

## Board of Directors • Meeting Minutes

DATE: February 17, 2017

TIME: 7:30 a.m.

### Attendance

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

**STAFF:** Adams, Capots, Clabaugh, Groff, Henderson (Legal Counsel), Kohr, Lane, Marsh, McGuire, Olson, Roberts, Sandoe, Saylor, Warner, Wireback, and Zorbaugh.

**ALSO PRESENT:** Rob Calcara with AJM Packaging, Inc. and citizens as listed on the attached sign-in sheet.

**BOARD OF DIRECTORS ABSENT:** Rettew

### 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 December 16, 2016 as distributed.

**Motion:** M. Brubaker

**Seconded:** R.E. Gordon

**Adopted:** Unanimously

### Public Comment

There was no public comment.

### Staff Highlight

Mike Groff, Account Manager, discussed his role at LCSWMA.

### Chief Executive Officer

*Mr. Warner reported on the following:*

- LCSWMA finished 2016 strong with a \$10.2M surplus.
- Negotiations related to Covanta agreements at Lancaster WTE and SRMC (expiring December 31, 2017) are well underway, despite slow progress in 2016. LCSWMA made a proposal in November 2016, for which Covanta countered 86 days later. A significant gap between the proposals required a meeting between Mr. Warner and Derek Veenhof, Executive Vice President of Sustainable Solutions, to discuss possibilities for closing this difference. LCSWMA and Covanta will consider revised proposals in March 2017.
- Mr. Brubaker asked if the timeline for the Covanta agreement negotiations were on track for the end of the year, to which Mr. Warner commented there may be an extension if needed.

- Mr. Gordon asked if LCSWMA were to decide upon internalizing operations, rather than contract with Covanta, how much time would LCSWMA need to prepare. Mr. Warner replied with a minimum of 6 months.

### **Chief Financial Officer**

*Mr. Lane reported on the following:*

- LCSWMA's January surplus of \$1,112k exceeded the budget by \$652k due to higher volumes and higher proportional Contract Refuse associated with milder weather. This represents an improvement over the prior 3-month average (+\$649k) and the same period prior year (+\$847k).
- Expenses were in-line with January's plan. Operations, despite higher volumes, had good cost management. Administrative costs were nominally unfavorable on a combination of vacant staff positions being more than offset by a change in accounting practice (monthly payroll accrual).
- Commercial paper has been added as an investment option for 2017. Currently, Government is the bulk of LCSWMA's investment strategy, and therefore, the largest risk.

### **Action Items**

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

Chairperson Dzurik asked for a motion to approve the disbursements for December 2016, totaling \$6,105,647.44 and January 2017, totaling \$6,857,953.00

**Motion:** M. Brubaker

**Seconded:** K. Weibel

**Adopted:** Unanimously

### **Chief Operating Officer**

*Mr. Zorbaugh reported on the following:*

- All facilities were busy managing record waste volumes.
- Workforce development changes for Facility Directors took effect February 1, 2017 and are off to a positive start.
- Capping 8.2 acres of the Frey Farm Landfill is planned for Spring 2017. Mr. Brubaker asked if the cap system was porous, to which Mr. Zorbaugh commented that it was impervious to minimize leachate generation within the landfill. The purpose of a cap is to keep precipitation out of the waste in the landfill.
- The cooling tower project at the SRMC continues on schedule.
- The ash handling conveyor modification project at the Lancaster Waste-to-Energy Facility and SRMC also continues on schedule. This project is imperative to sell Renewable Energy Credits (RECs) in the New Jersey market.

## Action Items

### **1. BOARD ACTION NO. 3: PURCHASE OF SRMC HYDRAULIC EXCAVATOR, FFLF ARTICULATED OFF ROAD DUMP TRUCK AND SRMC TRI-AXLE DUMP TRUCK.**

Chairperson Dzurik asked for a motion to approve the purchase of a hydraulic excavator, articulated off-road dump truck, and a tri-axle dump truck.

**Motion:** M. Brubaker

**Seconded:** R.E. Gordon

**Adopted:** Unanimously

### **2. BOARD ACTION NO. 4: AWARD OF CONTRACT FOR THE FFLF CELL 6 CAP CONSTRUCTION PROJECT**

Chairperson Dzurik asked for a motion award the contract for the FFLF Cell 6 Cap Construction Project to Kinsley Construction, Inc. of York, PA.

