

MINUTES OF THE BOARD OF DIRECTORS MEETING FEBRUARY 18, 2011

The Board of Directors of the Lancaster County Solid Waste Management Authority met on **Friday, February 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, Rosier, Ulrich, and Weibel. Staff present were: Warner, Adams, Norris, Olson, Wilhelm, Zorbaugh, Sandoe, and Ramsden-Herr. Absent was: Forster. Also present were: Solicitor Alex Henderson III, Hartman, Underhill & Brubaker, Kevin Connor, Covanta; and citizens as listed on the attached sign-in sheet.

Mr. Gordon welcomed new Board Member, **Mr. Scott Ulrich**.

APPROVAL OF THE MINUTES

Mr. Gordon asked about additions or corrections to the minutes of the December 17, 2010 meeting. **Mr. Ebel** moved the minutes be approved as distributed. **Mr. Kassees** seconded. **Mr. Gordon** called a vote; the motion passed unanimously.

PUBLIC COMMENT

There was no public comment.

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

Mr. Warner introduced LCSWMA's new Communications Manager, Ms. Katie Sandoe.

- **Perdue** – **Mr. Warner** and **Mr. Adams** have been working with Perdue representatives and recently met with them in Lancaster. The revised proposal for the real estate value, previously given to Perdue, has not been questioned. Perdue is now evaluating LCSWMA's discussions with them and the data provided to weigh against the other site's offerings. Perdue is expected to have an important Board meeting early next week and LCSWMA anticipates hearing of their decision soon after. Perdue is waiting to hear about a capital funding request that has been submitted to the State for \$9 million. Perdue has some confidence in getting the funding because of support from the PA Republican Senate Caucus. As the Governor's team weeds through the approvals, it is possible that requests appropriated from the Republican groups will jump to the top. There is good reason to believe that LCSWMA will be the favored site if Perdue receives the funding requested for the project, but there has been no confirmation.

Mr. Gordon asked how many jobs are expected to be created from the Perdue facility.

Mr. Warner replied that Perdue has publically announced 35 to 40 jobs will be created.

- **TS Solar Project** – **Mr. Adams** will give a more detailed update as to where LCSWMA stands on this project. It appears to be something that could be done in 2011.
- **RRF Expansion** – The process continues on this project and Requests for Proposals (RFPs) have been sent out to consultants. The Proposals are due back on Monday, February 21, 2011. Interviews should begin soon after and a recommendation is expected at the March meeting.

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

- **Accounting / Administrative** – January's performance was below expectations for Tipping Fee and Energy Revenue. The weather impacted the Tipping Fee performance due to several winter weather events delaying waste deliveries. This always impacts waste flows. Energy Revenue underperformed to budget due to scheduled mini-outages at the Waste-to-Energy Plant taking a little longer than anticipated. These two shortfalls totaled over \$154,000. Reduced Operating and Support Expenses helped offset these shortfalls. For years, Management has reacted to fluctuations in waste flows to the facilities. As waste deliveries drop off in the winter and then pick back up in the spring and summer, LCSWMA adjusts hours accordingly to offset some of the lost revenue of this seasonal business. The operating surplus fell short of budget in January by approximately \$46,000 and there were no contributions made to the Authority's restricted reserves, However, there were no contributions budgeted based on the anticipated negative net surplus.
- **Technical Services** – **Mr. Norris** will discuss some relevant items in Technical Services.
- **Capital Projects** – The Authority took possession of the former Star Rock Farm or Barley Farm as of February 1, 2011 in accordance with the Agreement of Sale. The Soil Borrow Project has begun.
- **Facility Operations** – All facilities operated well, but were impacted by several weather events in January. There were a lot of icy conditions that affected the hauling community and in response to that had delayed starts. Hours were extended on five days by an extra hour, at the Transfer Station, to allow haulers to deliver waste later in the day. The hauling community has given the Authority great feedback about the hour extensions.

Mr. Warner noted that he has also heard this praise as well as complaints that other County Authorities can't or won't do the same.

DEP site inspections were conducted at the Frey Farm Landfill and Waste-to-Energy facility. Both facilities were found to be operating well within regulatory parameters.

