

MINUTES OF THE BOARD OF DIRECTORS MEETING

NOVEMBER 18, 2011

The Board of Directors of the Lancaster County Solid Waste Management Authority met on **Friday, November 18, 2011 at 7:30 a.m.**, at the Authority office, 1299 Harrisburg Pike, Lancaster, PA.

Chairperson Gordon requested a moment of silence. The pledge to the flag followed.

ATTENDANCE

Board Members present were: Chairperson Gordon, Ebel, Hammel, Houck, Kassees, Musser, Ulrich, and Weibel. Absent was Rosier. Staff present were: Warner, Adams, Forster, Norris, Olson, Sandoe, Wilhelm, Wireback, Zorbaugh, and Ramsden-Herr. Also present were: Solicitor Alex Henderson III, Hartman, Underhill & Brubaker; Jim Klecko Dave Nowotarski, and Kevin Connor, Covanta; and citizens as listed on the attached sign-in sheet.

APPROVAL OF THE MINUTES

Mr. Gordon asked about additions or corrections to the minutes of the October 21, 2011 meeting. **Mr. Musser** moved to approve the minutes as distributed. **Ms. Hammel** seconded. **Mr. Gordon** called a vote; the motion passed unanimously.

PUBLIC COMMENT

There were no comments from the public.

CHIEF EXECUTIVE OFFICER – Mr. Warner reported on the following:

October was a very good month. Staff has been extremely busy with many projects. In particular, the Business Development department has had many projects in October. There have been numerous meetings concerning the Perdue project. One meeting, specifically, was with Perdue and Covanta to discuss the estimated \$3 million retrofit to provide utilities that Perdue will need. Whatever the project's final cost is, under the agreement with Perdue, will be 100% paid by Perdue. Most of the work is in relation to providing process water, steam, treating returned water, etc.

The City of Harrisburg has now failed to submit a consent agreement or plan to DCED. Therefore, under the legislation that recently passed, they will now be subject to a receivership by the state. This means the state will appoint a person who will have a



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budget to hire support staff to draft and implement a recovery plan. The receiver will have full control of the implementation of the plan to come up with the funds to settle the outstanding debt. The most common amount discussed is about \$310 million. It is probably higher now as interest continues to accrue. LCSWMA expects the state to name a receiver in the next few business days. LCSWMA will reach out through various channels to that receiver. A letter was submitted to DCED several weeks ago, letting them know that LCSWMA is ready, willing and able to assist the receiver with matters regarding the Harrisburg WTE facility. LCSWMA met with the Harrisburg Authority (THA) on November 2, 2011. They informed LCSWMA that, under a Resolution passed by City Council last year, THA feels they need to follow the instruction to do a Request for Proposals (RFP) process and negotiate from there based on the response to the RFP. LCSWMA was disappointed because it was under the impression THA's team was coming to the meeting to further discuss the proposals LCSWMA had made in March and May of 2011. At this point, LCSWMA decided to close the meeting, wait for the naming of a receiver, and begin discussions with whomever is appointed, or wait for an RFP issuance by THA and then respond. When a receiver is appointed, the receiver will need to decide how to go about selling the Harrisburg WTE plant. **Mr. Adams** will update the Board during his report on what has been done with regards to LCSWMA's preparations and what has been done in support of a receiver being named.

Mr. Gordon asked if the bankruptcy ruling is still coming up soon for the City of Harrisburg.

Mr. Warner replied that the Federal Bankruptcy Judge, Mary France, is scheduled to hold a hearing on November 23, 2011. At the hearing, Judge France will listen to oral arguments for and against the bankruptcy petition filed by the four members of the city council. There is no way to predict what the outcome will be. It is possible that the Judge may deny or grant the petition at the hearing or listen to the arguments and make a decision later.

Mr. Henderson noted that a hearing and a ruling are very different and the timing of the Governor filing a petition to appoint a receiver comes into consideration. It is expected that the Governor will file a petition in the next few days, which must be within thirty days after declaring the fiscal emergency on October 24, 2011. The timeframe to receive a ruling from the Judge could be close or it could be delayed for months.

Mr. Warner added that it would seem the state wants to have the receivership started as soon as possible. The only thing that would delay the process would be the allowance of the bankruptcy petition. In this case, negotiations to purchase the facility will happen through a different channel. There does not seem to be an option that excludes the necessity to sell the asset. Recently the city council, in their effort to negotiate a consent agreement, managed to get the entire council to agree that the waste-to-energy plant must be sold and the parking assets should be leased. Therefore, there is general agreement that, to get out of the situation, disposition of these two assets is necessary.

