

## Board of Directors • Meeting Minutes

**DATE:** May 19, 2017

**TIME:** 7:30 a.m.

### Attendance

**BOARD OF DIRECTORS:** Brubaker, Deerin, Dzurik, Houck, Musser, Rettew, Ulrich, and Weibel.

**STAFF:** Adams, Henderson (Legal Counsel), Kohr, Lane, Marsh, McGuire, Morrison, Olson, Paton, Reider, Roberts, Sandoe, Warner, Wireback, and Zorbaugh.

**ALSO PRESENT:** Jim Klecko with Covanta, and citizens as listed on the attached sign-in sheet.

**BOARD OF DIRECTORS ABSENT:** Gordon

### Opening

Chairperson Dzurik requested a moment of silence followed by the pledge to the flag.

### Approval of Minutes

Chairperson Dzurik asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of April 21, 2017 as distributed.

**Motion:** M. Brubaker

**Seconded:** K. Weibel

**Adopted:** Unanimously

### Public Comment

There was no public comment.

### Staff Highlight

Mark Reider, Director of Environmental Compliance, discussed his role at LCSWMA.

### Chief Executive Officer

*Mr. Warner reported on the following:*

- LCSWMA operations team rose to the challenge of a complex, scheduled outage project at Lancaster WTE and the SRMC. Finances were positive for the month as well. Several of the large projects the Executive Team is working on are coming to a head, but progressing well.

### Chief Financial Officer

*Mr. Lane reported on the following:*

- LCSWMA delivered a solid financial performance in April, with the surplus exceeding its target by \$252k. A closer examination of April's surplus shows a continuation of higher waste volumes that pushed tipping revenues 7.1% (\$340k) above Plan.
- April's total revenues finished at \$6.4M, +3.8% (+\$234k) above April's Operating Plan.
- April's expenses totaled \$5.8M and were generally in-line with the Operating Plan, despite

processing 5.6% more waste than budgeted.

- MP2 interest receivable balance of \$31k was written off in the month of April.
- An overview of Q2 sources and uses of cash was provided to the Board for informational purposes

## **Action Items**

### **1. BOARD ACTION NO. 2: SUMMARY OF DISBURSEMENTS**

Chairperson Dzurik asked for a motion to approve the disbursements for April 2017, totaling \$6,016,020.59.

**Motion:** G. Rettew

**Seconded:** J. Musser

**Adopted:** Unanimously

## **Chief Operating Officer**

*Mr. Zorbaugh reported on the following:*

- Back-to-back scheduled outage periods occurred at the Lancaster Waste-to-Energy Facility, which necessitated operational changes to manage waste volumes. The success of the project is a credit to the significant planning efforts of LCSWMA staff. A significant amount of maintenance work was completed during the scheduled April outages, which included cleanings, inspections and upgrades.
- The Frey Farm Landfill Cell 6 capping project continued in April. The contractor completed soil screening and focused on fine grading of terraces and placement of the soil veneer.
- The Ash Handling System Modification project at the Lancaster Waste-to-Energy Facility was substantially complete and in operation by the end of April. Construction progress also continued with integrating the Lancaster Waste-to-Energy Facility with the Perdue Soybean Processing Facility.

## **Action Items**

### **2. BOARD ACTION NO. 3: PURCHASE OF A PICK-UP TRUCK**

Chairperson Dzurik asked for a motion to approve the purchase of a pick-up truck for the purchase price of \$36,400.00.

**Motion:** L. Houck

**Seconded:** J. Musser

**Adopted:** Unanimously

## **Chief Business Development Officer**

*Mr. Adams reported on the following:*

- Terms of the Covanta Service Agreement are being negotiated and a final proposal was sent to Covanta on May 17<sup>th</sup>.
- Inashco project is moving through land development approvals and DEP permitting process. Business issues were encountered during project development, which may necessitate an amendment to the agreement with Inashco, but the project is moving ahead as planned.
- Due to requirements imposed on waste-to-energy facilities selling Renewable Energy Certificates (RECs) into the New Jersey market, LCSWMA must modify the ash handling system at the SRMC

facility. To meet the New Jersey Board of Public Utilities (NJBPU) requirements and address the lack of ash storage, LCSWMA will direct Covanta, under a service agreement modification, to change the ash handling system and construct an ash storage building.

- LCSWMA is working with the Susquehanna River Basin Commission (SRBC) to determine if the Bainbridge Quarry could be used as a mitigative water resource through releasing water to the river during low-flow conditions. A quarry drawdown test is planning in the fall, which will involve pumping 250 million gallons and then determining the recharge rate of the quarry. SRBC released a request for proposals (RFP) to select a consultant to determine an effective method for eradication of the invasive Quagga mussel during the pump test.