- **Waste Stream Management** – Tons were down and Lancaster County Refuse underperformed to budget by 3.5%. Some of that was weather-related. Construction/Demolition was also well below budget at 12%. With the bitter cold weather and ice and snow, most construction activity was suspended for several weeks. As the weather is warming up now, it seems to be picking up again.
- **Safety** – LCSWMA continues to work without any lost time accidents or accidents involving significant property damage. At the end of January, LCSWMA had 872 days without a lost-time accident. As of the date of this meeting, there have been 885 days without a lost-time accident. All employees are working hard to keep working safely.

Mr. Rosier asked if there are any national analyses of safety records.

Mr. Zorbaugh replied that there are records kept. Most of the recorded information is maintained by OSHA. While LCSWMA's record is very good, there are other organizations who are achieving even higher numbers. Covanta, for example, is now at about 1,600 days. The waste industry is typically a dangerous industry, but there are national statistics on safety records. LCSWMA's participation with Raffles Insurance provides information ranked by category. LCSWMA does very well in comparison with peers in similar industries. At the end of each year, a report card is received.

Mr. Rosier noted that this outstanding record is very impressive considering the industry and weather in this part of the country.

- **Resolution 2011-1: Pension Plan Amendment** – This is an adoption of an amendment to the Authority Pension Plan. The Authority is amending the Pension Plan to enhance the benefit package to attract new employees and retain current employees. The first change redefines the difference between full-time and part-time eligible employees. Previously, the definition was 1,000 hours of service in a one-year period. The full-time qualification shortens the participation waiting period from one year to 90 days. The part-time eligible employees remain at one year and 1,000 hours worked. The second change is the vesting schedule. The new plan schedule will be accelerated for participants to be fully vested at five years, as opposed to seven years in the previous plan.

Mr. Gordon noted that five years is fairly typical in most businesses.

Mr. Warner added that LCSWMA's HR Manager did a survey of public and private businesses, and found that there were a few areas where LCSWMA was out of the norm. The acceleration and the participation were also done to make employment with LCSWMA more attractive.

Ms. Hammel asked how many part-time employees work for LCSWMA.

Mr. Zorbaugh responded that there are six part-time employees, but that does not include seasonal part-time employees who work over the summer months bringing the total part-time employees to seven or eight. Most of the permanent part-time employees work in the Household Hazardous Waste Facility, which is almost fully staffed by part-time employees.

On motion by **Ms. Weibel**, second by **Ms. Hammel** and unanimous vote, Resolution 2011-1: Pension Plan Amendment was approved.

- ***Purchase of a Hydraulic Excavator*** – This equipment is used at the Transfer Station to help load trailers, compact waste into trailers, sort materials, and provide customer service in the winter by digging out frozen containers. This is a replacement of one of the excavators and was planned for in the 2011 Capital Equipment budget. The machine is being replaced to maintain reliability and fix maintenance costs and make some economic improvements to the operation. This is the first time an excavator has been replaced at the Transfer Station. Staff reviewed the specifications for excavators and based on our knowledge over the last 3 ½ years of operating the Transfer Station, some changes were made to the size of the excavator and the weight was dropped two weight classes. The reach of the machine has also been reduced which will protect the center bars of the trailers from damage during loading. The size reduction greatly improves the fuel economy by 0.8 gallons per hour, saving about 1,800 gallons per year in fuel consumption. The machine, from a capital costs perspective, is \$130,000 cheaper. LCSWMA was able to use a machine from the Landfill that matched the size requirements for a considerable period of time while another excavator was down last year. The various manufacturers' machines were reviewed on the PA Department of General Services COSTARS Program. Staff selected two machines that met specifications and are built by proven manufacturers that LCSWMA has worked with before and whose machines have provided excellent reliability, which is crucial at the Transfer Station. Staff recommends the Board award the purchase of a hydraulic excavator to Highway Equipment for the Volvo 160CL through the PA COSTARS Program for \$195,934.

On motion by **Mr. Kassees**, second by **Mr. Ebel** and unanimous vote, the purchase of a Hydraulic Excavator from Highway Equipment through the COSTARS Program for \$195,934 was approved.

Mr. Gordon asked if the budget was based on the previous larger machine or the requested smaller machine.

Mr. Zorbaugh replied that the smaller machine was the one budgeted.

Mr. Musser asked if this machine has the rubber tracks for inside.

Mr. Zorbaugh responded that this machine will be equipped just like the other machine with rubber pads and a grapple that rotates 360 degrees.

Ms. Weibel asked what 9,500 hours equates to in months or years.

