

**MINUTES OF THE BOARD OF DIRECTORS MEETING
MAY 18, 2007**

The Board of Directors of the Lancaster County Solid Waste Management Authority met on Friday, May 18, 2007, at 7:30 a.m., at the Authority office, 1299 Harrisburg Pike, Lancaster, PA.

ATTENDANCE

Board Members present were: Chairperson Hammel, Ebel, Frost, Houck, Kassees, Musser, Rosier and Wood. Staff present were: Warner, Baker, Forster, Lausch, Norris, Olson, Wilhelm, Zorbaugh, and Dougherty. Also present were: Solicitor Alex Henderson III, Hartman, Underhill & Brubaker; Jim Klecko, Covanta Lancaster; and citizens as listed on the attached sign-in sheet.

APPROVAL OF THE MINUTES

Ms. Hammel asked about additions or corrections to the minutes of the April 20, 2007 meeting. **Mr. Frost** moved that the minutes be approved. **Mr. Kassees** seconded. **Ms. Hammel** called a vote; the motion passed unanimously.

PUBLIC COMMENT

There was no public comment.

Ms. Baker introduced Brent Packer, Centerville Middle School student, who is going to be job shadowing today. He is very interested in the environment and the Authority, and wants to learn how waste is processed in Lancaster County.

EXECUTIVE DIRECTOR - **Mr. Warner** reported on the following:

- ***Operating Results*** - Financial results for April were good with a surplus of \$270,000 going in the capital reserve fund.
- ***Wind Speed Measuring Tower at FFLF*** – Manor Township has approved installation of this temporary tower. It is scheduled to be installed and operating by the end of June. The project has been well received.

Also, Millersville University Professor Dr. Richard Clark contacted the Authority to see if there would be interest in cooperating with the University on locating a SODAR unit which measures wind speed at the Frey Farm Landfill. The \$300,000 unit would be placed at the landfill and be beneficial to the Authority in gathering data and provide the University with a better location to collect such data than they currently have.

Mr. Wood asked about measuring the wind currents.

Mr. Warner said that he believes, because of the specific site topography and the relation to the River, there will be enough wind for the project.

- **Transfer Station Complex** – Construction is moving along well. Plans are for the new transfer station to be operational by Monday, June 11th. Mr. Zorbaugh has made personnel decisions and assignments and Authority employees know what their job will be at the new facility.
- **U.S. Supreme Court Decision on Waste Flow Control Ordinance** - On April 30th, the U.S. Supreme Court issued a decision in the case of United Haulers Association vs. Oneida-Herkimer Solid Waste Management Authority. By a 6-3 margin, the court ruled that local ordinances that direct locally generated wastes to publicly-owned waste facilities do not discriminate against interstate commerce. Mr. Warner noted that this is the most important court decision in the solid waste field since the Authority has been functioning. Counties and governments now have the ability to adopt flow control ordinances to assure the adequate funding to cover debt for the operations of the facilities they own.

FINANCE - **Ms. Olson** reported on the following:

In April, preliminary results show total revenue was down by 1.5%. Total expenses were also below budget by 4.3%. Operating expenses were down due to payroll expenses and lower than budgeted fuel prices.

The following information was reviewed:

- LCSWMA Preliminary Results Actual vs. Budget for All Programs for the Month ending April 30, 2007.
- LCSWMA Accounts Receivable Report and Past Due Detail Analysis as of April 30, 2007. A court claim was filed against Professional Properties and they have reduced their debt to \$32,000.
- **Approval of Disbursements** - On motion by **Mr. Ebel**, second by **Mr. Musser** and unanimous vote, the Summary of Disbursements for April 2007 in the total amount of \$6,681,841 were unanimously approved.

ADMINISTRATIVE SERVICES - Mr. Lausch reported on the following:

- ***Tonnage and Revenue*** - In April, revenue tons totaled 47,307 tons, which was 989 tons or 2% less than budgeted for the month. Tip fee revenue for April totaled \$2,887,380, missing budget by \$118,722 or 4%. The shortfall in tons is primarily in Refuse, which is now 6% below budget for the year. Residual Waste tons were 5% ahead of budget for April.
- ***Residual Waste*** - The three-year Waste Services Agreement with FL Smidth for their production waste was renewed. An additional manufacturing waste was added to the Agreement with Ciba Specialty Chemicals.
- ***Curbside Value Partnership (CVP)*** - The CVP campaign kickoff event was held on April 25th at the offices of Penn Waste in York. Lancaster and York counties have partnered with CVP on an effort to increase curbside recycling in each of the two counties by 10% over six-months.
- ***Annual Recycling Coordinators Meeting*** - The Annual Recycling Coordinators meeting was held on May 2nd. This year, Mr. Warner gave an overview of the recent Supreme Court decision on flow control as well as an update on the Authority's projects and activities. Presentations were also given on the 2006 recycling data, Act 140 requirements, LCSWMA's involvement in the Keep Lancaster County Beautiful Program, and the Community Events recycling program.

