

Board of Directors • Meeting Minutes

DATE: June 15, 2018

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Campbell, C. Capots, J. Capots, DiGiorgio, Henderson (Legal Counsel), Kohr, Lane, Marsh, Morrison, Olson, 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.

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 April 20, 2018 as distributed.

Motion: J. Deerin

Seconded: G. Rettew

Adopted: Unanimously

Public Comment

There was no public comment.

Staff Highlight

Cassie Capots, Metrics & Reporting Analyst, discussed her role at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- LCSWMA continues to set records for tonnage and revenue, which is causing some strain on operations, so we are looking to staff-up appropriately.
- Recycling crisis continues to be a challenge that LCSWMA is planning an initiative to address the issue within Lancaster County.
- Photos of NAWTEC and recent community outreach/partnerships were shared.

Chief Financial Officer

Mr. Lane reported on the following:

- LCSWMA is operating at unprecedented levels and once again set new milestones in waste deliveries and associated tipping fees. May's operations generated \$8.1M in Revenue, netting a \$1.8M Surplus (up 34% vs. Budget).
- Energy was a little below our target expectations due to an unplanned black plant event at the Lancaster Waste-to-Energy Facility, triggered by a MetEd line outage.

- Highlighted the need for a dedicated Lancaster Waste-to-Energy Facility reserve fund. In 2041, that facility will reflect 50 years of wear and tear, and LCSWMA needs to plan for upgrades/replacements now. An outline of the plan to finance this fund and a timeline of action items was shared with the Board.

Action Items

1. BOARD ACTION NO. 2: SUMMARY OF DISBURSEMENTS

Chairperson Dzurik asked for a motion to approve the disbursements for April 2018 and May 2018, totaling \$18,418,153.98.

Motion: M. Brubaker

Seconded: R.E. Gordon

Adopted: Unanimously

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- Record inbound tonnages were managed safely and within regulatory parameters. Operations management and the HR staff are collaborating on staffing requirements at the facilities to manage the growth in waste volumes.
- Seen a tremendous increase in C&D deliveries at the Transfer Station Complex in Lancaster, which has required some analysis.
- As Jim discussed, Lancaster hosted NAWTEC and we received tremendously positive feedback from industry peers.
- Photos of the current Capital Projects progressions were shared, which included MSE berm construction at the Frey Farm Landfill, Inashco MRF, SRMC Ash Storage building, and the Northwest Lancaster County River Trail.

Action Items

1. BOARD ACTION NO. 3: CHANGE ORDER FOR THE FREY FARM LANDFILL METALS RECOVERY FACILITY SITE DEVELOPMENT PROJECT

Chairperson Dzurik asked for a motion to approve Change Order No. 1 to Kinsley Construction, Inc. in the amount of \$168,651.51.

Motion: M. Brubaker

Seconded: R.E. Gordon

Adopted: Unanimously

2. BOARD ACTION NO. 4: CHANGE ORDER FOR THE FREY FARM LANDFILL VERTICAL EXPANSION STAGE 1 CONSTRUCTION PROJECT

Chairperson Dzurik asked for a motion to approve Change Order No. 1 to Kinsley Construction, Inc. in the amount of \$627,288.45

Motion: J. S. Ulrich

Seconded: J. Musser

Adopted: Unanimously

Chief Business Development Officer

Mr. Adams reported on the following:

- Modifications were made to the ash handling system and there were several benefits realized from

those modifications, which include: 1) ability to continue selling RECs into the NJ market, 2) decreased water usage, and 3) new metal product to sell.

- Future potential benefits include more efficient processing of ash in the enhanced MRF (Inashco) and reuse of bottom ash.

Chief Business Solutions Officer

Ms. Marsh reported on the following:

- The black plant outage at the Lancaster Waste-to-Energy Facility resulted in a loss of about 1,500 MWh of generation. As a follow up to this event, LCSWMA is coordinating communication to MetEd to request their assistance with improving diagnostic response time and communication procedures for future events. Covanta and Perdue are helping to collaborate on this effort.
- Staff was able to capitalize on an opportunity to lock a 5MW hedge for January and February 2019 with TransAlta Energy Marketing.
- The 2021/2022 Base Residual Auction for Capacity in PJM was scheduled to take place from May 10th-16th. The auction cleared at \$140 MW/day, which is 62% higher than last year's auction. The results were driven primarily by increased constraint in our region and will provide \$1.67M in capacity revenue for the 2021/2022 delivery year.
- Contract management system implementation will be ongoing over the next several months with Agiloft having been chosen as the platform.
- PA DEP announced the opening of its Alternative Fuel Incentive Grant in May, which provides up to \$40,000 toward the incremental cost of new CNG trucks. LCSWMA will be submitting an application to this program to secure funding to offset the purchase of two new CNG tractors this year, and we have reached out to several customers to gauge interest and offer our support.

Chief Human Resources Officer

Ms. Wireback reported on the following:

- LCSWMA received the Platinum Well Workplace Award at the annual health summit in partnership with Lighten Up Lancaster, Live Well Lancaster, and Central Penn Business Group on Health.
- The LCSWMA Champions participated in a river clean up as part of Lancaster Water Week. A group of 27 volunteers (staff, family, and friends) collected 1.56 tons of trash at their site, which was the most collected at any of the sites for the day.
- HR staff has worked to develop a comprehensive recruiting strategy to target new audiences and generate quality applicants. Part of this strategy was collaborating with Community Relations to develop an employer value proposition, which connects to our internal culture efforts. A series of four different images were developed for the campaign and will be put on the back of our trucks.
- Highlighted some recent workforce outreach efforts, which include: participation in a STEM collaborative, speaking engagement at LCCTC, and a pop-up job fair that was arranged as a result of the Worley & Obetz closing.

Action Items

1. BOARD ACTION NO. 5: LIFE, AD&D, AND LONG TERM DISABILITY INSURANCE

Chairperson Dzurik asked for a motion to approve effective July 1, 2018, the renewal of Life and

Accidental Death & Disbursement insurance and Long Term Disability insurance with Reliance Standard.

Motion: J. Deerin

Seconded: K. Weibel

Adopted: Unanimously

Chief Communications Officer

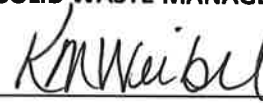
Dr. Sandoe reported on the following:

- Highlighted the “Recycle Right” initiative that LCSWMA is undertaking in response to the current recycling crisis. This initiative will work toward a solution that includes: 1) simplify the recycling process, 2) standardize the recycling message, and 3) educate people on the importance of recycling right.
- Nicole DiGiorgio will be hired as a full-time employee to be LCSWMA’s Environmental Education Coordinator, with a large part of her responsibility being to advance this initiative.
- LCSWMA hosted its first Spring Energy Tours at the Lancaster Waste-to-Energy Facility on Saturday, May 12th. Over 200 people enjoyed this free public tour to learn more about LCSWMA and how waste-to-energy serves our community.

Adjournment

The Board Meeting adjourned at 10:42 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 17th DAY OF AUGUST 2018.



Karen M. Weibel, Secretary