Mr. Zorbaugh replied that a little more than 2,400 hours per year is put on the excavators.

- **Purchase of a Track Dozer** – This machine will be utilized at the Frey Farm Landfill to do all the grading of the terraces, maintaining access roads within the Landfill, and other small grading projects. This is a replacement of an existing seven year-old machine and was planned for in the 2011 Capital Equipment Budget. Authority staff reviewed the various manufacturers and models available through the COSTARS program. The Caterpillar D5K track dozer was selected for several reasons, but primarily because CAT has a patented undercarriage design, referred to as SystemOne, which considerably extends undercarriage life up to 30%. Undercarriage wear is the single most expensive repair item on track dozers, particularly in landfill applications. At the Frey Farm Landfill, it is even more expensive because the ash from the RRF is extremely abrasive and dozers do a lot of operating in reverse allowing the abrasive ash to wear the undercarriage out. With this CAT undercarriage design, there will be significant savings on repair and replacement costs for undercarriage parts over the life of the machine. LCSWMA received a 23% discount off the manufacturing price with the COSTARS program amounting to \$38,000 on this machine. It is staff's recommendation the Board award the purchase of a Track Dozer to Cleveland Brothers Equipment through the PA Department of General Services COSTARS Program for the purchase price of \$132,227.

On motion by **Mr. Musser**, second by **Mr. Rosier** and unanimous vote, the purchase of a Track Dozer from Cleveland Brothers Equipment through the PA COSTARS Program for \$132,227 was approved.

Ms. Hammel asked if there was a percentage of savings through the COSTARS program versus non-COSTARS purchases.

Mr. Zorbaugh replied that LCSWMA receives a 23% discount through COSTARS. The previous machine through COSTARS is a 35% discount. These numbers are based on prices submitted by the manufacturers.

Mr. Ebel asked if the undercarriage protection was between the frame and the tracks.

Mr. Zorbaugh responded that typically, the drive components of the undercarriage are being sealed to protect them from the constant abrasion from earth or, in LCSWMA's case, ash going up through those parts. CAT is sealing the undercarriages much more thoroughly than other manufacturers to prevent the constant wear.

FINANCE - Ms. Olson reported on the following:

- ***LCSWMA Preliminary Results – Actual vs. Budget*** – The total revenue was below budget due to MSW deliveries coming in lower than budgeted by approximately 5%. Energy Revenues were down due to the mini-outages that were scheduled, but lasted longer than planned. This is the first month that Wind is included with the Energy Revenues. For January, the wind revenue totaled \$4,700. Total expenses were below budget by 4% and Operating Expenses were down due to the reduced man hours. Support Expenses were down due to the reduced tonnage, which caused the DEP fees to be less than budgeted. While the Authority did not make a deposit to the Restricted Reserves, none was budgeted in January.
- ***Accounts Payable*** – Cash disbursements for January and December totaled \$9,116,191.
- ***Approval of Disbursements*** – On motion by **Ms. Hammel**, second by **Mr. Kassees** and unanimous vote, the Summary of Disbursements for December 2010 and January 2011 in the total amount of \$9,116,191 were approved.

Mr. Houck asked if the revenues for the wind turbines come through PPL.

Ms. Olson replied that the revenues do come from PPL.

Mr. Warner added that the amount the Authority receives represents 12.5% of the gross revenue. For the month, the interest on the project loan is \$23,250, the \$4,700 represents 12.5% of the monthly revenue.

Mr. Kassees asked where the income from the wind turbines is listed in the Preliminary Results.

Ms. Olson responded that it is combined with the Landfill Gas and Waste-to-Energy under Energy Revenues.

Mr. Warner noted that he and **Mr. Forster** will be revising the Energy Administration report, which will clarify the Energy Revenues in more detail. **Mr. Forster** is currently on medical leave.

Mr. Warner added that on the Accounts Receivable Report, a long-standing customer, Cauler Container, had been behind in payments for 2010 by \$154,000. It took a year, but LCSWMA was able to get Cauler Container back to an even balance (with Interest) by setting up a payment plan and working with the company to apply rebates to the debt.

Mr. Musser commended the Authority for working with Cauler Container to help get the account balance paid up.

