

Board of Directors • Meeting Minutes

DATE: April 17, 2020

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Capots, Henderson (Legal Counsel), Manning, Marsh, Roberts, Sandoe, Saylor, Stenson Dabney, Wireback, Youngs, and Zorbaugh.

ALSO PRESENT: Dave Sharp from Covanta and Dr. Leslie Osborne.

NOTE: LCSWMA is a life sustaining business under applicable Commonwealth of Pennsylvania actions and critical infrastructure under applicable federal guidance. This meeting of the Board of Directors was held at the offices of LCSWMA and all individuals attending in person observed appropriate social distancing. Other individuals attended electronically. All individuals attending the meeting could hear, and be heard by, all other attendees.

Opening

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

Approval of Minutes

Action Items

1. BOARD ACTION NO. 1: 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 February 21, 2020 as distributed.

Motion: M. Brubaker

Seconded: J. Musser

Adopted: Unanimously

Public Comment

None

Presentation

Ms. Krista Shower, from Trout CPA reviewed the Audited Financials for the year ended December 31, 2019.

Action Item

2. BOARD ACTION NO. 2: ACCEPTANCE OF AUDITED 2019 FINANCIAL STATEMENTS

Chairperson Deerin asked for a motion to accept the audited Financial Statements for the Year Ended December 31, 2019.

Motion: K. Weibel

Seconded: L. Houck

Adopted: Unanimously

Chief Executive Officer

Mr. Zorbaugh provided a first quarter 2020 business review through March 12th, 2020 with the quarter ending positive to budget with an Operating Surplus of \$1.4M. However, he noted a beginning decline in tipping fee revenue as a result of the Covid-19 pandemic from mid-March to the end of the quarter.

Mr. Zorbaugh discussed a plan to mitigate the financial impact due of Covid-19, as well as contingency plans for continued operations, including the reduction of site operating hours, operating and non-core essential expenses, a ten percent (10%) salary decrease for all employees, the elimination of overtime, the postponement of various Capital Projects and the implementation of working remotely for administrative staff.

Mr. Zorbaugh reported on the implementation of health and safety measures for employees, including the elimination of the acceptance of cash and checks, strict limitations on customer contact and interactions, practice of social distancing for employees and wearing of mask for all employees, customers and visitors on all LCSWMA properties.

Chief Financial Officer

Mr. Youngs provided a detailed report on monthly financials, including tonnage, revenues, expenses and the net position. He reported leading up to March 13th, tipping revenue for the exceeded budget by +\$250K. He further reported post March 13th, waste volumes in refuse, C&D and residual tonnage declined by -7%, -52% and -19% respectively and the average tip revenue fell short of budget by -\$13K per day over the final 2 weeks of the quarter. He presented an overview of YTD pre and post Covid-19 impact and YTD P&L. Lastly, he reported on cash flow and past due accounts.

Mr. Youngs commended the IT team for an outstanding job supporting the organization's abrupt shift to remote workspaces. He advised the IT Environment Refresh Project (ERP) is continuing forward.

Action Items

3. BOARD ACTION NO. 3: MOTION TO APPROVE DISBURSEMENTS FOR FEBRUARY AND MARCH

Chairperson Deerin asked for a motion to approve Disbursements for April in the amount of \$16,271,640.94.

Motion: M. Brubaker

Seconded: L. Houck

Adopted: Unanimously

4. BOARD ACTION NO. 4: PURCHASE OF WTE CAMERA SYSTEM REPLACEMENT

Chairperson Deerin asked for a motion approve the purchase of the Avigilon Camera System for WTE from Triangle Communications in the amount of \$30,111.69.

Motion: K. Weibel

Seconded: L. Houck

Adopted: Unanimously

Chief Operating Officer

Mr. Adams provided a report on the discontinuation of overtime for operations staff, reduction of facility operating hours and the reconfiguration of the staffing model. He also reported Michelle Mathason has compiled the aggregate recycling data for the county, per PA Act 101 and has submitted the annual data to PA DEP. He reported positive recycling trends, including a reduction in single stream materials by 2,000 tons due to less contamination in residential recycling and increased corrugated cardboard tons.

Commodities have stabilized and LCSWMA was able to maintain the \$60 per ton fee for single stream for 2019. The recycling rate of Lancaster County has improved from 2018 to a rate of 42.8% for 2019.

Action Items

5 BOARD ACTION NO. 5: SRMC UNIT 2 BAGHOUSE UPGRADE PROJECT

Chairperson Deerin asked for a motion to approve reimbursement payment to Covanta for the SRMC Unit 2 Baghouse Upgrade Project in the amount of \$112,699.

Motion: J. S. Ulrich

Seconded: G. Rettew

Adopted: Unanimously

Chief Business Development Officer

Ms. Marsh reported additional details on the energy business, including grid pricing and hedges. She provided details of load fluctuation from Department of General Services, who issued formal notification to Columbia Borough implementing the force majeure provision in their contract. She also reported the solid waste permit renewal application for FFLF has been submitted with no changes requested. The permit is an administrative renewal required every 10 years and must be submitted at least 1 year in advance prior to expiration.

Ms. Marsh reported on the Sale-Leaseback agreement with the owner of 3125 River Road in Conestoga for a 2.3-acre property identified under the Pale Consent Order for the amount of \$290,000.

Action Item

6 BOARD ACTION NO. 6: RESOLUTION 2020-1- PURCHASE OF REAL ESTATE

Chairperson Deerin asked for a motion adopt Resolution 2020-1, approving the purchase of 3125 River Road, Conestoga, PA from Elizabeth Beck in the amount of \$290,000, minus the cost of repair of the drainage field.

Motion: E. Gordon

Seconded: J. Musser

Adopted: Unanimously

Chief Human Resources Officer

Ms. Wireback reported HR staff has shifted their focus to educating employees on Covid-19 and implementing safe practice. Ms. Wireback highlighted HR continued advances in educating employees for overall wellness to ensure both physical and mental well-being. She reported LCSWMA has 3 full-time jobs which have not been filled and 5 part-time employees who remain on standby. Safety has surpassed 3.1M miles driven of no at-fault incidents and a total of 1,245 days with no lost time injuries. Three (3) recordable incidents, which have been followed-up with additional training and safety measures.

Chief Commercial Officer

Dr. Sandoe provided details for the deferment of \$7M of capital projects and the continuation of important capital projects, including the fire suppression projects and upgrades needed in-line with Captive requirements. She provided details for the implementation of educational programs to include both a Digital Learning Program platform and Virtual Tour program. The community relations teams will focus the remainder of 2020 on the development of these programs and estimate an initial roll-out by the 3rd quarter.

Action Items

7 BOARD ACTION NO. 7: AWARD OF CONTRACT FOR 2020 TSC TIPPING FLOOR REPAIR

Chairperson Deerin asked for a motion to award the contract for the repair of main tipping floor at the Transfer Station Complex to Infrastructure Repair Service, LLC in the amount of \$390,550.00.

Motion: J. Musser

Seconded: K. Weibel

Adopted: Unanimously

Adjournment

The Board Meeting adjourned at 10:47 a.m. It was noted that an Executive Session would be held after the meeting to discuss personnel and litigation, but no actions were taken during or after the Executive Session.

APPROVED BY THE BOARD OF DIRECTORS OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY THIS 15th DAY OF MAY 2020.



Karen M. Weibel, Secretary