



Board of Directors • Meeting Minutes

DATE: July 22, 2016

TIME: 7:30 a.m.

Attendance

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

STAFF: Warner, Adams, Capots, Kohr, Lane, Lantz, Marsh, Mauck, McGuire, Olson, Roberts, Sandoe, Sands, Wireback, and Zorbaugh.

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

BOARD OF DIRECTORS ABSENT: Brubaker, Dzurik, Hammel

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. Correction requested by Mr. Warner under Finance should read; YTD, the net surplus stands at \$3.2M. A motion was requested to approve the Minutes of June 17, 2016 as corrected.

Motion: L. Houck

Seconded: J. Musser

Adopted: Unanimously

Public Comment

Ms. Leslie Osbourne, a Manor Township resident, requested LCSWMA withdraw its Petition before the Manor Township Supervisors.

Staff Highlight

Lindsay McGuire, Human Resources Manager, discussed her role at LCSWMA. She also introduced Kaci Roberts as the new Executive Support Coordinator at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- Discussion on adding additional credit to the Dauphin County revenue shortfall account.

Finance

Mr. Warner reported on the following:

- Introduced Mike Lane as the new Chief Financial Officer at LCSWMA.
- Financial surplus of \$1.41M exceeded budget by \$324K.
- Tipping revenue and Energy revenue were both above budget.
- Site expenses above budget by \$39K. Administrative expenses above budget by \$64K.

- LCSWMA's net surplus YTD is down \$4.59M vs. budget surplus of \$4.65M.
- Sale to Perdue occurred in June: \$2.2M was deposited into Capital Reserves.

Action Items

1. SUMMARY OF DISBURSEMENTS

Chairperson Ulrich asked for a motion to approve the disbursements for June 2016 totaling \$6,053,608.36.

Motion: K. Weibel

Seconded: J. Deerin

Adopted: Unanimously

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- All LCSWMA facilities operated well, with all sites experiencing very busy customer traffic and the associated inbound tons. Staff continues on scheduled Capital Improvement projects at the various facilities as well as maintaining environmental compliance with all regulatory permits.
- Dean Frey, a long tenured employee, retired after 38 years of employment with LCSWMA.

FACILITIES

- The Lancaster WTE facility ran very well with all three units achieving 100% availability.
- The Transfer Station continued to see record or near record inbound tons delivered with June achieving a new monthly record for inbound tons (700 vehicles/day).
- Frey Farm Landfill staff continued placement of cover and hydro-seeding.
- SRMC boiler availability improved from the previous two months, as the units operated 97.4% in June. A 48-hour cleaning outage was completed on unit #2 by Covanta. Inbound transactions increased 21% YTD.

CAPITAL PROJECTS

- Continue to work with Inashco on finalizing the footprint and layout for the proposed ash processing facility.
- Progress continued on developing Frey Farm Vertical Expansion construction drawings and bid specifications.
- Review for final design of ash handling modifications at both SRMC and WTE. Evaluation of engineering design services project proposal for WTE modifications.

ENVIRONMENTAL COMPLIANCE

- Staff completed minor permit modification application for SRMC cooling tower replacement project.
- EMS (ISO 14001) program audit completed with no items of non-conformance noted and favorable comments on staff awareness and training.

Action Items

1. PURCHASE OF A USED BACKHOE

Chairperson Ulrich asked for a motion to approve the purchase of a used backhoe from Highway Equipment & Supply Co. in the amount of \$67,384.00.

Motion: L. Houck

Seconded: J. Musser

Adopted: Unanimously

Chief Business Development Officer

Mr. Adams reported on the following:

SERVICE AGREEMENT NEGOTIATIONS

- LCSWMA and Covanta continue negotiations for the terms of new service agreements for Covanta to operate both the Lancaster WTE and SRMC beyond the expiration of those agreements on December 31, 2017. The current focus of the negotiations is the allocation of capital expenditures to be invested in the facilities over the term of the next service agreements.

SRMC COOLING TOWER REPLACEMENT

- LCSWMA, HDR and Covanta continue preparations for replacement of the SRMC cooling tower in May 2017. The cooling tower has been procured by Covanta from EvapTech for \$780,000. Three circulating water pumps were also procured for \$490,000. A final procurement package for site work, electrical, mechanical, and construction of concrete basin is being developed by Covanta and will be released in early August.

SYSTEM REVENUE

- 2nd Quarter tipping fees were \$3.1M exceeding the budget by \$1.8M. Refuse, C/D, and residual waste all outperformed budget. Core business of Lancaster County refuse revenue exceeded budget by 4.2% which exceeded 2015 by 5.0%. Energy revenue for first half of 2016 was \$7.1M vs. budget of \$9.4M.

Deputy Chief of Community Relations

Ms. Sandoe reported on the following:

- Introduced Rachael Lantz as the new Marketing Manager at LCSWMA.

Adjournment

The Board Meeting adjourned after the Executive Session to discuss Frey Farm Landfill Vertical Expansion litigation matters. No Board action was taken.

Chairperson Ulrich asked for a motion to adjourn the meeting at 9:45 a.m.

Motion: L. Houck

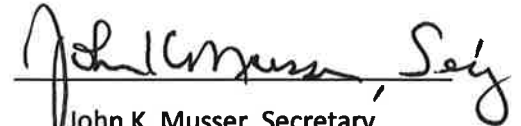
Seconded: R. E. Gordon

Adopted: Unanimously



July 22, 2016 BOD Meeting Minutes

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


John K. Musser, Secretary