

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

February 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. Amanda Jarratt	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer <sup>1</sup>	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams <sup>2</sup>	(PO)
Mr. Tony Parnell	(SH)	Ms. Lynette Lowe	(SH)
Mr. D. Rossen S. Greene <sup>3</sup>	(SU)	Mr. Albert Moor	(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. Greg Martin (CH), and Mr. Brian Thrower (SH), SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, 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. Dale E. Baugh, Chair of the Board of Directors, called the February 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.

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<sup>1</sup> Mr. Keifer was absent.

<sup>2</sup> Ms. Graham-Williams was absent.

<sup>3</sup> Mr. Greene was absent.

### 3. **CHAIRMAN'S COMMENTS**

Chairman Baugh informed the Board that it was Ms. Jarratt's final Board Meeting representing the City of Franklin. On behalf of the Board, he wished her the very best in her new position as Deputy City Manager of the City of Virginia Beach. In honor of her outstanding service, he proposed the following resolution, read aloud by the Board Secretary:

#### **RESOLUTION OF APPRECIATION TO AMANDA C. JARRATT IN RECOGNITION OF HER SERVICE AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY**

WHEREAS, Amanda C. Jarratt has served on the Board of Directors of the Southeastern Public Service Authority of Virginia (SPSA) as the Ex-Officio representative of the City of Franklin from August 26, 2019 through March 26, 2024; and,

WHEREAS, her willingness to support the regional solid waste management programs of the Authority with her knowledge, experience and expertise has rendered an invaluable service to the citizens of the City of Franklin, southeastern Virginia, the Commonwealth of Virginia, and to this Authority, enhancing the quality of life for all; and,

WHEREAS, with a feeling of sincere gratitude, on this occasion, the Board of Directors of the Southeastern Public Service Authority of Virginia expresses its deepest respect and appreciation for her professional service to the Authority and to the citizens that it serves.

NOW, THEREFORE, BE IT RESOLVED, with great pride, the Board of Directors of the Southeastern Public Service Authority of Virginia recognizes, thanks and commends Amanda C. Jarratt, for her service to the Authority, and presents this Resolution as a token of its esteem and orders a copy be spread upon the minutes of this meeting.

**Mr. Keaton moved, seconded by Ms. Raulston, to approve a Resolution of Appreciation to Amanda C. Jarratt in Recognition of Her Service as a Member of the Board of Directors of the Southeastern Public Service Authority. The resolution was adopted by a unanimous vote in favor.**

Ms. Raulston presented Ms. Jarratt the Resolution of Appreciation signed by Chairman Baugh. On behalf of the Board of Directors, Mr. McCoy thanked Ms. Jarratt and wished her good luck and godspeed. Ms. Jarratt thanked the Board for their recognition, commented that she has appreciated working on the SPSA Board and will miss her fellow Directors, but looks forward to continuing to interact with them in a different capacity.

Chairman Baugh also commented that he and Ms. Raulston have met with Mr. Bagley and completed his performance review, as well as having set new goals directly related to the 2024 business year. He encouraged those desiring more information to reach out to him or Ms. Raulston and they will be happy to share that information with Board Members.

#### 4. APPROVAL OF MINUTES

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

**Mr. Hansen moved, seconded by Mr. McCoy, to approve the January 24, 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 recognized Mr. Michael Ponds, Safety and Risk Manager, as the SPSA Values in Action Employee of the Month. Mr. Bagley commented that Mr. Ponds is a kind, generous person, who is always willing to do what needs to be done and has completely revitalized SPSA's safety program since joining the organization. Chairman Baugh presented Mr. Ponds with a certificate and lapel pin as tokens of the Board's appreciation.

Mr. Bagley was happy to report that the Navy has approved the agreement to transfer the easement associated with the RDF plant at the current WIN Waste property. Some minor modifications, which the Navy has agreed to, are being made by SPSA's attorneys at Williams Mullen and the process should be completed within 45 days, well ahead of the July 1, 2024 closing date.