Ms. Hammel asked if the meeting was well attended.

Mr. Lausch said representatives from about 20 municipalities attended.

Mr. Ebel asked about recycling containers at public facilities, such as the ballpark and other park areas.

Mr. Lausch responded that things are definitely improving in this area due in part to the Community Events recycling initiatives. Last year, Clear Stream recycling containers were placed at the county fairs and things have expanded from there. The Authority recently bought a trailer to move the clear stream recycling containers around to the different municipalities rather than having each municipality buy all the containers they need for events that are only held once or twice a year.

Mr. Wood asked about the amount of aluminum that will be recovered with the new non-ferrous recovery system at the WTE facility.

Mr. Lausch responded that he understands the recovery rate to be 75%.

- ***Government Self Insurance Fund (GSIF) Meeting*** – The GSIF semi-annual meeting was held on April 30th. The meeting included appointment of officers for the year, review of the audited financial statement for 2006, and payment of Authority claims and expenses in the amount of \$34,165.

- **Employee Healthcare Plan - Renewal of Medical Plan** – After discussion, motion by **Mr. Frost**, second by **Mr. Kassees** and unanimous vote, the Board approved, effective July 1, 2007, the renewal of the HealthAmerica High Deductible POS Plan as the medical plan for the LCSWMA Employee Healthcare Plan; and that the employee premium contributions to the medical plan increase by 10% for the coverage selected by each employee. Staff was also authorized to enter into necessary agreements and take all appropriate action to renew the HealthAmerica High Deductible POS Plan and to continue all other components of the LCSWMA Healthcare Plan effective July 1, 2007.

OPERATIONS - **Mr. Zorbaugh** reported on the following:

- **Administrative** - Employees were selected to fill new positions at the new Transfer Station and an employee meeting was held to review selections and discuss the upcoming transition to the new facility.

Delivery of the Caterpillar tracked material handler has been delayed. Cleveland Brothers will be providing a similar machine to allow for staff training and use until the specified machine is delivered.

Operations management personnel attended training programs with subjects varying from Facility Maintenance, SWANA Facility Operations Recertification testing and Supervisory Skills for New Managers. HHW personnel also participated in two days of training and a Management Training Seminar was held for Authority staff in supervisory positions.

The Annual SWANA Mid-Atlantic Equipment Road-E-O was held on April 27th in Cape May, NJ. Joe Frymyer, a Transfer Station Employee, won the Transfer Trailer portion of the competition as well as the overall high score for truck drivers.

- **Facility Operations** - All facilities operated well in April.

Over 2,400 vehicles went through the HHW facility in April. The Automated Paint Can Processor in the HHW Facility was installed. This machine has significantly improved the efficiency of processing cans of latex and oil-based paints.

The 836G compactor was put into operation and some test pad density comparisons between it and the 826G have been completed. A 7% to 10% improvement was seen in the compaction. The test pads will be done periodically throughout the remainder of the year to get an accurate measurement of the density when compacting differing wastes.

During the month of April, RRF ash hauling personnel achieved an all-time legal payload hauling record by averaging 23.4 tons per load, which is 98.3% of their legal maximum. Over time these larger payloads result in significant fuel and operating expense savings.

Frey Farm staff provided woody yard waste shredding services to Manheim and West Hempfield Townships for a total of 44 hours in April.

- **Safety** - The month of April was a safe month for all Authority employees and customers. There were no accidents involving customers and no lost-time accidents for Authority staff.

RRF CONTRACT ADMINISTRATION - Mr. Forster reported on the following:

- **Site Operations** - Electric revenues for April were \$865,716, or \$36,284 below budget due to an unplanned outage for Unit #1, which happened to occur while Unit #3 was down for its scheduled spring outage.

Unit #1 was off-line at the beginning of April, since the boiler had been taken down on March 31st after one of the tubes in its 3rd pass started leaking. Additional tube leaks were discovered so the unit did not come back on-line until 6:00 p.m. on April 4th.

Unit #2 had two unexpected outages in April, both due to minor furnace tube leaks; each outage lasted about 28 hours.

Unit #3's spring outage was completed on April 5th and it ran the remainder of the month. During the outage, subcontractors placed several multi-tube, pre-Inconeled panels on three of the four walls of the furnace and on the roof of the 2nd pass, and hand-applied Inconel to roughly 98 square feet of tubing in the boilers.