CAPITAL PROJECTS – Mr. Wilhelm reported on the following:

- **Soil Borrow Project** – Abel Construction is set up to begin earthmoving and the remaining foundations and debris are now being removed from the former Barley Farm. Abel has set up the office trailers, moved equipment to the site, and installed most of the erosion and sediment control devices.
- **Northwest River Trail** – Much planning has been done in the last few weeks and meetings have been held with representatives from the Steering Committee to plan and coordinate the upcoming work. Crews from East Donegal and Conoy Townships will be working with LCSWMA to build several miles of trails this summer. The Cross-Easement Agreement with the Burkholders was finalized in January, 2011. The Agreement is a “swap” of land usage. LCSWMA paid the Burkholders \$10,000 to allow a portion of their property close to the river to be used for the trail. In exchange, the Burkholders are permitted to use LCSWMA’s farm land by the railroad tracks. The original trail alignment ran parallel with the tracks. The proposed new trail alignment, highlighted in yellow on the drawing, will be beneficial in several ways. It will give a better experience to trail users by allowing them to walk on a ridgeline along a curved trail on the river’s edge as opposed to a linear trail parallel with the railroad tracks. There will also be a significant cost savings due to a shorter trail length, about 750 feet shorter, by not building next to the railroad tracks. Eliminating 750 feet of trail equates to about \$30,000 in savings. After deducting the \$10,000 to the Burkholders, the net savings comes out to be about \$20,000. The length of trail across Norfolk Southern’s property will be shortened. Originally, it was to be about 1,100 feet from the railroad track down to the Shock’s Mill Bridge and now the length is only about 240 feet. This will help future negotiations with Norfolk Southern. Permitting issues are being worked through and groundwork is expected to begin on the Conoy section in the next several months.

Mr. Ebel asked if there is any news on the negotiations with Norfolk Southern about the Shock’s Mill Bridge.

Mr. Wilhelm replied that there is more information that must be gathered first. Several places along the trail involved Norfolk Southern, so currently LCSWMA is working with the surrounding municipalities and preparing to get together with Norfolk Southern on a more global perspective.

Mr. Ebel asked if the section of the drawing marked “Conoy Township” was owned by Norfolk Southern also.

Mr. Wilhelm responded that the section to the right of Shock’s Mill (on the drawing) is Conoy Township property.

Mr. Warner added that the trail then leads into the E. Donegal portion, which is already finished, so this portion is a key component of the trail.

- **Manor Township Baseball Field** – Soil will begin being moved next week. The deadline is to have the field ready for play by April 1, 2011.

Mr. Rosier asked if LCSWMA would be maintaining the baseball field.

Mr. Wilhelm replied that it was being relocated to a better location at Creswell Park where the parking infrastructure was already in place. A soccer field and another baseball field for the older children are already located there. This little league baseball field will be a great improvement over the previous location. The Township will then take over maintenance after it is built.

Mr. Warner added that the reason for removing and building a new baseball field is because the existing one is between the fire hall and the Reiber House. There is inadequate parking in that area. It is not preferable to have people parking on the Reiber House lawn. The little league field will be much better suited as a component of the existing athletic complex with the other baseball field and soccer field. This baseball field will go where the Willing property once stood.

- **Turkey Hill Trail Observation Deck** – Toward the end of March construction will begin on the observation deck at the Landfill. The deadline for this project is the middle of April.

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

- **Other Activities** – The LRQA ISO recertification has been received and LCSWMA has been approved for another three years. All facility staff continue to do a great job at continuing to work with the Environmental Compliance Manager in keeping the system intact. Work is ongoing with the Open Space Committee. A drawing was provided to show the most current plan for the area as completed by Applied Ecological Services (AES). This is still in draft. Many of the features shown have been very well received by the Open Space Committee Members. A trail network has been overlaid on top of the varying habitat areas. The different shadings represent the habitat areas that AES has defined. These areas are expected to bring back plant species that are native to the area, non-native and invasive species will be removed and/or prevented. The idea is to promote a local, ecological harbor for different types of flora and fauna. There are several parking areas planned. One is central to the area where hikers can park to take a variety of circuitous routes for trail experiences. Another is closer to the wetlands where there will probably be two observation areas and likely a boardwalk of some type. The Open Space Committee and AES met again last week. The expectation is to have a draft master plan outlining the work necessary to achieve the visualization by late February, with a final plan prepared by late March or early April.

Mr. Gordon asked about the amount of water shown on the diagram provided and if there is that much water on the site now.

