

Board of Directors | Meeting Minutes

DATE: June 17, 2022

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Barnett, Fetterolf, Gross, Kohr, Henderson (Legal Counsel), Marsh, Youngs, and Zorbaugh.

BOARD OF DIRECTORS ABSENT: Brubaker.

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 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.

Public Comment

None

Approval of Minutes

Action Items

1. BOARD ACTION NO. 1: APPROVAL OF MINUTES OF APRIL 22, 2022 AND MAY 16, 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 April 22, 2022 and May 16, 2022, as distributed.

Motion: S. Ulrich

Seconded: L. Houck

Adopted: Unanimously

Chief Executive Officer

Mr. Zorbaugh opened with a summary of items from May, including revising the DGS agreement and the successful closing of the refinancing effort marking the completion of two major organizational goals.

Mr. Zorbaugh highlighted the opening ceremony in early June for the Enola Low Grade Trestle Bridge bringing to conclusion LCSWMA's funding commitment that began in 2019. Mr. Zorbaugh recounted that the event was well-attended.

Also, Mr. Zorbaugh provided general details on board reports from the Executive Team, including mention of the robust electric and ferrous metals markets which positively deflected the current runaway inflation. Mr. Zorbaugh articulated that these markets will be monitored as work begins on the budget process.

Finally, Mr. Zorbaugh closed with positive news on waste tonnage as it outperformed budget, offsetting inflationary pressures, although difficult to predict into the second half of the year, given the current economic turmoil.

Chief Financial Officer

Mr. Youngs began by reiterating news that May financial performance exceeded budget for the first time this year with tonnage strengthening over the prior year. In addition, Mr. Youngs reported on favorable energy and metal markets compared to budget, collectively resulting in Net Income of \$1.1M.

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Also, Mr. Youngs detailed increases to various expenses, including replacement parts, the Authority is experiencing. Mr. Youngs explained that all levels of increase were offset by windfalls in operating revenue. Further, Mr. Youngs pointed to the importance of rate planning in light of the economic climate and confirmed that LCSWMA is currently well-aligned with long-term objectives. .

In response to questions from the Board regarding energy production, Mr. Youngs deferred to Ms. Marsh, and to Mr. Adams for input on the impact of construction and demolition waste received.

Next, Mr. Youngs acknowledged several employees, including Amanda Manning, Human Resources Manager, for her efforts regarding the company's culture and manager resources, Cale Fetterolf, Information Technology Manager, for efforts regarding cyber risk mitigation and identifying future IT needs, and Claire Paton, Accounts Receivable Administrator, for accomplishing two consecutive months with zero past due receivables.

Finally, Mr. Youngs introduced two action items for Board consideration and approval.

2. BOARD ACTION NO. 2: MOTION TO APPROVE RESOLUTION NO. 2022-07: AUTHORIZE AUTOMATIC DEDUCTION FROM LCSWMA ACCOUNTS FOR DEBT SERVICE PAYMENTS ON CERTAIN RESOURCE RECOVERY SYSTEM REVENUE BONDS PURCHASED BY FULTON BANK, N.A.

Vice-Chairperson Rettew asked for a motion to approve Resolution No. 2022-07: Authorizing automatic deductions from LCSWMA accounts for debt service payments on certain resource recovery system revenue bonds purchased by Fulton Bank, N.A. A copy of Resolution 2022-07 is attached.

Motion: J. Deerin

Seconded: K. Weibel

Adopted: Unanimously

3. BOARD ACTION NO. 3: MOTION TO APPROVE APRIL AND MAY DISBURSEMENTS

Vice-Chairperson Rettew asked for a motion to approve April and May disbursements as set forth in the Board packet in the amount of \$8,015,998.35 and \$6,566,413.35 respectively :

Motion: J. Deerin

Seconded: S. Dzurik

Adopted: Unanimously

Chief Operating Officer

Mr. Adams provided an update on the Stage 2 Vertical Expansion project, including a presentation highlighting work completed and in progress. Mr. Adams explained all aspects of this capital project, directing attention to the landfill working face, the liner system, the MSE berm, the protective cover, the litter fence and the vegetation berm, as well as the initial point of waste placement and removal of old cap material. Further, Mr. Adams presented information about the first waste load and grading waste which took place on June 14th.

In conclusion of the project presentation, Mr. Adams presented the visual landscape synthesis plan and, in closing, acknowledged Nick Kohr, Director of Capital Projects, for tenacious consistency with shepherding this project.

Finally, Mr. Adams fielded questions from the Board and introduced an action item for Board consideration and approval, emphasizing that the contract in consideration will be completed under budget.

4. BOARD ACTION NO. 4: MOTION TO APPROVE AWARD OF CONTRACT FOR THE 2022 TRANSFER STATION COMPLEX TIPPING FLOOR REPAIR PROJECT.

LCSWMA staff recommends the Board of Directors award the contract for the Transfer Station

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Complex Tipping Floor Repair Project to Infrastructure Repair Service, LLC of Lincoln Park, NJ in the amount of \$97,425.00. A copy of the applicable Issue Paper is attached.

