

Board of Directors • Meeting Minutes

DATE: October 20, 2017

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, C. Capots, J. Capots, Henderson (Legal Counsel), Graham Jr., Kohr, Lane, Marsh, Morrison, Olson, Paton, Reider, Roberts, Sandoe, Warner, Wireback, and Zorbaugh.

ALSO PRESENT: Jim Klecko 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 September 15, 2017 as distributed.

Motion: J. Deerin

Seconded: R.E. Gordon

Adopted: Unanimously

Public Comment

There was no public comment.

Staff Highlight

Bill Graham Jr., Assistant Facility Manager, WTE, discussed his role at LCSWMA.

Chief Executive Officer

Mr. Warner reported on the following:

- Ended the third quarter extremely robust at \$3M over budget in tipping fees. This has been one of LCSWMA's strongest years yet.
- Kinsley Construction has been doing a wonderful job with the Frey Farm Landfill capping project, and we are very pleased with their work.

Chief Financial Officer

Mr. Lane reported on the following:

- LCSWMA ended September with a favorable surplus, and is benefiting from higher refuse volumes.

Action Items

1. BOARD ACTION NO. 2: SUMMARY OF DISBURSEMENTS

Chairperson Dzurik asked for a motion to approve the disbursements for September 2017, totaling \$5,767,686.46.

Motion: J. Musser

Seconded: K. Weibel

Adopted: Unanimously

2. BOARD ACTION NO. 3: ANNUAL AUDIT ENGAGEMENT AGREEMENT

Motion: J. Deerin

Seconded: G. Rettew

Adopted: Unanimously

Chief Operating Officer

Mr. Zorbaugh reported on the following:

- Through the third quarter of this year, we continue to receive seasonally robust tonnages and vehicle traffic.
- LCSWMA staff made adjustments to outbound waste payloads hauled by CNG vehicles as a result of legislation, which took effect on 9/20. Payloads since the effective date have increased an average of 6% for both refuse and C/D loads. The Transfer Station Complex is realizing a 3.6 outbound load per day reduction.
- Covanta began a fall turbine outage schedule with the waste-to-energy turbine outage beginning September 9th. Covanta disassembled the turbine to inspect internal components along with inspection of the generator. The first stage blades were found to show some significant wear, along with some hairline cracks in the blades. The first stage blades required replacement.
- Capital project updates on the following projects: Frey Farm Cell 6 capping, WTE/Perdue shared entrance, SRMC Ash Storage building, SRMC Cooling Tower demolition, and the Northwest River Trail paving.

Chief Business Development Officer

Action Items

1. BOARD ACTION NO. 4: RESOLUTION 2017-7

A resolution authorizing and approving execution of five-year agreements with haulers collecting, transporting and delivering MSW generated within Lancaster County to the Lancaster County Solid Waste Management Authority.

Chairperson Dzurik asked for a motion to approve Resolution 2017-7.

Motion: L. Houck

Seconded: J. Musser

Adopted: Unanimously

Director of Business Solutions

Ms. Marsh reported on the following:

- Perdue held their Ribbon Cutting Ceremony on September 25th, which was well attended, and included remarks from Governor Wolf, Mr. Jim Perdue, and Mr. Russell Redding. While the facility

began receiving soybeans in late September, and has commenced drying operations utilizing steam from our WTE facility, the processing schedule (full operations) has been pushed into October, as Perdue is still working to commission the processing systems.

Deputy Chief of Human Resources

Ms. Wireback reported on the following:

- LCSWMA is a participant in the Intergovernmental Insurance Cooperative (IIC) for health insurance coverage, and over the last 18 months, has had very positive claims experience. Despite the actuarial assumption of an 8% trend in medical insurance increases, our 2018 renewal rate is 0.2%. We are projecting a return of approximately \$400k for 2017's plan year, which represents 22% of premiums paid for the year.

Deputy Chief of Community Relations

Dr. Sandoe reported on the following:

- LCSWMA was the title sponsor of The Harrisburg Mural Festival, which focused on the beautification of Harrisburg through the creation of 15 murals throughout the city. LCSWMA invested in this initiative as a way to invest back in the host municipality of the SRMC, but also as a mechanism for education and outreach to the people who live and work in Harrisburg. Staff worked with two artists to create an abstract depiction of LCSWMA's philosophy of making waste a resource for the community. An interpretive panel was installed on the mural to explain how LCSWMA executes this motto in Harrisburg.
- Recent developments within the global recycling industry, specific to China's "Nation Sword" ban.

Citizens Advisory Committee

- Next meeting is scheduled for November 15th.
- Several members toured the SRMC on October 16th, and they will be planning for tours of the other facilities in the near future.

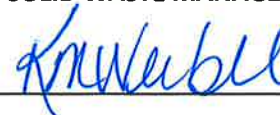
Other Business

- Mr. Lane presented the draft of the 2018 Operating and Capital Budget.

Adjournment

The Board Meeting adjourned at 9:46 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 November 2017.



Karen M. Weibel, Secretary