

## Board of Directors • Meeting Minutes

**DATE:** February 16, 2018

**TIME:** 7:30 a.m.

### Attendance

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

**STAFF:** Adams, J. Capots, Henderson (Legal Counsel), Kohr, Lane, Marsh, McGuire, Morrison, Olson, Roberts, Sandoe, Saylor, Snyder, Sultzbaugh, Warner, Wireback, and Zorbaugh.

**ALSO PRESENT:** Dave Sharp with Covanta, and citizens as listed on the attached sign-in sheet.

**BOARD OF DIRECTORS ABSENT:** Brubaker

### Opening

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

### Approval of Minutes

Chairperson Dzurik asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of December 15, 2017 as distributed.

**Motion:** J. Musser

**Seconded:** R.E. Gordon

**Adopted:** Unanimously

### Public Comment

Dr. Leslie Osborne presented her concerns with hauler trucks traveling in Washington Boro.

### Staff Highlight

John Snyder, Capital Projects Coordinator, discussed his role at LCSWMA.

### Chief Executive Officer

*Mr. Warner reported on the following:*

- January was a good month for the Authority, which consisted of high tonnages and premium electric sales.
- Advancements continued with all Capital Projects.
- February is expected to be another good month.

### Action Items

#### 1. BOARD ACTION NO. 2: RESOLUTION 2018-1

A Resolution approving the Agreement of Sale for the purchase of real estate in Conoy Township, known as 2037 River Road, Bainbridge, Lancaster County, Pennsylvania.

Chairperson Dzurik asked for a motion to approve Resolution 2018-1.

**Motion:** K. Weibel

**Seconded:** R.E. Gordon

**Adopted:** Unanimously

**2. BOARD ACTION NO. 3: RESOLUTION 2018-2**

A resolution authorizing the CEO to negotiate and execute an Agreement of Sale in accordance the Letter of Intent for the sale of an approximately twenty-three-acre parcel of real estate in Conoy Township, south of Prescott Road, Lancaster County, Pennsylvania

Chairperson Dzurik asked for a motion to approve Resolution 2018-2.

**Motion:** J. S. Ulrich

**Seconded:** J. Musser

**Adopted:** Unanimously

**3. MOTION TO INTERVENE IN ZONING APPEAL IN MANOR TOWNSHIP**

Chairperson Dzurik asked for a motion that would allow the Authority and its legal counsel to vigorously defend the Challenge and Appeals filed with the Manor Township Zoning Hearing Board and the Lancaster County Court of Common Pleas.

**Motion:** G. Rettew

**Seconded:** J. Musser

**Adopted:** Unanimously

**Chief Financial Officer**

*Mr. Lane reported on the following:*

- LCSWMA generated \$7.8M in revenues on \$6.3M of expenses to net a \$1.6M operating surplus. This established a new milestone for a January fiscal period.
- Energy revenues were exceptional for a single month, with WTE's revenues exceeding budget by \$715k. WTE's favorability cancelled out a shortfall at the SRMC where outages curtailed production.
- Accounts Receivables increased to \$9.8M for the month, with exceptionally high January energy billings driving this increase.
- Noted that December and January disbursements were high due to timing of Covanta payments, Capital project payments, a land acquisition, the annual insurance prepayment, and hauler rebates.

**Action Items****1. BOARD ACTION NO. 5: SUMMARY OF DISBURSEMENTS**

Chairperson Dzurik asked for a motion to approve the disbursements for December 2017 and January 2018, totaling \$20,364,417.

**Motion:** G. Rettew

**Seconded:** R.E. Gordon

**Adopted:** Unanimously

**Chief Operating Officer**

*Mr. Zorbaugh reported on the following:*

- Facility operations staff faced some extreme cold weather challenges in January; however, cold weather SOP's were utilized to manage the conditions and they were able to greatly minimize any negative impacts to daily operations. Progress slowed slightly on some projects due to the cold weather.
- The SRMC facility experienced significant unscheduled downtime, which totaled 416 hours, as

repairs were completed on each unit during the month.

- Updates were provided on the following Capital Projects: Frey Farm Vertical Expansion, Inashco Metals Recovery Facility, SRMC Ash Storage Building, and the Northwest River Trail.