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- **Resolution 2011-9: Preliminary Operating and Capital Budgets and Rules & Regulations** – The operating and capital budgets were presented to the Board last month for review. Each year LCSWMA reviews its rules and regulations; changes that are made generally are limited to changes in terminology and small issues. Important to note this year is that the budget contains no tipping fee increases recommended for next year. The budget also reflects some significant capital improvements. The largest of these improvements is the completion of the soil borrow project that began earlier this year. It is recommended that the Board approve Resolution 2011-9: Preliminary Operating and Capital Budgets and Rules & Regulations.

Mr. Gordon read the list of Exhibits recommended for approval by the Board.

On motion by **Mr. Kassees**, second by **Mr. Ebel** and unanimous vote, Resolution 2011-9: Preliminary Operating and Capital Budgets and Rules & Regulations was approved.

Ms. Weibel commended staff on a job well done in organizing the budget and providing detailed explanations to the Board.

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

- **Accounting/Administration** – October was a positive month for LCSWMA as it was able to meet financial budget expectations. The Authority contributed \$420,000 to the reserves for the month, which was on budget. So far this year, the Authority has contributed slightly over \$1.9 million above budgeted contributions to the reserves. LCSWMA held employee meetings to review the changes to the healthcare program that will take place on January 1, 2012 as a result of joining the Intergovernmental Insurance Cooperative.
- **Facility Operations** – October was a good month for all facilities. There were two PADEP inspections at the Frey Farm landfill and one at the Waste-to-Energy Facility (WTE). All facilities were found to be operating well within regulatory parameters. At the Frey Farm Landfill, the select waste layer has been placed in subcell 6B to cover the cell floor and it is now about 70% covered. The annual haulers' meeting was held to update the haulers about any changes to the Rules and Regulations and tipping fees for 2012, along with an update of ongoing Authority Capital Projects. The meeting was well-attended with approximately 20 people representing most of the significant haulers in Lancaster County. The meeting went very well and the feedback from the hauling community was very positive in regards to the planned 2012 rates and operations in general throughout 2011. The haulers were very pleased with LCSWMA's outreach to them during the flooding event with extended hours and all the improvements that have been made at the sites to expedite turn-around times.

Mr. Warner added that **Mr. Zorbaugh** makes great efforts to inform the haulers of road closures, weather events, or other issues that may affect the hauling community reaching LCSWMA's facilities. **Mr. Zorbaugh** stays in constant communication with the haulers

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that comprise most of LCSWMA's business. One thing noted during the meeting was that this communication and advisement for events affecting LCSWMA's facilities is very much appreciated. Unfortunately, many of LCSWMA's peers do not consider this as standard operating procedure.

- **House Bill 291** – This bill was signed into law to raise the minimum bid price requirement for purchases, construction projects, etc. For many years, the cost was \$10,000. This has been raised to \$18,500 with an annual escalator based on the CPI that is capped at 3%. The impact to LCSWMA will be minimal and may only save one or two projects or small purchases each year that require a bidding process.

Mr. Warner asked if Mr. Houck had any insight into why the bill only raised the price to \$18,500 and not higher.

Mr. Houck speculated this was most likely due to the need to advertise bids. The newspapers will lose money from the loss of bids being advertised. A lot more money would be saved if advertising the bids could only be done electronically.

Mr. Warner added that if the \$10,000 limit had been escalated at CPI all along, it would be higher than \$18,500 by now.

Ms. Weibel noted that for Lititz Borough, the savings from this bill will be great.

- **Waste Stream Management** – Generally, waste flows were positive in October. Total tons exceeded budget by 15%. The total tonnage exceedance was driven by residual waste as event business that was not budgeted continued in October, such as the Harrisburg Authority ash and an Armstrong Ceiling Plant product destruction project, which contributed significantly to the tonnages for the month. Refuse tons lagged slightly behind budget as did Construction/Demolition, although Construction/Demolition was only 1% below budget, which is better than the year-to-date performance (-7%).
- **Safety** – The Authority had another safe operating month in October. Consecutive days worked without a lost-time accident is now over 1,100 days. LCSWMA has received two awards from Raffles this year. The first award is for safe driving between 200,000 and 1,000,000 miles without any accidents. This is the second consecutive year that LCSWMA has received this award. The Authority will let all the drivers know that they have earned this award. This is a great achievement on behalf of the organization. The second award was based on the risk assessment ratings that Raffles utilizes. LCSWMA received the second highest total points score in the heavy-duty specialty business category. Much of this was continued improvement with some of LCSWMA's policies and programs, such as driver safety training and risk control aspects that continue to improve.