Vice-Chairperson Rettew asked for a motion to approve the award of a contract for the 2022 Transfer Station Complex tipping floor repair project:

Motion: S. Ulrich

Seconded: E. Gordon

Adopted: Unanimously

Chief Business & Compliance Officer

Ms. Marsh provided an energy market commentary with a focus on the Natural Gas Market and contracts as referenced in the May report to the Board. The presentation included budget expectations and a conservative approach to LCSWMA's gas purchasing contracts. Ms. Marsh went on to explain the SRMC and TSC Natural Gas Supply contracts, including a pricing and expense comparison, a summary of LCSWMA transportation and fuel expenses, and a high-level look at a new interconnection project, including a timeline for potential RNG interconnection, planning and design, approvals, construction, and commissioning.

In fielding questions from the Board, Ms. Marsh explained the importance of keeping a pulse on all options while maneuvering through the volatile RNG market vs. electric, and to evaluate the best path forward. Additionally, Ms. Marsh acknowledged Justin Capots, Energy and Commodity Manager, for his commitment, perseverance, patience and creativity.

Next, Ms. Marsh provided an update on real estate, including a new tenant lease for the warehouse building at 1301 Harrisburg Pike beginning September 2022.

Finally, Ms. Marsh fielded questions from the Board and introduced an action item for Board consideration and approval.

5. BOARD ACTION NO. 5: MOTION TO APPROVE RESOLUTION NO. 2022-08: AUTHORIZING NATURAL GAS PURCHASING CONTRACT.

Vice-Chairperson Rettew asked for a motion to approve Resolution No. 2022-08: Authorizing the natural gas purchasing contract. A copy of Resolution No. 2022-08 is attached.

Motion: S. Ulrich

Seconded: S. Dzurik

Adopted: Unanimously

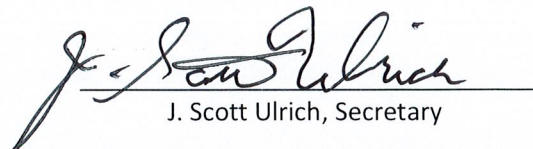
Other Business

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

Adjournment

Mr. Henderson made known that an Executive Session would be held to discuss real estate and personnel matters, but no actions would be taken during or after the Executive Session. At the conclusion of the Executive Session, the Board Meeting adjourned at 9:27 a.m.

APPROVED THE 22nd DAY OF JULY 2022.



J. Scott Ulrich, Secretary

RESOLUTION NO. 2022-07
LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
LANCASTER COUNTY, PENNSYLVANIA

A RESOLUTION OF THE BOARD OF THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY PROVIDING FOR THE AUTOMATIC DEDUCTION FROM AUTHORITY ACCOUNTS FOR DEBT SERVICE PAYMENTS ON CERTAIN RESOURCE RECOVERY SYSTEM REVENUE BONDS PURCHASED BY FULTON BANK, N.A.

ADOPTED: June 17, 2022

WHEREAS, the Lancaster County Solid Waste Management Authority (the "Authority") is a body corporate and politic organized under and governed by the Pennsylvania Municipality Authorities Act, as amended and supplemented (the "Act"); and

WHEREAS, the Authority maintains bank accounts with Fulton Bank, N.A.; and

WHEREAS, the Authority issued on June 15, 2022, the Resource Recovery System Revenue Bond, Taxable Series of 2022 which was purchased by Fulton Bank, N.A.; and

WHEREAS, it would be convenient for the debt service payments on the Resource Recovery System Revenue Bond, Taxable Series of 2022 to be made by automatic deduction from the accounts of the Authority with Fulton Bank, N.A.:

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority, as follows:

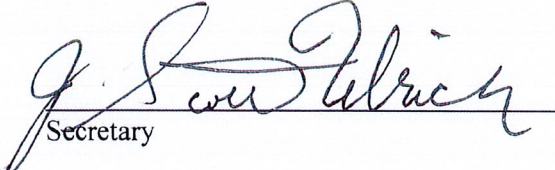
1. The Chief Financial Officer of the Authority is hereby authorized and directed to make appropriate arrangements with Fulton Bank for the debt service payments on the Resource Recovery System Revenue Bond, Taxable Series of 2022, and the debt service payments on any replacement tax exempt bond purchased by Fulton Bank, N.A., to be made by automatic deduction from the accounts of the Authority with Fulton Bank.

2. This Resolution shall become effective immediately.

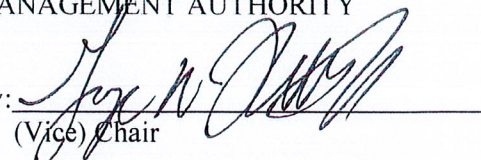
3. In the event any part of this Resolution shall be held invalid, such invalidity shall not affect or impair any remaining part of this Resolution, it being the intent of this Board that such remainder shall be and shall remain in full force and effect.

DULY ADOPTED, this 17th day of June, 2022, by the Board of the Lancaster County Solid Waste Management Authority, in lawful session duly assembled.

