

Board of Directors • Meeting Minutes

DATE: November 18, 2016

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Brown, Clabaugh, Kohr, Lane, Marsh, McGuire, Olson, Paton, Roberts, Sandoe, Warner, Wireback, and Zorbaugh.

ALSO PRESENT: Solicitor Alex Henderson with Nikolaus & Hohenadel LLP, Jim Klecko with Covanta, and citizens as listed on the attached sign-in sheet.

BOARD OF DIRECTORS ABSENT: Dzurik

Opening

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

Approval of Minutes

Chairperson Ulrich asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of October 21, 2016 as distributed.

Motion: R. E. Gordon

Seconded: J. Musser

Adopted: Unanimously

Public Comment

Ms. Leslie Osbourne, a Manor Township resident, expressed her concerns regarding the Metals Recovery Facility at the Frey Farm Landfill.

Staff Highlight

Dan Brown, Environmental Compliance Specialist, discussed his role at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- LCSWMA continues to make good progress on all projects. Financial situation also continues to improve each month.
- The recent Presidential election should have no significant impact to the solid waste industry. It is hopeful that a new administration might result in a strong market for natural gas and less regulation on LCSWMA's two waste-to-energy facilities.
- NAWTEC conference slated to be held in Lancaster in 2018, with over 400 attendees expected. This creates a unique opportunity for LCSWMA to offer tours of its various sites and projects.
- LCSWMA petitioned for an exemption of proximity to a park in reference to the Frey Farm Landfill Vertical Expansion project at a recent Manor Township meeting.

- A DEP public hearing was held in Bainbridge concerning Perdue's need to purchase emissions credits for volatile organic compounds.

Action Items

1. BOARD ACTION NO. 2: RESOLUTION 2016-14

A resolution approving the adoption of the Lancaster County Solid Waste Management Authority Operating Budget, Capital Projects and Equipment Budget, and Rules and Regulations for 2017.

Chairperson Ulrich asked for a motion to approve Resolution 2016-14.

Motion: M. Brubaker

Seconded: J. Deerin

Adopted: Unanimously

2. BOARD ACTION NO. 3: APPROVAL OF EMPLOYMENT CONTRACT FOR LEGAL COUNSEL

Chairperson Ulrich asked for a motion to approve the employment contract with Alex Henderson.

Motion: B. Hammel

Seconded: K. Weibel

Adopted: Unanimously

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- Facility management has engaged an industrial cleaning contractor to power wash the interior wall and roof panels of the Transfer Station Complex's main building due to 10 years of diesel exhaust build-up. The difference in appearance has been dramatic and has improved the level of light within the tip floor.
- The SRMC plant experienced 198 hours of downtime due to build-up of molten, liquid-like substance on ash roller. The substance was tested and found nothing definitive. LCSWMA is refocusing waste screening efforts by staff on the tip floor, and the Covanta crane operators in an attempt to reduce the likelihood of such a wide spread issue within the units moving forward.
- Foundation excavation for SRMC's new cooling tower began the week of November 7th.
- Design drawings on the SRMC ash handling and ash storage building project are 40% complete and are being reviewed internally and with Covanta.

Chief Financial Officer

Mr. Lane reported on the following:

- LCSWMA's October surplus of \$657k was below budget by \$5k.
- Tipping revenue makes up the bulk of LCSWMA's revenue, with the majority coming from customers on account vs. cash and credit card transactions.
- 65% of revenue comes from the top 10 customers.

Action Items

3. BOARD ACTION NO. 4: SUMMARY OF DISBURSEMENTS

Chairperson Ulrich asked for a motion to approve the disbursements for October 2016 totaling \$7,469,169.38.

Motion: J. Deerin**Seconded:** B. Hammel**Adopted:** Unanimously**4. BOARD ACTION NO. 5: RESOLUTION 2016-11**

A resolution approving the appointment of Karen M. Weibel to the Board of Directors of the Government Self-Insurance Fund for a five-year term expiring on December 31, 2021.

Chairperson Ulrich asked for a motion to approve Resolution 2016-11.

Motion: M. Brubaker**Seconded:** L. Houck**Adopted:** Unanimously**Chief Business Development Officer**

Mr. Adams reported on the following:

- The SRMC Continuous Emission Monitoring System (CEMS) unit was replaced due to reliability issues with the previous antiquated system. The new, very advanced system provides real-time data which will allow Covanta to perform maintenance on CEMS with little to no downtime while improving compliance with air permit requirements

Director of Business Solutions

Ms. Marsh reported on the following:

- Perdue project progressed on schedule. Covanta made progress with Orbital Engineering to complete the preliminary engineering tasks necessary to develop a detailed design, including site survey and geotechnical work. LCSWMA staff began preparations for technical monitoring.
- Electric revenue for the month was below budget by \$97k at Lancaster WTE due to the continuation of depressed wholesale market conditions. The negative variance was offset by a \$24k positive variance for Renewable Energy Credits sales due to a strong operational month for Lancaster WTE, whereby energy production exceeded budget by 17%.

Action Items**1. BOARD ACTION NO.6: RESOLUTION 2016-12**

A resolution authorizing and approving the execution and delivery of Addendum No. 1 to the amended and restated Management and Professional Services Agreement with Covanta Harrisburg, Inc.

Chairperson Ulrich asked for a motion to approve Resolution 2016-12.

Motion: M. Brubaker**Seconded:** K. Weibel**Adopted:** Unanimously**2. BOARD ACTION NO.7: RESOLUTION 2016-13**

A resolution authorizing and approving the execution and delivery of the Modification Number 2016-1 of the previously amended and modified Covanta Service Agreement, dated September 25, 1987

Chairperson Ulrich asked for a motion to approve Resolution 2016-13.

Motion: B. Hammel**Seconded:** M. Brubaker**Adopted:** Unanimously

Deputy Chief of Human Resources

Ms. Wireback reported on the following:

- Human Resources collaborated with Community Relations in the “Rally to Raise” challenge. A three-week long challenge to match LCSWMA’s contribution of \$10,000 in conjunction with the November 18th Extraordinary Give.
- LCSWMA continued to partner with Korn Ferry/Hay Group for leadership development with the objective to prepare Executive Team for future success, growth and transitions, including development of their team. Focus was also on implementation of Innovation, increasing collaboration and partnership among Executive Team, and equipping team with key skills needed to manage complex projects.

Deputy Chief of Community Relations

Ms. Sandoe reported on the following:

- CAC meeting was held on November 16th, where two new members were welcomed to the committee: John Spear and Benjamin Davis. Jim Warner provided a brief history of LCSWMA and the CAC’s purpose, while Katie Sandoe provided an overview of all current LCSWMA projects.
- LCSWMA’s public tours program has grown 60% over the last three years, giving 80 tours annually and totaling 2,000 individuals. The average tour size is 25 people and participants include 9 local higher-education institutions and 8 local high schools. Specialized tours are also offered for civic and specialized industry groups. LCSWMA’s Community Outreach Coordinator, Allison Vollmer, manages the program.

Other Business

Nominating Committee appointments: Mr. Les Houck, Mr. Joe Deerin, Mr. John Musser, will serve as the Board of Directors’ nominating committee in 2017.

Adjournment

The Board Meeting adjourned after the Executive Session to discuss Personnel matters. No Board action was taken.

APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 16th DAY OF December, 2016.


John K. Musser, Secretary