Mr. Gordon noted that it is always good to see the safety record continue to grow.

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Mr. Warner added that points are also given for participating in Raffles.

Mr. Zorbaugh noted that the Safety Manager has attended symposiums on safety and found them to be very beneficial. Many of the ideas shared at these functions have been incorporated and the Safety Manger has gained a lot of insight and contacts that help to enhance LCSWMA's safety program.

Mr. Warner said that the move to Raffles has been very beneficial to the Authority. In another year, it is expected that LCSWMA will receive a dividend in 2013 for the premiums it has been paying after four years of being with Raffles.

Mr. Gordon asked if the regional workshops are also being attended by LCSWMA representatives.

Mr. Zorbaugh replied that staff attends the regional meetings also.

Ms. Weibel said that the press in this industry shows how hazardous the industry is and makes it more impressive to see companies working safely.

Mr. Warner agreed that it is a dangerous industry. However, LCSWMA is fortunate as the transferring of waste is a bit less dangerous than traveling a route and picking up waste on side streets, etc. Nevertheless, the dangers are there with the very heavy equipment that is used.

Mr. Zorbaugh added that one item stressed at the waste haulers' meeting was the enhancement of safety gear required at LCSWMA facilities. It is very important to the Authority to keep the customers and employees safe.

FINANCE - **Ms. Olson** reported on the following:

- **Actual vs. Budget** – Revenue was up due to the increase in residual tonnage in October. Residual waste was up by \$209,000. Energy revenue was below budget due to a downed tree that knocked out the power line that allows the WTE plant to export electricity to Met-Ed. The tree fell during the snowstorm that occurred in October. However, a claim of \$46,000 will be submitted to the GSIF Board for reimbursement of the lost energy revenue. CO₂ Offsets were below budget due to the inclusion of a sale of these offsets in the budget for October that did not occur. Recyclable sales were above budget due to higher than budgeted metal prices along with receipt of the electronic waste collected at the Household Hazardous Waste Facility, which started in July, totaling about \$7,000 per month. Total expenses were above budget by \$197,000. The majority of the higher expenses in the Operations section is again due to fuel prices being higher than budgeted, accounting for about \$25,000 of the expenses. Support expenses were above budget in total. Administrative Services was above budget due to the paving of the turn lane on Harrisburg Pike and a few other expenses that occurred in October, but were budgeted earlier in the year. Energy Administration was above budget due to the increase in the RRF annual fee



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adjustment accrual from the unexpected tons that occurred in September because of the flood event.

Mr. Warner – Mentioned that as a point of interest, the billboard that is shown in the pictorial was from a barter transaction with Lamar Advertising. Every five years or so, Lamar updates the computers within the company and brings them all to the Household Hazardous Waste Facility. Normally, a business would be charged for this type of item. Lamar offers to pay in trade and gives LCSWMA a billboard for a few weeks to pay for the service. The billboard is on Route 462, near the location of the old drive-in.

- **Approval of Disbursements** – Cash disbursements for October totaled \$4,138,164. The total amount of disbursements for October requiring Board approval is \$4,138,164.

On motion by **Ms. Hammel**, second by **Mr. Musser** and unanimous vote, the Summary of Disbursements for October 2011 in the total amount of \$4,138,164 was approved.

- **Resolution 2011-10: Reappointment of Government Self-Insurance Fund (GSIF) Board Members** – **Ms. Hammel** represents LCSWMA on the GSIF Board and her term expires on December 31, 2011. **Ms. Hammel** has been an asset to the Board lending her knowledge of the Authority's business policies and is interested in serving another five-year term. Staff asks the Board to approve reappointing **Ms. Hammel** to the Board of Directors' for the Government Self-Insurance Fund for a five-year term expiring on December 31, 2016.

On motion by **Mr. Ebel**, second by **Ms. Weibel** and unanimous vote, Resolution 2011-10: Reappointment of GSIF Board Members was approved.

