

Board of Directors • Meeting Minutes

DATE: December 16, 2016

TIME: 7:30 a.m.

Attendance

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

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

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

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 November 18, 2016 as distributed.

Motion: J. Deerin

Seconded: B. Hammel

Adopted: Unanimously

Public Comment

Ms. Leslie Osbourne, a Manor Township resident, requested Mr. Warner include discussion on Manor Township Representative's November trip to the Inashco plant, in Massachusetts, as part of his report.

Recognition

Commissioner Lehman presented Barbara Hammel with a commendation letter from all of the Lancaster County Commissioners, in recognition of her 25 years of service on the LCSWMA Board of Directors.

Staff Highlight

Ben Maule, Customer Logistics Manager, discussed his role at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- On Jim's behalf, Katie Sandoe discussed Manor Township's Inashco trip. Four representatives of Manor Township visited the Inashco facility on November 15th. Brandon Clark (Supervisor Chair), John Wenzel (Supervisor), Ryan Strohecker (Township Manager) and Nick Ebersole (Zoning Officer). They toured the facility, met public officials received informed/asked questions that would be of relevance to the metals recovery facility planned for the Frey Farm Landfill in Manor Township.
- Financially, LCSWMA is ending the year in a strong position. However, energy sales continued to be a drag. But with recent, colder weather, some headway was made.

- LCSWMA continued to push all major projects forward, as scheduled.
- Confirmed Mr. Brubaker's assumption that any environmental guidelines, due to the recent presidential election, would minimally affect LCSWMA. It was stated that most guidelines are regulated by the state, rather than the federal government.

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- Plant performance at the SRMC was very exceptional at 98.8%.
- The cooling tower at the SRMC facility continued to progress and updated photos will be provided at the next meeting.

Action Items

1. BOARD ACTION NO. 2: PURCHASE OF TSC WHEEL LOADER, TSC WALKING FLOOR TRAILERS (7), FFLF TRACK DOZER AND FFLF USED ROAD SWEEPER.

Chairperson Ulrich asked for a motion to approve the purchase of a used road sweeper, wheel loader, seven walking floor trailers, and a track dozer.

Motion: M. Brubaker

Seconded: K. Weibel

Adopted: Unanimously

2. BOARD ACTION NO. 3: PURCHASE OF 2 YARD TRUCKS

Chairperson Ulrich asked for a motion to approve the purchase of 2 yard trucks.

Motion: L. Houck

Seconded: J. Musser

Adopted: Unanimously

3. BOARD ACTION NO. 4: RESOLUTION 2016-15

A resolution ratifying the purchase of real estate in Manor Township, known as 3044 River Road, Conestoga, Pennsylvania.

Chairperson Ulrich asked for a motion to approve Resolution 2016-15.

Motion: J. Deerin

Seconded: S. Dzurik

Adopted: Unanimously

Chief Financial Officer

Mr. Lane reported on the following:

- LCSWMA's November surplus of \$787k was below budget by \$203k due operating and administration expenses.
- Robust refuse and C&D volumes continued to drive a tipping revenue surplus of \$350k, which offset the larger energy revenue shortfall of \$296k.
- 2016 is closing close to budget, which indicates the organization is operating effectively.
- The Reserve balance began the year at \$36.5M and will end at \$41.5M.
- Mr. Brubaker asked for feedback on the targeted reserve fund, to which Mr. Lane responded that the reserve balance is continuously evaluated and will be presented within metrics such as:

months of expenses or months of revenues equivalent, as a result of an unplanned system disruption, unplanned capital requirements, or opportunity funds needed to take advantage of technology or business developments.

- Mr. Brubaker asked about the general portfolio investment approach for the opportunity funds. Mr. Lane responded that LCSWMA's investment approach hasn't changed in any material way in the past 18 months and is compliant with municipal investment criteria. He also noted that the update of ACT10 in May of the current year allows for LCSWMA to utilize commercial paper which was being evaluated. It was noted that ACT 10 limits commercial paper instruments to 10% of LCSWMA's portfolio, so this will never be a primary investment strategy but will continue to be evaluated as an additional diversification option.

Action Items

1. APPOINT AUDIT COMMITTEE

Chairperson Ulrich asked Mr. Gordon and Mr. Deerin to serve on the Audit Committee along with him. All Board members agreed and nominated members were appointed.

2. BOARD ACTION NO. 5: SUMMARY OF DISBURSEMENTS

Chairperson Ulrich asked for a motion to approve the disbursements for November, totaling \$5,854,944.79.

