

## Board of Directors' Meeting Minutes

**Date:** November 20, 2015

**Time:** 7:30 a.m.

**Meeting attended by: Board of Directors:** Brubaker, Deerin, Dzurik, Gordon, Hammel, Houck, Musser, Ulrich, and Weibel. **Staff:** Warner, Adams, Kohr, Marsh, Mauck, McGuire, Olson, Pruden, Sandoe, Saylor, Vollmer, Wilhelm, Wireback, and Zorbaugh. **Also present were:** Solicitor Alex Henderson and Associate Brandon Harter, Nikolaus & Hohenadel, LLP; Jim Klecko, Covanta; and citizens as listed on the attached sign-in sheet.

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

### APPROVAL OF THE 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 16, 2015 as distributed.

**Motion:** R. E. Gordon

**Seconded:** S. Dzurik

**Adopted Unanimously**

### PUBLIC COMMENT

There was no public comment.

### "BEHIND THE SCENES" STAFF MEMBER

Michelle Marsh, Special Projects Coordinator, discussed her role at LCSWMA.

### CHIEF EXECUTIVE OFFICER - Mr. Warner reported on the following:

- Financial performance was extremely strong in October. Generating an operating surplus of \$688,000. YTD operating surplus is now at \$8.57 million.
- The 2016 Operating and Capital Budget offers a very sound budget, including making necessary capital improvements to the system.
- A brief overview and update was given of the SRMC financial performance during the first two years of operation.
- There will be an Executive Session for Personnel matters.

### ACTION ITEM:

1. **Resolution 2015-8: Approval of 2016 Operating and Capital Budgets and 2016 Rules and Regulations**

**Chairperson Ulrich** asked for a motion to approve the 2016 Operating and Capital Budgets and Rules and Regulations.

**Motion:** R. E. Gordon

**Seconded:** J. Musser

**Adopted Unanimously**

**CHIEF OPERATING OFFICER - Mr. Zorbaugh** reported on the following:

- All facilities operated well in October. However, there was some significant unscheduled downtime at both waste-to-energy facilities.
- The Lancaster WTE, FFLF, and SRMC received DEP site inspections. All facilities were found to be operating well within regulatory parameters.
- DEP officials issued a construction certification for the Transfer/Maintenance/Admin (TMA) building at the SRMC and toured the building prior to opening. Very positive comments were expressed regarding the new building.
- SRMC:
  - Staff relocated operations to the new TMA building on Friday, 11/6 and opened to customers on Monday, 11/9. During the first week of operation, the building averaged 45 vehicles per day. Customers are very happy with the new building.
  - Annual Hauler Customer Meeting held at SRMC was well attended. Received positive comments from the customers, including numerous comments about the significantly reduced on-site time at the facility.
  - The plant experienced 118 hours of unscheduled downtime.
- Lancaster WTE:
  - Plant power output per ton showed a positive increase of slightly above 3% from the YTD figure and 3.7% above 2014 YTD figures.
  - A thunderstorm related event late in the month knocked the plant off-line. The utility took over 8 hours to clear the line for reconnecting the plant to the grid. This delay resulted in all three boilers going off-line and 69 hours of lost electric export.
- FFLF:
  - Received recertification of natural area for wildlife habitat at the FFLF and Creswell Landfills. Chestnut Grove Natural Area project finished second at the national Wildlife Habitat Council annual conference for project of the year. Jeff Musser attended the conference. Real credit to our staff.
  - Completed the fall trash collection event for residents along the designated roadways, as outlined in the amended PALE Consent Order. A total of 63 residents participated, which accounts for 40% of the residents on the list.
- TSC:
  - Tonnages remain very positive as the mild weather extended through the month. Continued to receive large volume of residual waste from Armstrong.
  - The new faster paint can processor at HHW has reduced staff time of 20 hours per week as a result of efficiency improvements.

- Technical Services:
  - Anticipate DEP response comments related to the FFVE permit review before the end of the year.

**ACTION ITEM:**

***1. Purchase of Eight (8) Transfer Trailers***

Chairperson Ulrich asked for a motion to approve the purchase of eight (8) transfer trailers for \$762,444.24

**Motion:** L. Houck                      **Seconded:** J. Musser                      **Adopted Unanimously**

**CHIEF FINANCIAL OFFICER – Mr. Pruden** reported on the following:

- The net surplus for October exceeded budget. Year-to-date, LCSWMA continues to exceed budgeted net surplus expectations.
- Overall tonnage was up, driven by continued strong delivery of residual waste.
- Operating and Administrative Expenses continue to be managed well and came in lower as compared to budget.
- Tipping Fee/Tonnage Revenue:
  - Residual tonnage and revenue exceeded budget.
  - C/D overall surpassed budget in October. The SRMC remains steady and consistent.
  - Residual waste stream business continues to be strong as tonnage and revenue exceeded budget.
- Electric revenue exceeded budget.
- Lower global market prices for metal continue to negatively impact the revenue realized from metal recovery sales.
- Administrative expenses were lower to budget. Full collection on a previously written-off bad debt of \$46,000 was completed.

