

## Board of Directors • Meeting Minutes

**DATE:** February 15<sup>th</sup>, 2019

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

### Attendance

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

**STAFF:** Adams, Henderson (Legal Counsel), Kaufmann, Kohr, Marsh, Mathason, McGuire, Morrison, Roberts, Sandoe, Saylor, Sultzbaugh, Wireback, and Zorbaugh.

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

**BOARD OF DIRECTORS ABSENT:** Brubaker

### Opening

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

### Approval of Minutes

Chairperson Deerin asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of December 21, 2018 as distributed.

**Motion:** S. Dzurik

**Seconded:** L. Houck

**Adopted:** Unanimously

### Public Comment

None

### Chief Executive Officer

*Mr. Zorbaugh reported on the following:*

- January began the year on a positive note, generating a net surplus of \$1.44 M which was above budget by \$387K. Revenue of \$7.6 M was just slightly below budget while expenses of \$6.2M were well below budget.
- Positive Tipping Fee revenue was mainly driven by strong C/D waste volumes. Other Revenue was lower than budget due to ferrous metal pricing below expectations and delays with the Inashco MRF start-up.
- We did budget more aggressively in 2019 for refuse and C/D revenues based on the last two years of significant growth in these waste streams. Moving forward LCSWMA may not see the very large surplus in tipping fees compared to budget that we have the past two years.
- January's ending Reserve balance was \$32.9 million.
- Staff continues to work with Cauler Container to reduce past due balances and staying current on ongoing disposal fees.
- Mr. Zorbaugh outlined some organizational changes as they relate to the Executive Team.

## Action Items

### **2. BOARD ACTION NO. 2: MOTION TO APPROVE DISBURSEMENTS FOR DECEMBER AND JANUARY**

Chairperson Deerin asked for a motion to approve the disbursements for December and January totaling \$19,522,123.

**Motion:** K. Weibel

**Seconded:** R. E. Gordon

**Adopted:** Unanimously

### **3. BOARD ACTION NO. 3: RESOLUTIONS 2019-1,2,3,4: BANK SIGNATORIES/WELLS FARGO RESOLUTION**

Chairperson Deerin asked for a motion to approve Resolutions 2019-1, 2, 3 & 4.

**Motion:** J. S. Ulrich

**Seconded:** S. Dzurik

**Adopted:** Unanimously

Chairperson Deerin asked for a motion to approve the Wells Fargo Resolution.

**Motion:** J. S. Ulrich

**Seconded:** S. Dzurik

**Adopted:** Unanimously

## Chief Operating Officer

*Mr. Adams reported on the following:*

- Safety has become a greater focus in the waste industry, so haulers are more frequently cancelling the collection of residential waste during inclement weather and therefore we see decline in tons. This will likely impact financials for February.
- A major emphasis of the Operations team is to minimize the expense of third-party transportation. These costs were \$16k vs. budget of \$39k.
- While the main reason these costs were under budget was a fully staffed operations team, LCSWMA is also looking long-term through cross trainings. Several employees earned their Class A CDL, which will yield future benefit for LCSWMA.
- The Inashco MRF began commissioning on January 31<sup>st</sup>. We will see a small fraction of revenue from this project in February, with more seen in March. Mr. Adams also reviewed the process that Inashco will go through to process the ash (via photos).
- Additionally, Mr. Adams noted that the ash will not need to dry (age) and that approximately 5% of the incoming ash stream is removed as metal.
- Introduced Michelle Mathason as LCSWMA's new Recycling Manager.

## Chief Business Development Officer

*Ms. Marsh reported on the following:*

- Energy revenue came in on-budget for the month.
- We budgeted \$39.48 MWh for January and were able to hedge 42% of Lancaster waste-to-energy's generation at \$49.61 MWh for the month. The market price for January was \$31.59 MWh. For February, we have about 44% of Lancaster waste-to-energy's generation hedged.
- LCSWMA's reactive power filing is under review by Federal Energy Regulatory Commission (FERC) staff, and a settlement judge has been assigned to our case. We hope to settle this by summer; FERC is to provide the first settlement offer in April.

- LCSWMA received a gold recertification under the Wildlife Habitat Council (WHC) Conservation Certification program. Jeff Musser and Jordan Gallagher expended considerable efforts through this process, and we are very proud of this achievement.
- Our ISO audit was completed and there were no major or minor non-conformances found. The auditor commended the cleanliness and public image of all facilities and noted that employees demonstrated strong understanding and awareness of the environmental policy and related SOP's.