Mr. Norris replied that the area shown is the designated wetland area, but there is not that much water on the site now.

Mr. Warner added that it would be preferred, if the Committee agrees, that the drawing show some standing water with the appropriate wetland plants shown on the perimeter. Hopefully, that will be done if the spring is wet enough.

Mr. Norris noted that the expectation is that there will be standing water that may be a couple of feet deep and in a fairly visible area.

Mr. Musser asked if the stream shown on the right corner of the drawing was an aqueduct.

Mr. Norris responded that it is the Fisherman Run aqueduct that goes to the Susquehanna River.

Mr. Ebel asked about what is in the area that is depicted on the drawing as barren.

Mr. Norris replied that AES is still working on that portion. This is an area that AES would like to see go from a transitional native state, starting with bedrock and allowing the area to come back naturally.

Mr. Warner asked if the band through the grassland depicted in the drawing is the existing tree perimeter that LCSWMA planted.

Mr. Norris responded that AES would like to remove the trees, however the Open Space Committee would like to keep the trees. A likely compromise will be to remove some of the trees to give a more open look, but many of the trees will stay.

Mr. Ebel asked which area had the trees.

Mr. Norris replied that this was the tree buffer that was put in years ago in accordance with the PALE Consent Agreement.

Ms. Weibel asked about the two ADA accessible paths and how long the paths will be.

Mr. Norris responded that ADA accessible paths are going to change and will be shown longer in the next diagram. Also, ADA is a requirement for the grant opportunities that will be sought to assist with the development of this project.

Mr. Gordon asked when some of this plan might be implemented.

Mr. Norris replied that it will probably be a two-phase approach. AES has been asked to put together a constructability schedule as part of the Master Plan to address seasonality issues, when the best times are to complete certain parts of the project, and what timeframe will be involved. The other thing AES has been asked is if the work can be implemented with the current Soil Borrow Project work, LCSWMA would be willing to

go forward with that (i.e. re-vegetation). The Soil Borrow Project contractor is required to re-vegetate. So, if some of AES's needs can be accommodated with the Soil Project, that will be pursued.

Mr. Warner added that Zone 5, the hilltop, has to be done within twelve months after the soil is removed as per LCSWMA's consent agreement, which will be next year.

Mr. Ebel asked where the dirt pile will be.

Mr. Norris replied that it is not depicted on the drawing. The soil will be placed behind the existing Creswell Park and the school on our side of the fence by the soccer fields.

ENERGY ADMINISTRATION – Due to **Mr. Forster's** absence, **Mr. Warner** reported on the following:

- **Site Operations** – Boiler availability was just below 92% due to changing of some outage schedules. There was a monthly inspection.
- **Energy Activities** – **Mr. Forster** began working with a company to verify additional carbon credits from the Landfill Gas Plant, so there may be some available for sale later in the year if a buyer can be found.

Mr. Warner noted that the Energy Report format will be changing to reflect more of the output from waste energy, wind, and Landfill gas. This will be put into a common unit and will show total revenues for each category in a grid format. This will show a broader picture of LCSWMA's energy initiatives.

Covanta VPP Luncheon – Covanta had a nice luncheon with representatives from OSHA at the plant last week. Covanta was recertified in the VPP safety certification program. This is a very distinguished level to achieve in regards to safety in an industrial facility. The interesting aspect of the program is that it is all voluntary and it is employee driven. The workers have a lot of input on how to make safety happen. About half of Covanta facilities in the United States have achieved this level of safety certification. It has been supported at the Corporate level as well, but it is really the employees at the facilities that make it happen.

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

- **Business Development** – The RFPs for the fourth unit engineering should be received by Monday, February 21, 2011 and interviews will then be set up for the first week of March. Each firm will be interviewed for the work needed.
- **Rail Update** – Norfolk Southern's regional engineering group, from Harrisburg, has come up with some initial rail designs for the Waste-to-Energy facility. Directly behind the RRF would be a spur coming off and potentially an unloading area behind the prospective Perdue facility. The initial rail designs were reviewed

internally and sent to Perdue for their input. Once Perdue's input is received, the rail consultant, Sterner Consulting, will develop the cost for each potential design. It is hoped that this will be available for the March or April meeting. Work will continue with Norfolk Southern, Perdue, and Sterner to hone the designs.