Bids on construction for the Regional Landfill Flyover Project were closing later that day and the Flyover Oversight Committee is scheduled to meet with VDOT staff to discuss the bids on March 21, 2024. VDOT staff will be in attendance at the March 27, 2024 Board Meeting to present to the full Board on the status of the project.

Regarding SPSA's Request for Proposals for Municipal Solid Waste Disposal, Mr. Bagley informed the Board that an addendum was released after the pre-bid meeting, but no further information has been requested. He mentioned that some site visits have been scheduled and that proposals are due by May 1, 2024. Mr. Bagley attended a work session of the Virginia Beach City Council where Mr. Hansen presented, and Mr. Bagley presented to the Norfolk City Council on the goals of the RFP. He intends to visit the other six localities whenever their city managers or county administrators deem appropriate.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted, noting that municipal waste volumes are low, as they usually are this time of year, and commercial tons are higher than budgeted.



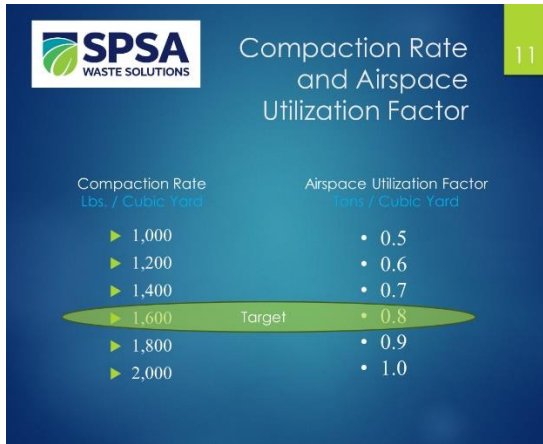
Mr. Bagley presented the 2023 Airspace Utilization Update going over utilization impacts, compaction rates, air space utilization factors, and comparison data from 2022 to 2023.

### 2023 Airspace Utilization Update

For Reporting Period  
December 15, 2022 - December 15, 2023

### Airspace Utilization Impacts

- ▶ Volume of Material
- ▶ Type of Material
- ▶ Density of Material
- ▶ Moisture Content of Material
- ▶ Compaction Quality
- ▶ Amount and Type of Cover Used



Mr. Bagley pointed out that, as expected, the reduction of waste being processed by WIN Waste has impacted airspace at the Regional Landfill. Total material landfilled has increased and while the 2023 airspace utilization factor is still on target, that number has gone down due to a decrease in dense ash from WIN Waste being used as daily cover. The life expectancy of Cells V and VI has decreased from April 2027 to December 2026. Mr. Bagley was quick to note that this study does not account for the recent cover system redesign for Cells V and VI that will recapture enough airspace so that the Cells should meet and exceed the previous April 2027 capacity date. He also assured the Board that staff is continuing strategic diversion efforts and monitoring topography and airspace on a near constant basis to assure adequate disposal capacity.



**Year Over Year Comparison**

Metric	2021	2022	2023
Tons Disposed	305,222 Tons	299,566	441,578 Tons
Airspace Consumed	343,303 CY	316,262 CY	544,151 CY
A.U.F.	.89	.94	.81
Operational In Place Density	1,773 Lbs. / CY	1,830 Lbs. / CY	1,623 Lbs. / CY
Disposed In Place Density	2,006 Lbs. / CY	2,002 Lbs. / CY	1,966 Lbs. / CY

Mr. Bagley offered to answer any questions. Mr. Hansen commented that the report was good information that was easily understood. He requested that these airspace utilization numbers be available during the meeting next to discuss the Flyover project and the transition into Cell VII. Mr. Bagley agreed. Mr. McCoy asked about equipment being used on the landfill and Mr. Bagley and Mr. Strickland reported that two compactors are being utilized, but that if a compactor were inoperable a dozer could be utilized to remain in operation while a compactor is repaired.