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

- **Soil Borrow Project** – Progress is slowing as LCSWMA and Abel prepare for the winter shutdown of the project. Abel was very productive during the good weather of the summer, and work is still ahead of the overall schedule. To date, about 460,000 cubic yards of soil have been placed in the stockpile. It is important to be careful of not being stuck with too large of a disturbed area going into winter. Everything will need to be stabilized before the winter shutdown. LCSWMA is hoping for three or four more weeks that are productive.
- **Northwest River Trail** – Considerable effort has been spent working as a liaison between Lancaster County and Norfolk Southern to help the County obtain a vital parcel of land from Norfolk Southern. Negotiations are still ongoing. Work on the design of the bridge over Conoy Creek continues as well. The bridge is located about one mile south of Bainbridge and spans about 120 feet. This structure is anticipated to be built in the summer of 2012 along with the rest of the three-mile trail in



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southern Conoy Township. Most of the focus recently has been on the walkway under the Shock's Mill Bridge. Because the grant includes federal money, LCSWMA must satisfy the requirements of many different agencies including PADEP, PADOT, and the U.S. Army Corps of Engineers (USArmyCOE). There has been positive feedback from Norfolk Southern on the proposed design. A meeting was held on Tuesday, November 15, 2011 with representatives from PADEP and USArmyCOE. The meeting went reasonably well. Some additional information and design calculations have been requested and will be provided. LCSWMA feels confident that the design will be able to satisfy all respective agencies and Norfolk Southern's requests. **Mr. Wilhelm** displayed a rendering of how the walkway, which is still in the design phase, is expected to look.

Mr. Gordon asked if the walkway would be concrete.

Mr. Wilhelm replied that the walkway would have three-foot diameter piers, of either precast or poured concrete, that will be embedded into the bedrock. The structure itself will be thirty feet long by eight feet wide precast decking.

Mr. Ebel asked how far away from the right side of the bridge foundation the walkway passes.

Mr. Wilhelm responded that the inside radius is approximately fifteen feet from the abutment and will not physically be tied into the Norfolk Southern structure.

Mr. Ebel asked if the walkway would be more protected from the flow of water if it were closer to the abutment.

Mr. Wilhelm replied that it would have minimal impact on the river flow. Only the piers will actually be in the water. The rendering shows the river at a fairly high elevation, which is a bit deceiving because nearly half of the time the river will not be that high, and the bedrock can actually be seen from the bridge.

Mr. Ebel asked how high the river might be if a flood like Agnes in 1972 comes through.

Mr. Wilhelm responded that the structure averages about five and half feet above the bedrock, which will be above the twenty-year flood elevations. However, there will be times when the river elevation is above that. When that happens, crews will be sent to remove the handrail system and physically block the walkway to avoid anyone from using it until the river elevation subsides.

Mr. Warner noted that the rails can be removed quickly. PENNDOT questioned the possible damage from ice. The walkway has been designed to withstand any lifting or damage from ice. Former Commissioner Terry Kauffman was in the office to introduce a woman who is working with the Susquehanna Gateway Heritage Area. Mr. Kauffman has a lot of history and contacts within PennDOT and SGHA is also very connected to this

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project. Mr. Kauffman has extended his efforts to speak to PennDOT on LCSWMA's behalf regarding this project.

Mr. Wilhelm added that PennDOT initially had many comments about the design and have now begun to defer to PADEP, who is in favor of the design. PennDOT engineers now looking at the project have been made aware by others involved, including former Commissioner Kauffman, that this project is a priority and are now viewing the project in a more favorable light.

Mr. Musser asked about the age of the Shock's Mill Bridge.

Mr. Wilhelm replied that the information regarding the age of the bridge is not readily available and will be provided after the meeting.

Mr. Warner noted that it is very heavily used and that the coal for Brunner Island is transported across this bridge.

Mr. Ulrich asked why the walkway was not raised higher to avoid the need to remove the handrail system.

Mr. Wilhelm responded that there are some cost considerations. The height for this type of structure is as high as can be built with the current design. If it was built higher, it would require a much more significant sub-base or sub-structure. There may be a few days saved by building higher if there is flooding, however there is no way to guarantee that the floodwaters will not eventually reach or cover the walkway. At the last flood elevation, the arch in the bridge was nearly closed. There have been times when the water elevation has almost come to the top of the railroad tracks.

Mr. Warner added that the walkway would also slope to the trail at either end.

Mr. Wilhelm noted that the walkway is currently at a relatively level elevation coming in from either side. Changing the height would raise the cost significantly.

Ms. Weibel asked what the lifespan is on the concrete piers.

