

## Board of Directors • Meeting Minutes

**DATE:** July 17, 2020

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

### Attendance

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

**STAFF:** Adams, Henderson (Legal Counsel), Marsh, Sandoe, Stenson Dabney, Wireback, Youngs, and Zorbaugh.

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

**BOARD OF DIRECTORS ABSENT:** Dzurik

**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 June 19, 2020 as distributed.

**Motion:** J. Musser

**Seconded:** L. Houck

**Adopted:** Unanimously

### Public Comment

None

### Chief Executive Officer

Mr. Zorbaugh provided an overview of the continued impact due to Covid-19. He noted LCSWMA workforce has remained healthy with no positive tests for the virus. He advised the diligent health and safety measures and protocols implemented for employees and customers has allowed LCSWMA to remain productive in our efforts to provide reliable waste service to the communities for which we serve. LCSWMA will follow the recommendation and guidance of the PA Dept of Health, CDC and Governor Wolf's mandates and guidelines.

Mr. Zorbaugh discussed the financial models for the impact of Covid-19 on LCSWMA's business. He reported a second quarter loss of \$1.8M.

Mr. Zorbaugh commended the entire workforce for their outstanding efforts, service and dedication to the organization and the efficiency to which staff members have performed while working remotely.

Lastly, he reported positive progress on goals, critical capital projects and programs outlined to be implemented and completed in 2020.

### **Chief Financial Officer**

Mr. Youngs provided a detailed report on monthly financials, including tonnage, revenues, expenses and the net position. He reported for June that LCSWMA received 81,674 tons of waste, falling short of budget by **-8,980 tons (-9.9%)**. He reported tipping revenue decreased by **-\$605K (-9.3%)** with system-wide refuse down 9.7% (**-\$452K**) compared to budget, C&D and residual revenues underperformed to budget by **-\$130K (-11.2%)** and **-\$92K (-9.0%)** respectively. He further detailed the financial metrics, per ton analysis and the Annual EBITDA. He presented a quarterly and mid-year summary highlighting Q2 operating revenues and inbound tonnage fell short of budget **-10.3%** and **-7.3%** respectively and cost-reduction measures implemented to maintain financial performance. He discussed continued enforcement of the credit billing policy, cash flow and past due accounts.

Mr. Youngs reported on the IT Environment Refresh project, the implementation cost, annual service and support fees associated with project. He reported the project implementation to commence in Q3 with all aspects to be fully integrated by the end of Q4 2020.

Mr. Henderson provided an update on the Captive initiative.

### **Action Items**

#### **2. BOARD ACTION NO. 2: APPROVAL OF DISBURSEMENTS FOR JUNE**

Chairperson Deerin asked for a motion to approve Disbursements for May in the amount of \$7,897,817.48.

**Motion:** J. Musser

**Seconded:** L. Houck

**Adopted:** Unanimously

### **Chief Operating Officer**

Mr. Adams presented LCSWMA's main tipping revenue sources and the percentage variance to budget over Q2 2020. He reported on the revised facility hours at SRMC, FFLF and WTE to align with low utilization timeframes at these sites. The implementation of the revised site hours will yield an annual cost saving of approximately \$153K. Lastly, he provided an update on the FFLF vertical expansion project.

### **Chief Business Development Officer**

Ms. Marsh reported on the energy business. She noted energy revenue in June fell short of budget by **-\$245K**. She reported the month of June experienced several outages, including the two-day line outage with Met-Ed. She further reported on projected energy revenue for the remainder of 2020.

Ms. Marsh reported the second landfill gas-to-energy engine will come online in Q3 and discussed the current Energy Power Partners (EPP) agreement.

Ms. Marsh reported that the 2019 annual operation reports were submitted to PA DEP for all LCSWMA's facilities. Lastly, Ms. Marsh reported SRMC received a determination from Capital Region Water on the stormwater impact fee, resulting in a 53% reduction from the initial assessment. Ms. Marsh commended Dan Brown for his efforts on this matter.

### **Chief Human Resources Officer**

Ms. Wireback reported that staff has surpassed 3.4M miles driven with no at-fault incidents and 1,310 days with no lost time injuries and we have had 4 recordable incidents in 2020.

Ms. Wireback reported the Covid Taskforce prepared a re-entry plan for the Administrative building. Ms. Wireback further reported HR staff and the Covid Taskforce will continue to monitor the pandemic and implement safeguards and protocols as needed.

### **Chief Commercial Officer**

Dr. Sandoe presented details of the progress of the Frey Farm Landfill capping project. She also presented details on the Northwest Lancaster County River Trail work in progress. Dr. Sandoe discussed the fire suppression upgrades needed at the Transfer Station Complex and Household Hazardous Waste Facility. Finally, Dr. Sandoe reported on the *LCSWMA @Home* program, with more than 1,000 engagements and 25,000 people accessing the Digital Learning Hub and Virtual Tours program, as well as the status of the upcoming 360 virtual tours.

### **Action Items**

**3 BOARD ACTION NO. 3: APPROVAL FOR PURCHASE OF INFRARED FLAME DETECTORS AND RELATED MATERIALS AT THE TRANSFER STATION COMPLEX TIPPING FLOOR**

Chairperson Deerin asked for a motion to approve the purchase of new infrared flame detectors and related materials from Kistler O'Brien Fire Protection for \$39,107.71.

**Motion:** L. Houck

**Seconded:** J. Musser

**Adopted:** Unanimously

**4 BOARD ACTION NO. 4: APPROVAL FOR PURCHASE OF NEW DRY CHEMICAL FIRE SUPPRESSION SYSTEM AND RELATED MATERIALS FOR THE HOUSEHOLD HAZARDOUS WASTE FACILITY**

Chairperson Deerin asked for a motion to approve the purchase of new Dry Chemical Fire Suppression System and related materials from Kistler O'Brien Fire Protection for \$70,212.82.

**Motion:** J. Musser

**Seconded:** L. Houck

**Adopted:** Unanimously

### **Adjournment**

The Board Meeting adjourned at 10:39 a.m. It is noted that an Executive Session was 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 18<sup>th</sup> DAY SEPTEMBER OF 2020.**



Karen M. Weibel, Secretary