## 6. QUARTERLY FINANCIAL REPORT

In Ms. Schreiber's absence, Mr. Bagley presented the quarterly financial report that was tabled due to time constraints at the January 24, 2024 Board Meeting. Starting with revenues, Mr.

Bagley listed second quarter revenues from the current budget and year-to-date numbers, along with second quarter actuals from FY 2023 and FY 2022 so that comparisons could be more accurate. He reported that for the second quarter, revenues were at 55% of the annual budget, with tires and white goods slightly higher than projected at 57% and miscellaneous revenue at 65% because of the rate on investments with the Virginia Investment Pool. He noted that this is an excellent position to be in given the coming expenses associated with the Flyover project and construction of Cell VII.

### Revenues 17

	Fiscal Year 2024 – Quarters 1 & 2			Historical Comparison	
	Budget	YTD	% of Budget	FY - 23	FY - 22
<b>Revenues</b>					
Tipping Fees	\$49,593,237	\$27,179,311	54.8%	\$26,715,531	\$25,283,797
Tires/HHW/White Goods	\$1,400,000	\$804,413	57.5%	\$801,681	\$707,255
Miscellaneous	<u>\$1,002,686</u>	<u>\$653,908</u>	65.2%	<u>\$584,512</u>	<u>\$402,404</u>
<b>Total Operating Revenue</b>	<b>\$51,995,923</b>	<b>\$28,637,632</b>	<b>55.1%</b>	<b>\$28,101,724</b>	<b>\$26,393,456</b>

- ### Revenue Highlights 18
- As of the end of the second quarter, municipal waste tonnages and revenue are in line with budget at 50.7% of the annual projected amount. Commercial tonnages remain slightly higher at 56.7%.
  - Miscellaneous revenue is higher than projected at 65.2% of the annual budget, primarily due to higher than projected interest income. As of the end of December, we continue to earn over 5.5% on overnight funds in our Virginia Investment Pool account.

Moving on to expenditures, Mr. Bagley took the same approach of comparing FY 2024 second quarter budget and January 31, 2024 expenses with second quarter actuals from FY 2023 and FY 2022 broken out by expenditure type. Mr. Bagley reported that operational expenses are 48.3% of the annual budget for the second quarter of FY 2024. He also noted that professional services are at 64% due to increased legal expenses related to negotiations regarding the WIN Waste contract and the RDF facility.

### Expenditures 19

	Fiscal Year 2024 - Quarters 1 & 2			Historical Comparison	
	Budget	YTD	% of Budget	FY - 23	FY - 22
<b>Expenditures</b>					
Salaries/Wages and Employee Benefits	\$11,075,778	\$5,621,469	50.8%	\$5,074,228	\$4,243,753
Professional/Contracted Services	\$3,811,772	\$2,438,994	64.0%	\$1,460,798	\$1,381,523
Other Operating Expenses	\$1,380,842	\$543,733	40.8%	\$554,978	\$508,895
Materials/Supplies	\$2,473,691	\$1,184,658	47.9%	\$1,177,882	\$884,950
Waste Disposal and Hauling	\$21,071,127	\$9,282,102	44.1%	\$11,493,310	\$11,386,561
Other	\$8,005,000	\$4,000,000	50.0%	\$4,000,000	\$3,121,574
<b>Total Expenditures</b>	<b>\$47,818,210</b>	<b>\$23,090,856</b>	<b>48.3%</b>	<b>\$23,984,994</b>	<b>\$21,524,058</b>