## **Action Items**

### **1. BOARD ACTION NO. 6: PURCHASE OF EQUIPMENT**

Chairperson Dzurik asked for a motion to approve the purchase of a used landfill compactor (\$404,500.00), three walking floor trailers (\$292,786.62), and a pick-up truck (\$34,345.00).

**Motion:** J. Deerin

**Seconded:** K. Weibel

**Adopted:** Unanimously

## **Chief Business Development Officer**

*Mr. Adams reported on the following:*

- Introduced Dave Sharp, who is Covanta's new Regional Business Manager.
- Pricing for recovered metals has increased substantially since LCSWMA and Inashco executed the amended service agreements in September 2017. LCSWMA will receive between 13-18% of gross revenues, with copper, brass, aluminum, and precious metal sales making up most of the gross revenues.

## **Chief Business Solutions Officer**

*Ms. Marsh reported on the following:*

- The Environmental Hearing Board issued its final ruling on the appeal of Perdue's air permit, dismissing the appeal and ruling in favor of PA DEP and Perdue.
- Cold temperatures the first two weeks of January produced market pricing that was well above historic averages. The five-year historic average market price for January (excluding the polar vortex in 2014) is \$33 MWh at our node, compared to \$82.20 MWh this month. As a result, the Lancaster WTE recognized a significant surplus vs. budget for electricity sold into the market.
- A visual was shared to highlight January market pricing (historic vs. 2018).

## **Action Items**

### **1. BOARD ACTION NO. 7: RENEWABLE ENERGY CERTIFICATES SALES AGREEMENTS**

Chairperson Dzurik asked for a motion to negotiate and execute REC sale agreements with Direct Energy, PSEG ERT, and DTE Energy Trading.

**Motion:** R.E. Gordon

**Seconded:** J. S. Ulrich

**Adopted:** Unanimously

### **2. BOARD ACTION NO. 8: RESOLUTION 2018-3**

A resolution authorizing and approving the Chief Executive Officer to negotiate and execute master renewable energy certificate purchase and sale agreements and associated transaction confirmations.

Chairperson Dzurik asked for a motion to approve Resolution 2018-3.

**Motion:** J. Musser

**Seconded:** J. S. Ulrich

**Adopted:** Unanimously

### **Chief Human Resources Officer**

*Ms. Wireback reported on the following:*

- LCSWMA has focused on culture over the last four years, and this year has expanded the focus in collaboration with Community Relations staff. This collaboration led to the creation of the LCSWMA Champions Initiative.
- The purpose of the initiative is to advance the wellbeing of LCSWMA and its employees. This year will be focused on enhancing the interconnectedness of safety, wellness, culture and community through objectives to educate, engage, and encourage.
- The initiative is led by a cross-functional team of four Super Champions and consists of 13 committee members representing all LCSWMA sites.

### **Chief Communications Officer**

*Dr. Sandoe reported on the following:*

- Staff is actively planning for LCSWMA's community outreach this year, which includes facility tours, stakeholder meetings and various special events. Twenty public tours are scheduled throughout 2018, not including requests from schools, organizations, etc.
- A year of surveying customers using the HHW Facility was conducted by staff, which resulted in several significant statistics. It was noted that most customers stated the service was excellent and couldn't think of any areas for improvement. When suggestions were given, the most common response was extended evening and weekend hours, along with residential, curbside collection of HHW materials.

### **Action Items**

#### **1. BOARD ACTION NO. 9: PURCHASE OF BIODEGRADABLE YARD WASTE COLLECTION BAGS**

Chairperson Dzurik asked for a motion to approve entering into a contract with Mondi Industrial Bags for the purchase of 510,000 Kraft bags at a total cost of \$158,100.00.

**Motion:** J. S. Ulrich

**Seconded:** K. Weibel

**Adopted:** Unanimously

### **Adjournment**

The Board Meeting adjourned at 9:28 a.m. after the Executive Session to discuss litigation and a personnel matter. No Board action was taken.

**APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 16<sup>th</sup> DAY OF MARCH 2018.**



Karen M. Weibel, Secretary