The ferrous recovery system removed 532 tons of metal from the ash in April, up 30% from March due to the substantial increase in boiler availability. To date, the RRF has recycled 2,020 tons of ferrous metal, or 10% higher than the same period last year.

Mr. Kassees asked what was the price per ton for ferrous.

Mr. Forster replied that the net price per ton for small ferrous is \$145.00, including trucking of the material.

- **Regulatory Activities** - Randy Weiss performed a routine inspection at the facility during the month. He was satisfied with what he observed and reviewed.

The second quarter ash sampling was conducted at the facility. Preliminary results show that cadmium is 83% below permit and lead is 82% below permit level.

- **Other Activities** - Took part in a tour with the Northeast Maryland Waste Authority who were accompanied by two groups of people from Maryland's Harford and Carroll counties. Each group has been considering building a waste-to-energy facility.

A RRF audit was conducted on April 25th with two representatives from Merck's Danville, PA facility. They were satisfied with the records they reviewed and the operations they observed.

TECHNICAL SERVICES - Mr. Norris reported on the following:

- ***Facility Permitting and Regulatory Compliance*** - In early April, the Minor Permit Modification for the additional gas wells to be added at the Frey Farm Landfill as part of the upcoming construction project was submitted to DEP. Approval was received on April 30th.
- ***Technical Support*** - The Quarterly CCX Landfill Methane Offset Verification Report for the period December through February was submitted. A total of 12,795 metric tons of CO₂e offset credits were approved by the third party verification firm. Work has begun on the data for the next report (March through May) which will be submitted in mid-June.

At the end of April we completed the second survey for 2007 associated with tracking in-place landfill density. Year-to-date in 2007, we have achieved an in-place density of 1,892 pounds per cubic yard, 10% above this year's goal of 1,712 pounds per cubic yard. Additionally, soil use for the year is 4.1% of the total volume utilized. Both values are noteworthy and reflective of waste composition and operational efforts.

CAPITAL PROJECTS REPORT - Mr. Wilhelm reported on the following:

- ***Transfer Station Improvement Project*** - Work on the transfer station is progressing well with an average of 80 - 85 workers on site. The new tipping floor should be completed by the June 8, 2007 deadline. Exterior block and brick is almost complete. Three large arch sections have been set. On the interior of the building the steel push walls are almost complete. Installation of the dust suppression system and all windows should be installed shortly. The paving work is scheduled to start by the end of May. Plantings on the front island will not be completed until the fall. The landscape work behind the trailers, where the sign is located, will be completed shortly.
- ***Expansion of the Landfill Gas Collection System at the Frey Farm Landfill and Creswell Landfill*** - The contractor, SCS Field Services, began installation of the piping and also started drilling for the wells. All six wells are complete on the Creswell site and they are moving to the Frey Farm side to complete four wells. The completion date for the project is July 27th. The contractor is well ahead of schedule.
- ***Transfer Station Improvement Project Change Order #8 to Wohlsen Construction Company, W. G. Tomko and Worden & Shewell*** - Mr. Wilhelm reviewed the following charts: Change Order #8 Summary; Contract Change Orders to Date; Change Order Breakdown; Contract Combined Totals; and Change Order Origination.

After discussion, motion by **Mr. Wood**, second by **Mr. Musser** and unanimous vote, the Board approved Change Order #8. The lump sum contract amount for Contract Number One (Wohlsen) will be increased by \$149,803.14. The lump sum contract amount for Contract Number Two (Tomko) will be decreased by \$10,548.00. The lump sum contract amount for Contract Number Three (Worden & Shewell) will be increased by \$7,327.89. The change for all three contracts is a net increase of \$146,583.03.

Mr. Musser asked if Mr. Wilhelm anticipated more change orders.

Mr. Wilhelm said there will be additional change orders. He outlined future expected changes orders for the Board, including significant increases in steel pricing.

Mr. Rosier asked if financing arrangements are all in place for the project.

Mr. Warner explained that the Authority borrowed \$10 million in July 2005 and another \$10 million in February 2007. The second \$10 million will be paid off in February 2009. All but \$10 million will be paid with cash from capital reserves.

Mr. Houck added that the project is going well despite all the concerns early on with the project.

CITIZENS ADVISORY COMMITTEE

The CAC did not meet. The next meeting of the CAC is scheduled for August 15th at 1:00 p.m. The meeting will include a tour of the Transfer Station Complex.

ADJOURNMENT

There being no further business to come before the Board, on motion by **Mr. Frost**, second by **Mr. Kassees** and unanimous vote, the Board meeting adjourned at 9:40 a.m.

APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 20TH DAY OF JULY 2007.

John S. Kassees
Secretary