### **Chief Human Resources Officer**

*Ms. Wireback reported on the following:*

- The Human Resources and Community Relations Departments are collaborating on a plan to address the misunderstood perception of working in the waste industry. This year, we have outlined four objectives for our collaboration: (1) Advance LCSWMA's Employer Brand Identity as a premier place to work; (2) Redefine what it means to work in waste and work for LCSWMA through offering unique, hands-on experiences to target audiences; (3) Create a consistently warm and memorable onboarding experience for new staff; (4) Gain employee buy-in through education and cultural enhancements.
- Conducted focus groups to solicit feedback and select targeted areas for improvement. From there, a survey was developed and launched in early February.
- Highlighted survey results:
  - 72% response rate (88 employees) with 57 Ops staff and 31 Administrative Staff.
  - 52% of responses were from employees with less than 5 years of service and 48% with over 5 years of service.
  - Top rated areas include: benefits and perks, job stability, people, success in fulfilling mission and purpose, quality of work provided to customers, and community recognition.
  - Areas for improvement: work/life balance, career advancement opportunities, actively solicit input and be open to ideas.
- High level results will be shared with staff next week and a deeper dive will be planned for the company meeting in April.
- Today will mark 900 days with no lost time incident!

### **Action Items**

#### **4. BOARD ACTION NO. 4: RESOLUTION 2019-5: REAPPOINTMENT OF THE DIRECTORS OF THE GOVERNMENT SELF-INSURANCE FUND**

Chairperson Deerin asked for a motion to approve Resolution 2019-5.

**Motion:** J. Musser

**Seconded:** R. E. Gordon

**Adopted:** Unanimously

## Chief Commercial Officer

Dr. Sandoe reported on the following:

- LCSWMA has launched our new website! Rachael Lantz did a great job managing this project.
- The new site was designed to be easier for users to navigate and more engaging. Additionally, the site was designed to be optimized for a mobile experience.

## Action Items

### 5. BOARD ACTION NO. 5: PURCHASE OF BIODEGRADABLE YARD WASTE COLLECTION BAGS

Chairperson Deerin asked for a motion to approve the purchase of 386,000 biodegradable yard waste collection bags in the amount of \$159,032.

**Motion:** K. Weibel

**Seconded:** S. Dzurik

**Adopted:** Unanimously

### 6. BOARD ACTION NO. 6: PURCHASE OF 20-GALLON CURBSIDE RECYCLING BINS

Chairperson Deerin asked for a motion to approve the purchase of 3,800 recycling bins at a total cost of \$31,535.

**Motion:** K. Weibel

**Seconded:** S. Dzurik

**Adopted:** Unanimously

### 7. BOARD ACTION NO. 7: AWARD OF CONTRACT FOR THE LANCASTER WASTE-TO-ENERGY WAREHOUSE RENOVATION PROJECT

Chairperson Deerin asked for a motion to approve the award of contract for the Lancaster Waste-To-Energy Warehouse renovation project to Lobar Associate's Construction in the amount of \$109,263.70.

**Motion:** J. S. Ulrich

**Seconded:** J. Musser

**Adopted:** Unanimously

### 8. BOARD ACTION NO. 8: CHANGE ORDER NO. 2 TO KINSLEY CONSTRUCTION, INC. FOR THE FREY FARM LANDFILL VERTICAL EXPANSION STAGE 1 CONSTRUCTION PROJECT

Chairperson Deerin asked for a motion to approve the change order No. 2 to Kinsley Construction, Inc. in the amount of \$653,004.24.

**Motion:** J. Musser

**Seconded:** R. E. Gordon

**Adopted:** Unanimously

### 9. BOARD ACTION NO. 9: CHANGE ORDER NO. 2 TO KINSLEY CONSTRUCTION, INC. FOR THE FREY FARM LANDFILL METALS RECOVERY FACILITY SITE DEVELOPMENT PROJECT

Chairperson Deerin asked for a motion to approve the change order No. 2 to Kinsley Construction, Inc. in the amount of \$144,686.73.

**Motion:** J. S. Ulrich

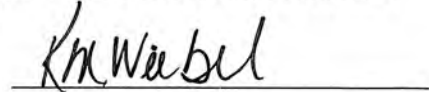
**Seconded:** S. Dzurik

**Adopted:** Unanimously

**Adjournment**

The Board Meeting adjourned at 10:05 a.m. following an Executive Session to discuss litigation. No action was taken.

**APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 19<sup>th</sup> DAY OF APRIL 2019.**



Karen M. Weibel, Secretary