958,745	40,330,864	(372,119)
Capital Expenses			
Capital Expenses	3,500,000	3,500,000	-
Rolled PO's/Projects Pd from Reserves	26,990,561	7,563,635	19,426,926
Landfill Closure/Expansion	8,000,000	13,115,255	(5,115,255)
Total Expenses	\$ 78,449,306	\$ 64,809,754	\$ 13,939,552
Net Revenue over Expenses		\$ 2,103,778	

Recommendation for FY 2024 Surplus

Recommendation: Motion to appropriate \$2,103,778 in FY -24 surplus as follows:

Regional Board Room Technology Upgrades - \$125,000

Annual Employee Appreciation / Awards Banquet - \$45,000

Landfill Construction / Flyover - \$1,933,778

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Mr. Hansen asked for clarification on one of the slides and it was discovered that recent edits to the presentation did not populate accurately. Mr. Bagley assured the Board that the error would be corrected in the slides sent to the Board later in the day. The slides reflected in these minutes are updated and accurate. Ms. Graham-Williams asked about the status of the land lease payment line being over budget. Ms. Schreiber and Mr. Bagley clarified that this was to pay the annual Navy lease agreement, an item that was not anticipated at the time of budgeting and will also be recouped through fees in the coming year. Mr. Bagley commented that anytime the revenue for commercial waste increases, the expenses will increase, as well, to cover the additional costs for hauling contractors and disposal fees.

Mr. Bagley discussed the FY 2024 surplus, recommending that the \$2,103,778 in unanticipated revenue be allocated as \$125,000 to the improvement of technology in the regional Board Room, \$45,000 for the Annual Employee Appreciation / Awards Banquet, and the remaining \$1,933,788 be added to the Landfill Construction and Flyover fund.

Mr. Bagley discussed the FY 2024 surplus, recommending that the \$2,103,778 in unanticipated revenue be allocated as follows: \$125,000 to the improvement of technology in the Regional Board Room, \$45,000 for the Annual Employee Appreciation / Awards Banquet, and the remaining \$1,933,788 to be added to the Landfill Construction and Flyover fund.

Mr. Maxwell and Mr. Hansen noted that, in future budget years, the Annual Employee Appreciation Awards Banquet should be included as a regular budget item. Mr. Bagley agreed to the proposal and thanked them for their suggestion.

Mr. Maxwell moved, seconded by Ms. Raulston, to appropriate the FY 2024 budget surplus, as presented. The motion was approved by a unanimous vote in favor.

6. WRITTEN REPORT

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

7. 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 would be present for the RFP portion of the session, but Counsel from the City of Chesapeake would be allowed to attend the portion not relating to the RFP. There were no objections to that plan. At Mr. Sorey's request, the EIS portion of the session would be held first.

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 (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, 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; (2) the written protest and 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 10:20 a.m., Mr. Hansen 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 11:42 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. Broad 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.

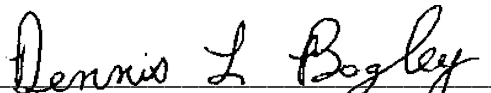
8. OTHER BUSINESS

Chairman Leahy reminded the Board that at the previous meeting Dr. Baugh had stepped down from the Executive Committee. Mr. Keaton has also asked to be removed, and Chairman Leahy has appointed Mr. John Maxwell as his replacement. Chairman Leahy noted that he has emailed the members of the Board and has voiced his concerns about ensuring that the Bylaw requirement that the Executive Committee, as best it can, reflect the geographic and populations distributions of the service area, but knows what a significant time commitment is involved in being a member of the Executive Committee. At this time, Ms. Raulston is the only member representing one of SPSA's less populace communities, but a position remains open for another member, should interest and availability arise. Mr. McCoy suggested Mr. Michael Etheridge for appointment to the Executive Committee and Chairman Leahy said he has considered asking Mr. Etheridge to serve, but is concerned about overcommitting his time, as Mr. Etheridge is already an integral member of the RFP committee, as well as his crucial work for Isle of Wight County.

Mr. Bagley asked the Board to come prepared to have new pictures taken for the SPSA website at the September Board Meeting.

9. **ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:49 a.m.



Dennis L. Bagley
Executive Director

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