Mr. Wilhelm replied that the piers are designed for a thirty-year lifespan, but will most likely last much longer. The minimum requirement is for the design to last at least thirty years.

Mr. Gordon asked who will be responsible to maintain the walkway.

Mr. Wilhelm responded that Conoy Township is the responsible party, but that LCSWMA will most likely be performing the actual maintenance.

Mr. Warner added that once the trail is complete there will probably be more discussions about coordinating maintenance. Currently, each municipality is maintaining its own geographic portion. LCSWMA will be helping Conoy for the time being, but the long-term expectation is to have some type of operating entity that will have general maintenance responsibilities with some type of joint funding to support.

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Mr. Wilhelm noted that the long-term plan is to have a trail consortium that will be responsible for maintenance of the trail through the entire system.

Mr. Warner supplemented that, of the 14 miles of trail, this portion will be the highlight as the hiker can truly enjoy the experience of crossing the river through the water and not getting wet.

Mr. Wilhelm added that the walkway is eight feet wide and structurally sound enough for the pick-up trucks and trailers needed to remove the handrails to travel across when needed. In addition, if any emergencies occur that necessitate ambulance assistance and such, the bridge can sustain the weight of those vehicles.

Mr. Ebel asked how much weight the protective structure under the bridge can support, in the case of materials falling from trains traveling overhead.

Mr. Wilhelm replied that the design is still being worked on, but Norfolk Southern has required ten feet of protection on either side of the bridge. In respect to that requirement, LCSWMA is researching lightweight posts with some high-tensile, close-knit mesh netting system to ensure that anything falling from the bridge will be diverted into the river and not onto the walkway. The biggest concern is ballast stone that may fall from the bridge and this netting would certainly keep these two or three inch stones from hitting the walkway. LCSWMA wants to be certain that any falling items will be diverted into the river by the netting. A summary of the River Trail will be provided at a future meeting to re-familiarize everyone with all the sections of this trail.

- **HVAC Upgrade** – The new HVAC system is nearly complete. Eight of the nine new units have been connected. Once the system is completely finished, the contractor will balance the system to make sure it is running efficiently and all of the offices are receiving proper flow. A full summary will be presented on the project, including a contract change order, at the next Board meeting.
- **Change Order #1 to Abel Construction for the Soil Borrow Project** – This Change Order consists of five items, all of which were requested by LCSWMA. Two of the items are extra costs and three items will result in a credit to the contract. There is a brief description and summary of each item under the discussion section of the Issue Paper. Item #5 has the most significant impact on the contract amount. As stated in the summary, LCSWMA was able to convince PPL to substantially reduce the size of the foundation pads for two of their new towers to be built on steep slopes in very heavily wooded areas. The negotiations have taken months of effort and Abel's experience doing the site work on the brickyard project played a key part in persuading PPL to accept the smaller pads. Recognition should be given to Abel for the significant role they played in this negotiation. It is staff's recommendation that the Board approve Change Order #1 to Abel Construction's contract in the credit amount of \$143,241.14.

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Mr. Ebel asked how much lower Abel Construction's bid price was compared to the other bidders for this project.

Mr. Wilhelm replied that Abel Construction was approximately \$1 million lower at \$5.3 million and the next lowest bidder was about \$6.2 million.

Mr. Ebel observed that while PPL has a lion's share of this work, Abel made many other adjustments that reduced their bid.

Mr. Wilhelm added that LCSWMA is very pleased with the work done thus far by Abel on the Soil Borrow Project.

Mr. Warner commended **Mr. Wilhelm** for his management of this project along with all other projects under his supervision.

On motion by **Mr. Ebel**, second by **Mr. Musser** and unanimous vote, Change Order #1 to Abel Construction's contract for the Soil Borrow Project in the credit amount of \$143,241.14, was approved.

TECHNICAL SERVICES - **Mr. Norris** reported on the following:

- **Permitting & Regulatory Compliance** – The NPDES renewal application was submitted and PADEP has already issued a draft permit, which seemed to be the fastest turnaround on a permit renewal application LCSWMA ever had. There were no surprises on the application and the draft permit that PADEP produced eliminated one monitoring parameter and added the Chesapeake Bay nutrient monitoring conditions.
- **Monitoring and Reporting** – All required monitoring and reporting scheduled for October were completed.
- **Other activities** – Efforts continued with the two procurement documents associated with the restoration efforts of the Parcel 5 area of the Soil Borrow Project. Currently, the two documents out for bidding are the bid for seeds and another bid for trees and shrubs. Bids are due next week. LCSWMA is also in the process of assembling a request for proposals (RFP) to engage a consultant for the Parcel 5 project. It is felt that a consultant will be better able to oversee the restoration project given its importance and everyone's desire to see the project succeed. The document is still being drafted. The annual EMS-related compliance and conformance audits were completed at the Landfill and the Waste-to-Energy Plant. The audit was successful as auditors found no non-conformance items. Efforts now turn to the Semi-Annual Third Party Audit scheduled for December, which involves a representative from LRQA visiting LCSWMA facilities and performing an audit. The every-other-month volume topography was completed for the September – October period. The in-place density numbers are not as high as usual due to the select waste layer being placed into the



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new subcell, 6B. For September and October, the density was about 1,900 pounds per cubic yard. Typically, the density will be around 2,600 pounds per cubic yard, but when a new cell is opened and the "fluffier" select waste layer is placed, that density is much lower. Year-to-date, the in-place density is 2,440 pounds per cubic yard, which is slightly above the goal of 2,400. Another interesting aspect of this is LCSWMA's soil usage year-to-date, which is 2.1% by volume. Years ago, the soil volume was 20 to 25% of available airspace. In 2011, because of alternative daily cover, such as ash, that usage percentage is only 2.1%

Mr. Warner added that the largest benefit is that all those years ago there was no ash and soil had to be used.

ENERGY ADMINISTRATION – **Mr. Forster** reported on the following:

- **Waste-to-Energy (WTE) Operations** – October was a good month, with the exception of the odd snowstorm on Saturday, October 29, which caused a tree to fall onto the electrical line and prevented power from being exported to Met-Ed for about a day and a half. The turbine continued to operate and Met-Ed was finally able to locate the tree and restore the lines by very early Monday morning, October 31. The remainder of the month was occupied by both scheduled and unscheduled outages. The main scheduled outage was Unit #3. Typical outage tasks were done. Some additional tasks were also done such as replacing the ash discharger and also dressing up the top of the feed chute, which tends to get banged up. Unit #3 ran about 72% in October. Unit #1 had an unscheduled outage due to leaks in the economizer and superheater. Despite that, the unit was repaired quickly. Unit #1 ran over 92% of the time in October. Unit #2 had a scheduled outage that lasted from the last week of September until October 2. Unit #2 ran 97% of the time. Over all, the units ran 87% of the time in October, which is a good percentage considering that October is an outage month. The year-to-date figure shows that through October the boilers have operated over 91% of the time and that is 3.5% higher than 2010.
- **Wind Turbines** – October was a much windier month than September. So far, the units are close to generating over five million kWh of electricity. It is anticipated that November and December will be even windier and will make up for the less windy months earlier in the year.

Mr. Warner noted that the project was forecasted at 7.7 million kWh and is currently 4.8 million over ten months in 2011. There were a few weeks in January when the turbines were not online and it appears that it will not meet the forecasted kWh for the year.

Mr. Gordon asked if the lower kilowatt hours are due to having less wind than forecasted or because of the outages.

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Mr. Warner replied that it appears to be because there was less wind than was originally forecasted.

Mr. Musser asked about the computer problems and issues with the turbines not operating earlier in the year.

Mr. Warner replied that the availability, which is normally forecasted at about 98%, was less this year because it was the first year of operation. Next year will probably show a more accurate full-year indication of what can be expected. The return of investment was based on 7.7 million, and most of the risk was PPL's. LCSWMA receives 12.5% of the energy revenue and its return is fixed. PPL's return is more dependent on how much electricity is produced and they currently receive 87.5%. When the production is less, it negatively affects PPL more than LCSWMA. In addition, LCSWMA decided not to take the risk in the proforma with the renewable energy credits because of the uncertainty of the market. PPL budgeted \$10 per megawatt of wind credits and currently a Pennsylvania wind credit is \$1. This does not impact LCSWMA at this time.

Mr. Gordon asked what the high month was for kilowatt-hours for the wind project.

Mr. Forster responded that it was about 850,000 in April. September was definitely the lowest wind-producing month.

Ms. Weibel asked when the turbines came online.

Mr. Forster replied that they came online around the third week in January. There have also been minor problems with the media remote control system and things of that nature causing the turbines to be offline at times.