Mr. Gordon asked if there was one spur road to service both properties.

Mr. Adams replied that the initial design shows one spur off the passing line, one of the two sets of tracks behind the RRF, and then break into different sections once it is on LCSWMA property.

- **Solar Project** – LCSWMA was approached by the Dayhill Group, a consulting firm from Berwyn, PA. This company was familiar with LCSWMA's renewable energy initiatives in the past and wanted to review some ideas for a possible solar project. This company will match up a solar user with an installer for whatever type of solar design interests LCSWMA. In meeting with representatives from Dayhill, LCSWMA discussed two possible solar installations for consideration. The first would be a truck port that covers the areas where trucks park by the Small Vehicle Drop Off building as well a truck port by the fuel island and more of a car port setup for the HHW lot along Harrisburg Pike. The truck and carport roofs are made up of the solar panels. This particular setup was looked into because it would be visible from Harrisburg Pike at the HHW lot. Also, it would provide coverage for the trucks when they are parked in the rain or snow. Some roof mount systems were reviewed as well. This system would likely be on the south-facing, Harrisburg Pike side, of the HHW and Maintenance buildings. The Dayhill Group took LCSWMA's input and found a potential solar installer, Mercury Solar. Mercury Solar does a lot of car and truck ports and roof mounts. Recently, this company completed a large project on Long Island of about 40 acres. Mercury Solar is very familiar with this type of work and is probably the leader in Northeast for these types of systems. Dayhill and Mercury Solar met here to propose what would match LCSWMA's needs. The initial proposal showed a 350,000 kWh per year system between the car and truck ports as well as the roof systems on the HHW and Maintenance buildings. The 350,000 kWh represents about 40% of LCSWMA's electricity usage at the Transfer Station Complex. LCSWMA asked the representatives to go back and modify the plans to possibly include the entire roof of the main Transfer building with the roof mounted panels. This would double the size of the output, bringing it to 80% of electric usage. These companies have also looked at some financing options. It was preferred to have a similar set up like the wind project where a private entity owns the installation and can get the 30% investment tax credit and pay 20% of the project. LCSWMA would then pay the remaining 80% through a loan on the project and be repaid at an interest rate of around 6%. Dayhill and Mercury are working through the final design phase and financing. It is anticipated this will be done in the next few weeks. Once the proposal is available, approval from the Board will be sought at the March or April Board meeting.

Mr. Rosier asked if there is any type of coverage at the truck port currently.

Mr. Adams replied that there is no coverage there now. This area is just a cement pad next to the small vehicle building and the same set up by the fuel island at the maintenance building.

Mr. Warner added that the small plan, that didn't include the Transfer Station, was approximately \$1.7 million. LCSWMA would finance 80% of this cost just like was done with PPL. The collateralizing of the debt is part of the issues that are being discussed. LCSWMA is showing the project to PPL to see if there is interest in participating with the project. PPL is currently evaluating the possibility. PPL would typically do the installation, but do not have the experience installing the car or truck port solar covers. Mercury Solar, according to LCSWMA's research, is a broad-based and very experienced company. PPL is aware of the potential installer and have been asked to use Mercury Solar if they purchase the project. The key input in the financing for this project is what the owner will value for the Solar Renewable Energy Credit (SREC). These SRECs are currently valued at over \$200 per megawatt for a project like the one being proposed for the Transfer Station Complex. The project owner would own the SREC and it would be considered revenue for 20 years. Most of these SRECs are priced at \$200 and then immediately hedged and sold for \$205 to avoid carrying the risk for 20 years. PPL is reviewing what they will pay for an SREC, and typically they don't go more than ten years. It may come back and compress the entire loan to ten years. But, this is all just in the discussion phase. Nothing has been finalized. This does give LCSWMA a great opportunity to hedge electric rates, get a nice solar project, and put the money to work.

Ms. Hammel asked what the solar panels will look like and what exactly will be installed and where.

Mr. Warner offered to give sample photos to the Board to give a better idea of what the panels will look like. From Harrisburg Pike, the panels will not really be visible on the HHW and Maintenance buildings and possibly not even on the Transfer Station. Cars traveling on Route 30 may get a view from a distance. The car and truck ports will be viewable from Harrisburg Pike.

Mr. Gordon noted that he was concerned about the truck port affecting the aesthetic appearance of the Transfer Station Complex.