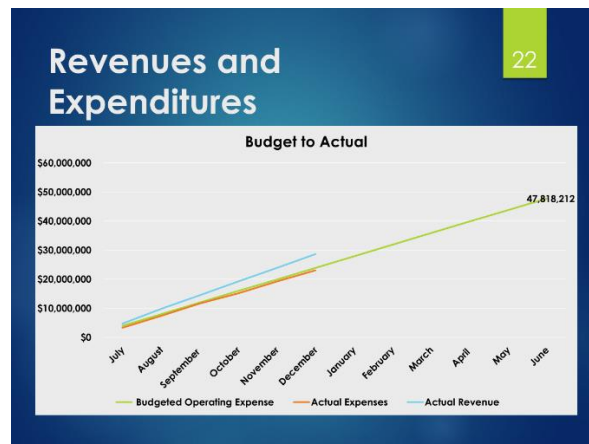
- ### Expenditure Highlights 20
- Overall, Operating expenses are at 48.3% of the annual budget as of December 31, 2023.
  - Professional services are at 64% of the annual budget due to legal fees. The original budget for legal fees was \$225,000 and we have paid \$268,000 through December 31, 2023.

Mr. Bagley also presented revenues versus expenditures in chart and graph form.



### Revenues vs. Expenditures 21

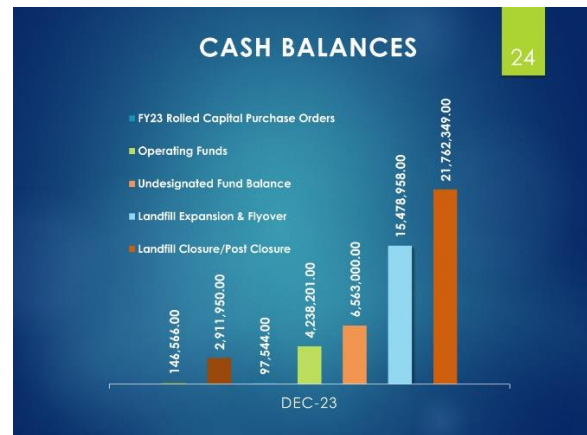
	Fiscal Year 2024 Budget	Fiscal Year 2024 – Quarters 1 & 2 YTD	%	Historical Comparison	
				Q1 & 2 FY-23	Q1 & 2 FY-22
Total Revenue	\$51,995,923	\$28,637,632	55.1%	\$28,101,724	\$26,393,456
Total Expenses	\$47,818,210	\$23,090,856	48.3%	\$23,986,996	\$21,526,058
Net Revenue / Expenses	-0-	\$5,546,776		\$4,114,728	\$4,867,398



Capital expenditures were listed year to date and cash balances were broken down by fund and amount as of January 31, 2024.

### Capital Expenditures 23

	Budget	Year to Date
Total Capital Expenditures	\$23,997,997	\$5,774,761
Current Year	\$4,500,000	\$2,135,891
Rolled Capital Projects from Prior Year	\$19,497,997	\$3,638,870



Mr. Bagley offered to answer any questions, but there were none.

**Mr. Leahy moved, seconded by Mr. Sorey, to approve the quarterly financial reports as presented, pending audit. The motion was adopted by a unanimous vote in favor.**

**7. WIN WASTE REPORT**

Chairman Baugh asked if there were any questions or comments on the WIN Waste written monthly report, but there were none.

**8. CLOSED SESSION**

Chairman Baugh reminded those present that for the closed session on the agenda for discussion regarding federal wetlands permitting and the Army Corps of Engineers Environmental Impact Statement process, only Board Members, SPSA Executive Staff, SPSA Counsel, and Counsel for the City of Chesapeake would be present for that 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 legal issues that have arisen under the National Historic Preservation Act during the required Federal wetlands permitting and the Army Corps of Engineers' Environmental Impact Statement (EIS) process, which are necessary for proposed expansion at 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 10:10 a.m., Mr. Hansen moved, seconded by Ms. Lowe, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.**

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

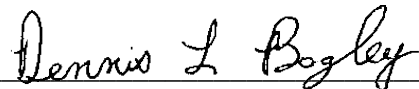
Motion to Approve Certification after Closed Meeting.

*The Board hereby certifies that, to the best of each member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.*

**The Board came back into open session at 11:31 a.m., at which time Mr. Broad moved, seconded by Ms. Raulston, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.**

## **9. ADJOURN MEETING**

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:32 a.m.



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Dennis L. Bagley  
Executive Director

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