- **Landfill Gas-to-Energy Plant (LFGTE)** – The LFGTE plant has operated well in October and showed a more than 7% improvement over September. One of the reasons it was slightly lower than last October is that one of the engines had to be removed from service to replace a damaged piston. However, this system is close to generating over 17 million kWh of electricity.

Mr. Houck asked if a line had fallen previously and knocked out power at the WTE facility.

Mr. Forster replied that it has happened in the past, many years ago and then again about four years ago. Periodic maintenance is required to preserve the lines and keep them from being damaged by trees falling.

Mr. Warner noted that the Renewable Energy Dashboard has been installed in the lobby of the office. Michelle Marsh should be commended for her efforts in putting the project together and seeing it through to fruition. The panel was installed earlier this week and is exactly what was anticipated. It is internet-based and can now be duplicated where needed. Covanta and PPL also deserve recognition as they assisted Ms. Marsh in getting the information for the real-time data flow for the facilities that they operate.

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Mr. Gordon asked if the data appears on the website.

Mr. Warner replied that it does not appear on LCSWMA's website at this time, but that is a possibility in the future.

Mr. Zorbaugh added that Ms. Marsh will be available after the meeting to give a detailed explanation on the dashboard.

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

- **Perdue** – As mentioned at the last meeting, Perdue has hired Rettew to lead the permitting efforts needed to site the soybean processing facility. One item of note is that after an initial meeting with PADEP and Perdue, PADEP has asked Perdue to complete a "Common Control Questionnaire." This is a simple, three-page questionnaire to verify that when locating a new facility next to an existing facility, the existing facility will not need to alter its operations significantly to provide utilities that LCSWMA will provide to Perdue. Essentially, PADEP needs this information as Perdue will require a new air permit and LCSWMA already has an air permit. These are two different processes and will therefore have different air permitting regulations. In addition, PADEP was interested to know if LCSWMA will need to burn more trash in order to provide Perdue with steam. No excess trash will need to be burned in order to provide steam as the steam going to Perdue is steam that is already sent to the turbine. In addition, the processes are different and should not affect the permitting. Once PADEP makes a determination on the common control issue, the parameters for the air permit can be set. LCSWMA will be supporting Perdue as much as possible in the permitting process by putting them in contact with PADEP representatives that handle LCSWMA's permits, who LCSWMA has worked with for many years, and will help them in any way possible to move the air permitting along. All other permitting will begin once the determination is made, such as land development, PennDOT permitting, and so forth. Also of note, Perdue's facility design shows that it will likely have a shared entrance with LCSWMA about 200 feet southeast of the current entrance, on Perdue's property. LCSWMA operates under the assumption that this is the best way to get all vehicles in and out of both facilities safely and efficiently. This shared entrance will be designed to meet Perdue's needs as well as designed to be as good or better for LCSWMA's customers and trucks entering and leaving the WTE facility than the current entrance. There are no anticipated issues with sharing the entrance. Perdue has committed to returning LCSWMA's current entrance to its natural state and will be responsible for the cost of creating the shared entrance. Perdue's timeline shows that all permitting and land development is planned for 2012 and construction is anticipated to begin in the

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spring of 2013. Operations have been slated to begin in the fall of 2013. This is a fairly aggressive schedule, but it remains to be seen how quickly Perdue moves through the permitting, land development, and all the other pre-construction issues that may arise. The Board will be kept up-to-date as the schedule unfolds.

- **Harrisburg Resource Recovery Facility (HRRF)** – The due diligence team, HDR, ARM, Trout Ebersole and Groff, and Hartman Underhill and Brubaker, have all wrapped up the onsite work at the facility. The team will now begin assessing any issues that may affect the valuation of the facility and will bring them to LCSWMA. All documents, reports, agreements, etc. that have been collected are being reviewed as well as onsite work, especially in the case of HDR and ARM. Initially, there have been no major issues brought up that will affect the valuation, but the information will continued to be reviewed. The Department of General Services (DGS) is responsible for procuring anything for state facilities and state agencies. LCSWMA has been meeting with them in an attempt to get an agreement in place or at least the parameters of an agreement to sell electricity from the HRRF to DGS so they can supply electricity to the state buildings or buildings under state control. Another meeting is scheduled with DGS after Thanksgiving to continue negotiation.
- **TS Solar Project Update** – The permits have been submitted and the Township has notified Mercury Solar of a few minor issues that must be addressed. Mercury Solar is responsible for submitting the permits and the installation and Mercury is currently addressing these issues. Permits will be resubmitted and the turnaround time is expected to be fairly quick. There have been deliveries made to the site of the metal clips needed to attach to the standing seam metal roof. Once the permits are approved, Mercury Solar can begin installation immediately.