Mr. Warner added that most of the ports won't interfere with the view. Most of these areas aren't visible from the front.

Mr. Adams noted that as soon as a final proposal is given, a detailed map and more examples will be given.

Ms. Weibel asked if there are regulations in Manheim Township for solar panels.

Mr. Adams replied that he is not aware of any regulations on solar panels from Manheim Township at this time.

Mr. Ulrich asked if holes need to be drilled in the metal roof of the buildings.

Mr. Adams responded that no holes need to be drilled. The panels are installed using clips so there is no puncturing of the roof.

Mr. Houck asked why New Jersey SRECs are so much higher in return than in Pennsylvania.

Mr. Warner replied that it is because there is a Renewable Portfolio Standard (RPS) in New Jersey that has a higher solar standard than PA thus driving up the value because utilities must have so much solar.

Ms. Weibel asked where Mercury Solar has large installations.

Mr. Warner responded Mercury Solar was the same company who recently installed the project in Penn Township near Lititz. Also, there is less risk for poor return on solar projects than on the wind. The sun's pattern does not change much over PA nor does the shadow of the structures. This company can measure exactly what the exposure will be by using specific computer programs. The output is determined by the types of panels that are chosen and can be calculated for exactly what the angle is on the installation. The main prerogative for informing the Board of this potential project at this time is so that, when approval is requested, the Board has all the information necessary to make an informed decision on the project.

Mr. Gordon asked if Mercury Solar will handle the structural review.

Mr. Adams replied that Mercury has a structural engineering staff that handles the securing of the fixtures.

Ms. Weibel asked for information regarding the glare factor of the panels. On a recent trip, she was subjected to sun blindness from a solar project due to an intense glare that remained in field of view for quite a long time.

Mr. Warner noted that this information will be studied.

- **Special Projects** – The final report for the Wind Project has been finalized and submitted to PADEP to receive the remaining \$150,000 of the \$1.5 million grant. Work is being done for NAWTEC that will be held in Lancaster, May 15 through 18, this year.
- **Recycling** – LCSWMA is working with businesses and some private entities, such as TerraGro, with food waste composting efforts. LCSWMA is developing a technical assistance plan to further food waste composting in the County. Typically, LCSWMA works with municipalities to give them the implementation documents for contracts and such. In this case, LCSWMA would have a technical assistance program where the municipalities, businesses, haulers, etc. can use this information to help them develop a program.

- **Biodegradable Kraft Bag Purchase** –Biodegradable bags are bid each year for Lancaster County municipalities to acquire these special bags for the disposal of leaves or yard waste. Each year, all orders from municipalities are aggregated and a group purchase is made by LCSWMA. The municipalities are then billed for the total cost of bags ordered. Two bids, out of the eight bid packages that were sent, were received, from Dano Enterprises, Inc. and also from Duro Bag Manufacturing Company. Both companies were awarded bids in previous years, Dano was the provider in 2010. Again this year, Dano Enterprises was the low bidder, based on orders from municipalities, for \$132,980, which is reimbursed in full by the municipalities. This is a cooperative purchase to help municipalities keep the cost down for these items and LCSWMA will be reimbursed 100% for the purchase. Staff recommends that the Board approve entering into a contract for the purchase of 436,000 Kraft bags at a cost of \$0.305 per bag totaling \$132,980 with delivery.

On motion by **Mr. Kassees**, second by **Mr. Musser** and unanimous vote, the Purchase of Biodegradable Kraft Bags was awarded to Dano Enterprises, Inc. for \$132,980.

Mr. Gordon asked why a municipality might choose to not participate in this bid.

Mr. Adams replied that not all municipalities use Kraft bags. For example, in Manheim Township, the public works department vacuums the leaves and the bags are not needed. For the municipalities that do use the bags, almost all are purchased from this program.

CITIZENS ADVISORY COMMITTEE

The CAC meeting scheduled for Wednesday, February 16, 2011 has been postponed until Wednesday, April 13, 2011 due to the timing of certain projects.

EXECUTIVE SESSION

After a 5-minute recess, the Board convened for an Executive Session to discuss a real estate matter.

ADJOURNMENT

On motion by **Mr. Kassees**, second by **Mr. Musser** and unanimous vote, the Board meeting adjourned at 10:05 a.m.

APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 11 DAY OF MARCH 2011.

Barbara B. Hammel
Secretary