**Motion:** K. Weibel

**Seconded:** J. Deerin

**Adopted:** Unanimously\*

**\* It is noted that Mr. Dzurik abstained from this vote.**

## Chief Business Development Officer

*Mr. Adams reported on the following:*

- LCSWMA worked with the Susquehanna River Basin Commission (SRBC) to determine if the Bainbridge Quarry, which was purchased by LCSWMA in 2015, could be used as a mitigative water resource through releasing water to the river during low-flow conditions.
- Bathymetry work was done in December 2015 to map the quarry floor, and it was determined there is 485 million gallons of water, with an approximate maximum depth of 130 feet.
- One issue is the invasive aquatic species, the Quagga Mussel. SRBC is looking at options to eliminate this issue and a UV light seems to be a good option. SRBC is in the process of getting a consultant to work through this issue.
- A pump test is planned for the August/September 2017, in which approximately 240 million gallons will be pumped out over a course of 30-45 days. The goal of the pump test is to see how quickly the quarry recharges.

## Director of Business Solutions

*Ms. Marsh reported on the following:*

- The 70% design package for Perdue was completed by Orbital Engineering in late January, along with disciplined installation bid packages (i.e. mechanical, electrical, civil/structural), which will be released by Covanta in March, to establish firm pricing for the labor necessary to complete the modifications at Lancaster WTE. Once installation bids are received and evaluated by Covanta, Covanta will be in a position to issue a full Steam Modification Proposal, along with firm pricing, to LCSWMA.
- Nick Kohr, Capital Projects Manager, reviewed via PowerPoint presentation, the Steam and Process Water modifications that are being made at the Lancaster waste-to-energy facility. Steam line and

extraction upgrades inside the plant are being made for export of steam to Perdue. A utility bridge is being constructed to house a steam export line, process water line, return process water line, and a return condensate line. A demineralized water system upgrade for boiler make-up water is taking place, and new process water pumps are being added to handle the increased flow to Perdue.

### **Action Items**

#### **1. BOARD ACTION NO. 5: RENEWABLE ENERGY CERTIFICATES SALE AGREEMENT**

Chairperson Dzurik asked for a motion to negotiate and execute a REC sale agreement with PSEG ERT and Engelhart CTP.

**Motion:** R.E. Gordon

**Seconded:** M. Brubaker

**Adopted:** Unanimously

### **Deputy Chief of Human Resources**

*Ms. Wireback reported on the following:*

- Recruiting for operational and professional positions represent the majority of HR efforts as of late. Most recently, five positions were offered, with five offers accepted within the same week.
- Changes are being made to LCSWMA's pension and 457 plans. Projected changes will simplify plan structure by eliminating optional vs. voluntary contributions, which include: 1) a Roth 457 plan will be added, 2) the ability to contribute after-tax to the Pension plan will be removed, and 3) the ability to double-up on the IRS maximum be removed.

### **Action Items**

#### **1. BOARD ACTION NO. 6: RESOLUTION 2017-1**

A resolution authorizing and approving amendments to the Authority's 457 deferred compensation plan and pension plan.

Chairperson Dzurik asked for a motion to approve Resolution 2017-1.

**Motion:** J. S. Ulrich

**Seconded:** J. Deerin

**Adopted:** Unanimously

### **Deputy Chief of Community Relations**

*Ms. Sandoe reported on the following:*

- DEP issued its harms/benefit letter for the FFLF VE project, which closed Phase I of their review. The Department proceeded to a technical review of the application (Phase II). LCSWMA received its first technical review letter in late January and is working with the ARM Group to respond. The technical review will continue through late Spring, with an anticipated issue of determination on permit issuance by DEP in May 2017.

### **Action Items**

#### **1. BOARD ACTION NO. 7: PURCHASE OF BIODEGRADABLE YARD WASTE COLLECTION BAGS**

Chairperson Dzurik asked for a motion to approve entering into a contract with AJM Packaging Corp. for the purchase of 483,200 Kraft bags. Municipalities reimburse LCSWMA for 100% of the total cost.

**Motion:** K. Weibel

**Seconded:** J. Deerin

**Adopted:** Unanimously

**Citizens Advisory Committee**

- Meeting dates for 2017 will be April 19<sup>th</sup> and November 15<sup>th</sup>.
- One new member, Kirsten Peachey, was added in January.

**Adjournment**

The Board Meeting adjourned at 9:47 a.m. after the Executive Session to discuss a Personnel matter. 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 April, 2017.**



Karen M. Weibel, Secretary