**ACTION ITEMS:**

***1. Summary of Disbursements***

Chairperson Ulrich asked for a motion to approve the disbursements for October 2015 totaling \$8,808,079.

**Motion:** K. Weibel                      **Seconded:** J. Musser                      **Adopted Unanimously**

***2. Resolution 2015-9: Pension Plan Year Change***

Chairperson Ulrich asked for a motion to approve the change.

**Motion:** R. E. Gordon                      **Seconded:** B. Hammel                      **Adopted Unanimously**

### **3. Appoint Audit Committee**

**Chairperson Ulrich** asked **Mr. Houck, Mr. Gordon, and Mr. Deerin** to serve on the Audit Committee. All three Board members agreed and were appointed.

#### **CAPITAL PROJECTS** – **Mr. Wilhelm** reported on the following:

- SRMC TMA Building Construction:
  - All contract work on the TMA building is substantially complete.
  - The project turned out well. Anticipated completion of the project at \$16k under budget.
- TSC:
  - Administration Building Lunchroom Project construction is progressing well. The project is on schedule to be completed by November 30<sup>th</sup>.
- Northwest Lancaster County River Trail:
  - Coordinated construction activities on the Lancaster County section, which is between Marietta and Columbia.
  - Evans Run Bridge in Marietta has been constructed in two sections.

#### **BUSINESS DEVELOPMENT, PLANNING, & RECYCLING** – **Mr. Adams** reported on the following:

- SRMC Capital Expenditures:
  - Replacing the cooling tower is necessary at the SRMC. The current cooling tower is in very poor condition. This replacement was expected and is budgeted for the spring of 2017. Also, evaluating the use of an alternate water source, such as well water or waste water treatment plant effluent water.
- Energy Manager:
  - LCSWMA and the Department of General Services (DGS) are working together to secure an energy manager to administer energy sales from both SRMC and Lancaster WTE. The current agreement will not be extended upon expiration. LCSWMA will need an energy manager to perform the financial settlement function with PJM, as all the energy generated will be sold into the PJM grid beginning February 1, 2016.
- Communications:
  - Hosted several annual meetings, including separate Lancaster and Harrisburg hauling customer meetings and the Manor Township public meeting.
  - Attended the Columbia Halloween Parade, welcomed students from three different colleges to the WTE Facility for Fall College Tour Days, participated in the Extraordinary Give.

- Recycling:
  - The revenue received for metals continues to be well below budget. The extremely low rates are attributed to oversupply of scrap metal and very little demand for US scrap. For comparison, LCSWMA received \$140 per ton for the Lancaster WTE ferrous metal in October 2014 versus \$26 per ton in October 2015.

**CITIZENS ADVISORY COMMITTEE**

The CAC meeting was not held in November because the CAC did not have a quorum.

**OTHER BUSINESS**

Nominating Committee appointments: **Mr. Musser, Mr. Houck, Ms. Weibel**, will serve as the Board of Directors' nominating committee in 2016.

**EXECUTIVE SESSION**

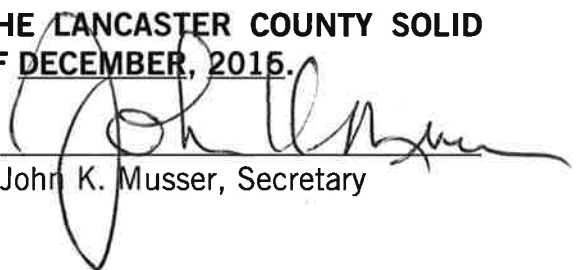
An Executive Session was held to discuss personnel.

**ADJOURNMENT**

**Chairperson** Ulrich asked for a motion to adjourn the meeting at 10:30 a.m.

**Motion:** J. Deerin                      **Seconded:** L. Houck                      **Adopted Unanimously**

**APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 18<sup>th</sup> DAY OF DECEMBER, 2016.**

A handwritten signature in black ink, appearing to read "John K. Musser", is written over a horizontal line. Below the line, the name "John K. Musser, Secretary" is printed in a black, sans-serif font.