### **Action Items**

#### **3. BOARD ACTION NO. 4: RESOLUTION 2017-2**

A resolution authorizing and approving the execution and delivery of Addendum No. 3 to the amended and restated management and professional services agreement with Covanta Harrisburg, Inc.

Chairperson Dzurik asked for a motion to approve Resolution 2017-2.

**Motion:** G. Rettew

**Seconded:** M. Brubaker

**Adopted:** Unanimously

### **Director of Business Solutions**

*Ms. Marsh reported on the following:*

- Finished April with a \$57k electric revenue deficit, due to the outage during the first week of April to complete the main steam line taps at the Lancaster Waste-to-Energy Facility for integration with the Perdue Soybean Processing Facility. Overall, the outage resulted in the loss of 3,763 MWh vs. plan for the month, but will enable LCSWMA to provide commissioning steam to Perdue in July (once the steam bridge is complete), followed by full steam in September.
- Along with Jim Warner and Erin Saylor, attended the 25<sup>th</sup> annual North American Waste-to-Energy Conference (NAWTEC) in Minneapolis from April 24<sup>th</sup> – April 26<sup>th</sup>. The conference featured an array of information on the latest industry trends and advancements in waste-to-energy technology. Staff participated in a tour of the Hennepin County Energy Recovery Center, which is in the heart of downtown Minneapolis and provides steam to the Minnesota Twins Stadium.
- LCSWMA received the final Steam Modification Proposal from Covanta, which included a maximum price to complete the upgrades necessary at the Lancaster Waste-to-Energy Facility to provide steam and process water to Perdue.

### **Action Items**

#### **4. BOARD ACTION NO. 5: RESOLUTION 2017-3**

A resolution authorizing and approving the execution and delivery of the modification number 2017-1 of the previously amended and modified Covanta Service Agreement, dated September 25, 1987.

Chairperson Dzurik asked for a motion to approve Resolution 2017-3.

**Motion:** J. Deerin

**Seconded:** J. Musser

**Adopted:** Unanimously

## **Deputy Chief of Human Resources**

*Ms. Wireback reported on the following:*

- With the integration of the new human capital system (i.e., program called iSolved), statistics are more easily aggregated. With that information, the following employee demographics was highlighted: 1) LCSWMA's average age is 43, 2) 50% of the staff has 5 years or less of service, and 3) 75% of the staff has 15 years or less of service. This information is very helpful for workforce development planning and the future of LCSWMA.

## **Action Items**

### **5. BOARD ACTION NO. 6: AUTHORITY SUCCESSION PLANNING**

Chairperson Dzurik presented a Human Resources Board Action stating that, as noted during the November 18, 2016 Board of Directors meeting, the Authority has been working with Korn Ferry/Hay Group concerning Authority leadership development for the Authority's future success, growth and transitions. He stated that it is in the best interest of the Authority to appoint a Board committee to assist in continuing to advancing this effort and recommended that the Board appoint a Succession Planning Committee consisting of himself, Joe Deerin, Ed Gordon, Alex Henderson, and Leslie Wireback."

Chairperson Dzurik asked for a motion to approve the committee membership, and to direct and authorize the committee, in consultation with Korn Ferry/Hay Group, to develop and implement a succession program including retention and deferred compensation components.

**Motion:** L. Houck

**Seconded:** K. Weibel

**Adopted:** Unanimously

## **Deputy Chief of Community Relations**

*Ms. Sandoe reported on the following:*

- Regarding the Frey Farm Landfill vertical expansion project, LCSWMA received a second Technical Review letter from DEP on May 4<sup>th</sup>. This short letter included several minor items, requesting additional information or clarification, for DEP to complete their record. Staff is working with the ARM Group on a response, and we now anticipate receiving a determination from DEP around the first week of June. Staff is also working with the ARM Group to revise the Storm Water Plan and receive the necessary approval from Manor Township.
- An overview of Community Relations spring outreach was shared, which included both online and physical (industry, community) outreach.

## **Citizens Advisory Committee**

- Next meeting is scheduled for November 15<sup>th</sup>.
- Committee is now full (15), with the appointment of Chris Buck.

**Adjournment**

The Board Meeting adjourned at 10:14 a.m. after the Executive Session to discuss potential litigation and a potential real estate acquisition. No Board action was taken.

**APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 21<sup>st</sup> DAY OF July, 2017.**



Karen M. Weibel, Secretary