

# Board of Directors | Meeting Minutes

**DATE:** March 18, 2022

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

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## **Attendance**

**BOARD OF DIRECTORS:** Blowers, Deerin, Gordon, Houck, Rettew, and Ulrich.

**STAFF:** Adams, Altman, Barnett, Cutarelli, D. Brown, Devaney, Fetterolf, Gross, Henderson (Legal Counsel), Marsh, Youngs, and Zorbaugh.

**BOARD OF DIRECTORS ABSENT:** Brubaker, Dzurik, Weibel.

**ALSO PRESENT:** Dave Sharp from Covanta, 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 in person and virtually. All individuals attending the meeting could hear, and be heard by, all other attendees.

## **Opening**

In Chairperson Brubaker's absence, Vice-Chairperson Rettew led the meeting and opened with a requested moment of silence followed by the pledge to the flag.

## **Approval of Minutes**

### **1. BOARD ACTION NO. 1: APPROVAL OF MINUTES OF JANUARY 25, 2022**

Vice-Chairperson Rettew asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of January 25, 2022, as distributed.

**Motion:** S. Ulrich

**Seconded:** J. Deerin

**Adopted:** Unanimously

## **Chair's Appointment of FY2021 Audit Committee**

### **2. THE CHAIR APPOINTMENTS TO THE FY 2021 AUDIT COMMITTEE**

Vice-Chairperson Rettew asked for consideration for Mr. Gordon, Mr. Deerin and Mr. Ulrich to serve on the FY2021 Audit Committee. It was noted that the next meeting is scheduled for April 6, 2022, at 8:30a.m. The committee members were appointed as presented.

## **Public Comment**

None

## **Chief Executive Officer**

Mr. Zorbaugh opened by relinquishing to Mr. Adams and Ms. Marsh the introductions of Mr. Devaney and Mr. Altman, LCSWMA's new Director of Business and Safety Manager, respectively.

Mr. Zorbaugh and Mr. Youngs provided an update on the renegotiated clawback agreement with DGS, including the best financial options for LCSWMA. Mr. Henderson explained the context of the original agreement.

Mr. Zorbaugh shared details of his positive experience participating as a panelist at a Covanta meeting, as well as his introduction to their new CEO and Board Members.

In addition, Mr. Zorbaugh provided an update on business in general, noting economic uncertainty in recycled metals, inflation, and the impact of rising fuel prices. He continued with an update on LCSWMA communications, including the addition of a bi-lingual Spanish version of the LCSWMA.org website, as

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well as Google Translator installations at the Scale Houses. Also, Mr. Zorbaugh outlined the topics from the Community Action Committee meeting earlier in the week, including capacity planning, ash recycling and food waste initiatives.

Finally, Mr. Zorbaugh discussed the impact on LCSWMA of the recent fire at the Penn Waste facility, and the ability for LCSWMA to quickly pivot and divert materials to another source.

## **Consent Agenda**

Vice-Chairperson Rettew asked for a motion to approve the consent agenda items.

### **3. BOARD ACTION NO. 2: MOTION TO APPROVE:**

a. **2022 EQUIPMENT PURCHASE #3 ISSUE PAPER**

b. **JANUARY AND FEBRUARY DISBURSEMENTS**

**Motion:** E. Gordon

**Seconded:** J. Blowers

**Adopted:** Unanimously

## **Chief Financial Officer**

Mr. Youngs provided an overview of finances for February through March, including above budget operating expenses, core financials in line with budget, favorable year-to-date EBITDA, and a strong financial position going into the second quarter. Mr. Youngs noted various factors with rising costs and project timing will cause fluctuations in the capital budget.

Mr. Youngs described what LCSWMA is doing well, including HR staffing, and three simultaneous audits in the final stages of review.

Finally, Mr. Youngs presented two action items for Board consideration.

### **4. BOARD ACTION NO. 3: MOTION TO ADOPT RESOLUTION NO. 2022-02: RESOLUTION TO APPROVE THE CERTAIN CASUALTY INSURANCE CONTRACTS OFFERED BY RAFFLES INSURANCE, LTD.**

Vice-Chairperson Rettew asked for a motion to approve Resolution No. 2022-02: approving the certain casualty insurance contracts offered by Raffles Insurance, LTD.

**Motion:** J. Deerin

**Seconded:** E. Gordon

**Adopted:** Unanimously

### **5. BOARD ACTION NO. 4: MOTION TO APPROVE RESOLUTION NO. 2022-03: RESOLUTION TO APPROVE AN UPDATED CURRENT RESOLUTION/CERTIFICATE OF INCUMBANCY BETWEEN WELLS FARGO AND LCSWMA.**

Vice-Chairperson Rettew asked for a motion to approve Resolution No. 2022-03: approving an updated current Resolution/Certificate of Incumbency between Wells Fargo and LCSWMA.

**Motion:** J. Blowers

**Seconded:** J. Deerin

**Adopted:** Unanimously

## **Chief Operating Officer**

Mr. Adams expanded on the general process for operations budgeting, including an in-depth view of the annual budget process for capital expenditures, process and controls for expenditures, and a snapshot of 2022 capital expenditures.

Finally, Mr. Adams fielded questions from the Board.



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### **Chief Business & Compliance Officer**

Ms. Marsh provided an annual energy governance and risk review, including electric hedging at the Lancaster WTE facility, capacity pricing from 2018 through 2022/2023, capacity revenue versus risk from 2016 through 2022, and an overview of Renewable Energy Credits (RECs), including contracted volume and average price, as well as REC revenue by energy year from 2017 through 2023.

Finally, Ms. Marsh shared insights regarding future environmental regulations, including drinking water standards (PFAS) and RACT III NOx limits guidelines and proposals by the Department of Environmental Protection.

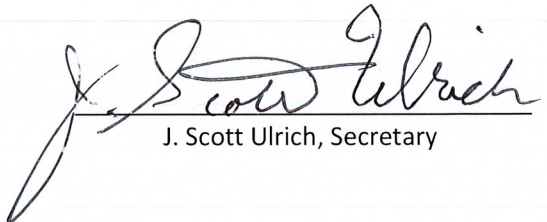
### **Other Business**

The next meeting of the Board will be held on April 22, 2022.

### **Adjournment**

The Board Meeting adjourned at 10:22 a.m. Mr. Henderson noted that an Executive Session would be held to discuss personnel and real estate matters, but no actions would be taken during or after the Executive Session.

**APPROVED THE 22<sup>nd</sup> DAY OF APRIL 2022.**



J. Scott Ulrich, Secretary