Mr. Warner noted that this is expected to be within a few business days.

Mr. Adams added that permits will be approved before Thanksgiving and issued the week after so work can begin.

- **Communications** – The annual Manor Township meeting is scheduled for Wednesday, November 30, 2011 at 7:00 p.m. at the Rieber House and any residents who would like to attend are welcome.
- **Recycling** – As discussed last month, funding has been decreased under the 904 Grant program for municipal recycling. Currently, LCSWMA's Recycling Coordinator is putting together the grant applications for the municipalities for calendar year 2010. PADEP generally gives a year to assemble the applications. The municipalities should see money for this grant application sometime in 2013. The total funding is being cut to approximately \$500,000 - \$750,000 to municipalities. Last year the grant monies distributed totaled \$1.3 million. LCSWMA will continue to provide this service to municipalities and will aggregate

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all the data and fill out the applications. Most municipalities will still receive quite a bit of grant money, but some will take a big hit from the funding cuts as they have become used to receiving more than \$200,000 per year from this program and that may drop to \$100,000. Each municipality will be given a copy of their grant application and will be able to budget appropriately for 2013 with the reduced state funding.

Mr. Ebel asked about the single stream totals dropping.

Mr. Adams replied that haulers are permitted to deliver recycling materials to any facility they want, unlike refuse from Lancaster County that must be delivered to LCSWMA. The previous processing contract was with Republic Services (York Waste Disposal), who hauls a large amount of the recyclables in Lancaster County. When Republic's contract expired, the new contract was awarded to Waste Management and, in turn, Republic Services began delivering its recyclable materials from its Lancaster County customers to its own facility in York County. This was anticipated when the contracts were being reviewed for renewal and the drop-off in tonnage was expected.

Mr. Musser asked if the state will require a traffic light at the new entrance that is planned for the WTE/Perdue entrance.

Mr. Adams responded that a traffic light is not expected. Many studies will be done, however the volume of traffic is expected to still be light enough that there should not be a need for a light.

Mr. Warner added that there was no need for a light when the ethanol projects were proposed. There will be more truck traffic with this project, especially during harvest season in September and October. All LCSWMA traffic is concentrated between 6:30 a.m. and 3:30 p.m. Perdue will have deliveries spread throughout the whole day.

Mr. Gordon asked if there will be any impact on the recycling programs from the drop in recycling grant money.

Mr. Adams replied that most municipalities set aside a portion of the grant funds for recycling, however, all programs in Lancaster County were set up based on charging residents enough to cover the cost of the program. Municipalities typically have planned for staffing without the grants, which act more as incentive than a necessity, and a decrease in municipal recycling programs is not expected. The municipality costs are wrapped into the entire trash/recycling collection program.

Ms. Weibel commented that municipalities that have a single-hauler system may increase communication to residents to encourage them to recycle more. The advent of cardboard and magazines add weight to the tonnage and many municipalities may encourage residents to remember that they can recycle these items.



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Mr. Ebel asked about restoring the entranceway to the WTE Facility once the new entrance is completed. There is much encouragement in terms of storm water management to put in more trees as they do a much better job absorbing water than most other options.

Mr. Adams replied that the aesthetics and storm water control will certainly be in the forefront of the design concept. It is likely that Perdue's design will be enhanced further by LCSWMA.

Mr. Ebel noted that Exelon received carbon credits for planting trees where the new Lancaster County Morgue is being built.

CITIZENS ADVISORY COMMITTEE

The next meeting is scheduled for the first quarter of 2012.

OTHER BUSINESS

A nominating committee was appointed for the 2012 Board of Directors' officer positions. **Mr. Houck** has agreed to chair the committee and will report the nominations at the December Board meeting. **Mr. Houck** will be joined on the nominating committee by **Mr. Musser** and **Mr. Ulrich**.

EXECUTIVE SESSION

Mr. Gordon called for a brief recess before an Executive Session was held to discuss personnel and real estate matters.

ADJOURNMENT

On motion by **Mr. Kassees**, second by **Ms. Hammel** and unanimous vote, the Board meeting adjourned at 9:40 a.m.

APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 16th DAY OF DECEMBER 2011.

A handwritten signature in cursive script, reading "Barbara B. Hammel", written over a horizontal line.

Barbara B. Hammel, Secretary