Motion: J. Musser

Seconded: B. Hammel

Adopted: Unanimously

3. BOARD ACTION NO. 6: PROPERTY AND CASUALTY INSURANCE RENEWALS

Chairperson Ulrich asked for a motion to approve the property and public officials and employment practices liability insurances be renewed with AIG, the Umbrella coverage and Cyber Liability be awarded to AIG, and Crime and Fiduciary Liability coverage renewed with Travelers.

Motion: M. Brubaker

Seconded: S. Dzurik

Adopted: Unanimously

- Mr. Dzurik inquired as to the specific descriptions that were elected for the cyber security policy addendum. Mr. Lane introduced Ms. Olson and Ms. Clabaugh, who commented on the policy details. Mr. Lane volunteered to follow up with additional clarifications after the meeting.

Chief Business Development Officer

Mr. Adams did not report on any items this month.

Action Items

1. BOARD ACTION NO. 7: RESOLUTION 2016-16

A resolution Authorizing and Approving the Execution and Delivery of Addendum No. 2 to the Amended and Restated Management and Professional Services Agreement with Covanta Harrisburg, Inc.

Chairperson Ulrich asked for a motion to approve Resolution 2016-16.

Motion: S. Dzurik

Seconded: J. Musser

Adopted: Unanimously

Director of Business Solutions

Ms. Marsh reported on the following:

- Perdue continued to progress rapidly. Covanta is to receive their 40% package from Orbital Engineering this week, which will include an estimate for the total project price, as well as the construction timeline.
- Wholesale electric pricing for 2016, YTD is at \$25.72/MWh vs. budgeted \$37.50/MWh.
- Natural gas and weather were the largest drivers of \$/MWh. 2017 is expected to see an average of \$25.55/MWh.
- Working on setting up a January/February hedge for about 1/3 of generation at the Lancaster Waste-to-Energy Facility.
- Recreation and trail grants were awarded on December 15th with Conoy Township being granted \$480,000 to complete the Northern portion of the Lancaster County Northwest River Trail, and Manor Township being granted \$800,000 for a bridge for the Enola Trail.

Deputy Chief of Human Resources

Ms. Wireback reported on the following:

- Workforce Development saw many milestones in 2016, which include staff assessments, identified development opportunities, themes and training needs, partners and resources, as well as planning for educational outreach.
- Operational management changes to occur in 2017, which will provide opportunities to strengthen the leadership of key operational staff. There will be three temporary (6-month) assignments, beginning in February 2017. They include Jeff Munster as the Interim Innovation/Sustainability Director, John Ridinger as the Interim TSC Facility Director, and Bobby Barton as the Interim SRMC Facility Director.

Action Items

1. BOARD ACTION NO. 8: REVISION TO THE LCSWMA STATEMENT OF EMPLOYMENT POLICIES, PROCEDURES AND BENEFIT DOCUMENT: EDUCATIONAL ASSISTANCE

Chairperson Ulrich asked for a motion to approve the revisions to the Statement of Employment Policies, Procedures and Benefits: Educational Assistance effective January 1, 2017.

Motion: J. Deerin

Seconded: M. Brubaker

Adopted: Unanimously

Deputy Chief of Community Relations

Ms. Sandoe reported on the following:

- DEP is finalizing the Harms/Benefit letter for Phase I of the Frey Farm Landfill Vertical Expansion permit application. LCSWMA anticipates receiving the deliverable by the end of December.
- LCSWMA's online outreach activities continue to realize high-volume impact. For the month, over 7k unique users visited the website (58k YTD), of which 44% accessed the site on a mobile device.

- Social media engagement is also trending upward, with 10.8k impressions across our four platforms (Twitter, LinkedIn, Instagram, and Pinterest).
- The goal for 2017 is to introduce more platforms and more targeted online ad campaigns.

Citizens Advisory Committee

- Meeting dates for 2017 will be April 19th and November 15th.
- There will be 11 members with some suggestions for a few new members.

Other Business

The Nominating Committee made the following recommendations for officers in 2016:

Steve Dzurik	Chairperson
Joe Deerin	Vice Chairperson
Ed Gordon	Treasurer
Karen Weibel	Secretary

All nominees have agreed to accept their positions.

1. THE BOARD APPROVES THE OFFICERS AS NOMINATED FOR THE 2017 TERM

Motion: L. Houck

Seconded: M. Brubaker

Adopted: Unanimously

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 17th DAY OF February, 2017.



Karen M. Weibel, Secretary