

Board of Directors • Meeting Minutes

DATE: April 20, 2018

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Banker, C. Capots, J. Capots, Henderson (Legal Counsel), Kohr, Lane, Marsh, McGuire, Morrison, Olson, Ortega, Reider, Roberts, Sandoe, Saylor, 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: Dzurik

Opening

Vice Chair Deerin requested a moment of silence followed by the pledge to the flag.

Approval of Minutes

Vice Chair Deerin asked for any additions or corrections to the meeting minutes. It was noted that Mike Brubaker was in attendance at March's meeting. A motion was requested to approve the Minutes of March 16, 2018 having made the one correction.

Motion: L. Houck

Seconded: J. Musser

Adopted: Unanimously

Public Comment

There was no public comment.

Presentation

Ms. Carol Roland, from Trout Ebersole and Groff, reviewed the Audited Financial Statements for the Year Ended December 31, 2017.

Action Items

1. BOARD ACTION NO. 2: ACCEPTANCE OF AUDITED 2017 FINANCIAL STATEMENTS

Vice Chair Deerin asked for a motion to accept the Audited Financial Statements for the Year Ended December 31, 2017 as presented.

Motion: M. Brubaker

Seconded: R.E. Gordon

Adopted: Unanimously

Staff Highlight

Ambrosia Ortega, Safety & Wellness Coordinator, discussed her role at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- The Authority had a great 1st quarter, mostly driven by tipping fees.

- Ground has been broken on the Inashco MRF site with contractor focus on pouring concrete and tying rebar. Commissioning is planned for September.
- C/D Recycling that was presented last month will be advanced this month, for which Mr. Adams will share in more detail during his report.
- Waste Expo, the largest waste show in America, begins next week in Las Vegas. There is a full-day investor conference, which Mr. Warner has been asked to participate on a panel. A benefit of that opportunity was five free passes to the investor conference and Waste Expo event, of which some staff will be taking advantage.

Chief Financial Officer

Mr. Lane reported on the following:

- Experienced some headwinds in March with energy. A hedge was in place, which did help to offset some of the negative impact.
- Through March, YTD, the Authority achieved \$3.8M in surplus (+\$1M ahead of projection).
- Full-year outlook table was reviewed, as it is a new addition to the report. It showed 2018 revenues growing to \$88.2M on \$72M of expenses, to yield a \$16.2M Operating Surplus. Tipping was the accelerant for the bulk of our revenue.
- Ended March with total reserve at \$34.6M.
- Receivables were up due to some higher billings. Just after month end, the Authority collected more cash than we invoiced.

Action Items

1. BOARD ACTION NO. 3: SUMMARY OF DISBURSEMENTS

Vice Chair Deerin asked for a motion to approve the disbursements for March 2018, totaling \$7,124,218.

Motion: M. Brubaker

Seconded: K. Weibel

Adopted: Unanimously

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- Operations performed at a high level, while faced with several non-routine challenges throughout the month, including a late season snow storm. The redundancy of the Authority's integrated system provides flexibility when situations like this develop. It allows customers to continue accessing facilities without interruption.
- Conversations with Covanta continue with regard to downtime issues at the SRMC. They plan to make several upgrades during the planned spring outages.

Action Items

1. BOARD ACTION NO. 4: PURCHASE OF A USED DIESEL TRUCK TRACTOR

Vice Chair Deerin asked for a motion to approve the purchase of a used diesel truck tractor from Five Star International in the amount of \$79,900.00.

Chief Business Solutions Officer

Ms. Marsh reported on the following:

- March realized low energy revenue, which was primarily driven by performance issues at SRMC; however, we are still above budget on energy revenues through Q1 thanks to Lancaster Waste-to-Energy's strong production and significant January market upside.
- Beginning to see the benefits of medium pressure steam export to Perdue in the overall net export of electric to the grid.
- In collaboration with the Department of General Services (DGS), a Request for Quotes was released in February for Energy Manager services. The current contract for these services, was set to expire on May 31, 2018 with American PowerNet. They, again, were the successful bidder, and a new three-year contract was awarded by DGS in March.

Chief Human Resources Officer

Ms. Wireback reported on the following:

- Training was a large focus in March. Those trainings included the following:
 - Understanding Differences (diversity, inclusion, harassment) – attended by all staff.
 - Franklin Covey (6 Critical Practices for Leading a Team) – attended by management staff.
- Franklin Covey training was a kick-off to the All-Access pass we have for our management employees. They will be encouraged to create learning journeys in order to continue developmental opportunities for themselves and their staff.

Chief Communications Officer

Dr. Sandoe reported on the following:

- Highlights of 2017's recycling performance and HHW Facility performance, which included:
 - In Lancaster County, there are 44 curbside programs and 3 drop-off programs, serving 89% of county residents in 2017.
 - 254,781 tons recycled (+4,793 tons vs. 2016), with Lancaster County achieving a recycling rate of 43.9% (vs. 44.0% in 2016), which is higher than the national average of 34.6%.
 - Yard waste decreased significantly by 75.1%, and single stream decreased 12.8%.
 - The HHW Facility served 74,964 customers in 2017 and collected a total of 1,801 tons of material (2.5 million lbs. of that were electronics). This is a 4.6% increase in the number of customers, and 3.1% increase in tons of materials vs. 2016.
- LCSWMA hosted the STEM Alliance board meeting in March. This group launched in 2015 in hopes to transform Lancaster County into a hub for STEM literacy and experiential learning. Members received a tour of the Transfer Station and heard from LCSWMA's CEO and Executive Team on the role that STEM plays in LCSWMA's business and the larger solid waste management industry.
- Hosted the Citizen's Advisory Council on April 18th. Highlights of the meeting included:
 - Single Stream Recycling, Bob Zorbaugh introduced as upcoming CEO, LCSWMA's Strategic Plan, and Frey Farm Vertical Expansion visual synthesis concepts (group was utilized as a focus group).

Adjournment

The Board Meeting adjourned at 10:46 a.m. after the Executive Session to discuss existing 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 15th DAY OF JUNE 2018.



Karen M. Weibel, Secretary