ATTEST:


Secretary

LANCASTER COUNTY SOLID WASTE
MANAGEMENT AUTHORITY

By: 
(Vice) Chair



Board Action No. 4

ISSUE: Award of Contract for the 2022 Transfer Station Complex Tipping Floor Repair Project

BACKGROUND: The main tipping floor in the transfer station is subject to significant abrasion as a result of pushing waste into transfer trailers. Over time, the surface of the concrete floor deteriorates and must be repaired. Most of the tipping floor was repaired in 2019 and 2020 using a high strength, abrasion-resistant cement topping product. The purpose of this project is to install the topping product on two areas adjacent to pit openings 2 and 3 that were affected by the tunnel roof replacement project. The 2022 Capital Budget included \$125,000 for this project.

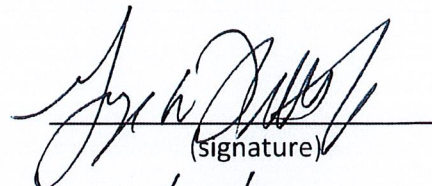
DISCUSSION: For this project, LCSWMA staff required the same repair product and methodology as the 2019 and 2020 projects, using stringent performance specifications and the installer/manufacturer must provide a 10-year warranty against wear. The bid package was developed internally and based on approximately 550 square feet of floor repair. The bid results are listed below:

Company	Total Base Bid
Infrastructure Repair Service, LLC	\$97,425

Infrastructure Repair Service, LLC is a manufacturer-certified installer for the specified repair product and completed the 2019 and 2020 repairs.

RECOMMENDATION: Staff recommends the Board of Directors award the contract for the Transfer Station Complex Tipping Floor Repair Project to Infrastructure Repair Service, LLC of Lincoln Park, NJ in the amount of \$97,425.

APPROVED BY THE BOARD OF DIRECTORS:



(signature)
6/17/2022

(date)

RESOLUTION NO. 2022-08

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
LANCASTER COUNTY, PENNSYLVANIA

A RESOLUTION AUTHORIZING AND APPROVING EXTENSION OF AN
AGREEMENT FOR THE PROCUREMENT OF NATURAL GAS SUPPLY SERVICE

WHEREAS, the Lancaster County Solid Waste Management Authority (“LCSWMA”) owns the Susquehanna Resource Management Complex (“SRMC”) located in Harrisburg City and Swatara Township, and a Transfer Station Complex (“TSC”) located in Manheim Township and the SRMC and TSC require a supply of natural gas;

WHEREAS, in May 2019 LCSWMA issued a Procurement Document for Natural Gas Supply Service which, in Section 4.2.4 of the Instructions to Bidders (the “Instructions”), required that the 36 month fixed price agreement between the successful bidder and LCSWMA permit an extension of the agreement for up to one year;

WHEREAS, pursuant to the Procurement Document for Natural Gas Supply Service, on August 16, 2019, LCSWMA awarded the Natural Gas Supply Service Agreement (the “Supply Agreement”) for the TSC and the SRMC to UGI Energy Service, LLC (“UGIES”);

WHEREAS, the Supply Agreement dated August 19, 2019 was captioned a “Customer Confirmation Agreement” and provided at paragraph 8, in accordance with the Instructions, for the extension of service beyond the initial term at the current market price at the point of delivery;

WHEREAS, the initial term of the Supply Agreement ends in September 2022 for the SRMC and October 2022 for the TSC;

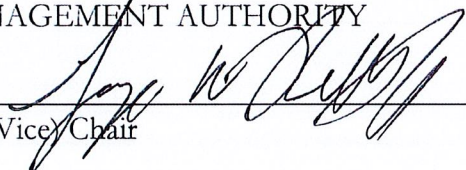
WHEREAS, natural gas prices are historically high and volatile at the present time and LCSWMA desires to purchase natural gas at the most favorable rates available in the market;

WHEREAS, pursuant to paragraph 8 of the Supply Agreement LCSWMA desires to extend the term of the Supply Agreement for an additional twelve months at current market price at the point of delivery;

NOW, THEREFORE, BE IT RESOLVED by the Board of LCSWMA (the “Board”) that the Supply Agreement shall be extended to through September 2023 for both the SRMC and the TSC (the “Extension”) at a fixed price equal to the current market price at the point of delivery on the date of the Extension;

BE IT FURTHER RESOLVED by the Board that: (a) the Supply Agreement and actions previously taken by LCSWMA with respect to the Supply Agreement are hereby ratified and confirmed; and (b) LCSWMA's Chief Executive Officer, Robert B. Zorbaugh (the "CEO"), is hereby authorized and directed to take all actions which are appropriate: (i) to execute and deliver, on a date selected by the CEO between the date of this Resolution and August 1, 2022, the Extension at the then current market price on the date of the Extension, and (ii) to execute and deliver all appropriate documents to implement the Extension.

LANCASTER COUNTY SOLID WASTE
MANAGEMENT AUTHORITY

By: 
(Vice) Chair