



Board of Directors | Special Meeting Minutes

DATE: February 26, 2024

TIME: 7:30 a.m.

Notice and Attendance

NOTICE: Notice of this Special Meeting was advertised, and the Agenda was posted as required by law.

BOARD OF DIRECTORS: Blowers, Brubaker, Deerin, Dzurik, Eby, Rettew, Ulrich, and Weibel.

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

BOARD OF DIRECTORS ABSENT: Becker.

ALSO PRESENT: Dave Sharp and Kevin Connor from Covanta, Dr. Leslie Osborne, and Mary Glazier.

NOTE: 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

With quorum to be established by roll call, Chairperson Rettew called the meeting to order and requested a moment of silence followed by the pledge to the flag. Mr. Zorbaugh commenced with a roll call.

Public Comment

None.

Chief Executive Officer

Mr. Zorbaugh provided background information on two action items for Board consideration and asked Mr. Sharp and Mr. Kohr to speak to the SRMC variances. Mr. Sharp stated that LCSWMA staff were not responsible for actual costs exceeding original estimates. Mr. Sharp further discussed the cost deviation due primarily to missing scope, as well as a possible management percentage fee reduction.

Mr. Sharp answered questions from the Board. Mr. Deerin suggested a change of process for future projects. Additionally, Chairperson Rettew commented that going forward, a review of the internal processes with expert consultants should be performed when considering complex projects.

- 1. BOARD ACTION NO. 1: RESOLUTION NO. 2024-05: MOTION TO AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED MODIFICATION NUMBER 2023-6 TO THE LANCASTER APPENDIX TO THE MASTER PROFESSIONAL SERVICES AGREEMENT, DATED JANUARY 1, 2018, CONCERNING FIRE SUPPRESSION PROJECTS AT THE SUSQUEHANNA RESOURCE MANAGEMENT COMPLEX:**

Chairperson Rettew asked for a motion to approve the resolution as presented. A copy of the Board Action is attached.

Motion: S. Ulrich

Seconded: K. Weibel

Adopted: Unanimously



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2. **BOARD ACTION NO. 2: RESOLUTION NO. 2024-06: MOTION TO AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED MODIFICATION NUMBER 2023-7 TO THE LANCASTER APPENDIX TO THE MASTER PROFESSIONAL SERVICES AGREEMENT, DATED JANUARY 1, 2018, CONCERNING FIRE SUPPRESSION PROJECTS AT THE LANCASTER WASTE-TO-ENERGY FACILITY:**

Chairperson Rettew asked for a motion to approve the resolution as presented. A copy of the Board Action is attached.

Motion: S. Ulrich

Seconded: K. Weibel

Adopted: Unanimously

Adjournment

The Board Meeting adjourned at 7:48 a.m.

APPROVED THE 19th DAY OF APRIL 2024.



J. Scott Ulrich, Secretary

RESOLUTION NO. 2024-05

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
LANCASTER COUNTY, PENNSYLVANIA

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED MODIFICATION NUMBER 2023-6 TO THE HARRISBURG APPENDIX TO THE MASTER PROFESSIONAL SERVICES AGREEMENT, DATED JANUARY 1, 2018, CONCERNING FIRE SUPPRESSION PROJECTS AT THE SUSQUEHANNA RESOURCE MANGEMENT COMPLEX

WHEREAS, Covanta Harrisburg, Inc. (the "Company") and the Lancaster County Solid Waste Management Authority (the "Authority") are parties to a certain Harrisburg Appendix to a Master Professional Services Agreement, dated as of January 1, 2018, (the "Agreement") with respect to the operation and maintenance of the Susquehanna Resource Management Complex located in Dauphin County, Pennsylvania (the "Facility");

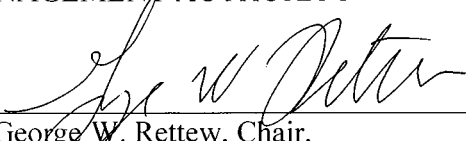
WHEREAS, certain fire suppression projects at the Facility will be beneficial to protect the Authority and the public, as well as mitigating insurance premium cost increases; and

WHEREAS, it is necessary and appropriate to Amend and Restate Modification 2023-6 based on information received since it was approved in June of 2023;

WHEREAS, it is appropriate to enter into an Amended and Restated Modification 2023-6 attached to this Resolution (the "Modification") with Covanta Harrisburg, Inc.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Authority that Robert B. Zorbaugh, the Authority's Chief Executive Officer, acting alone, is authorized and directed, on behalf of the Authority, to execute: (a) the attached Modification Number 2023-6, with such changes as he deems appropriate and in the interest of the Authority, including changes in the scope of the Project so as to reduce the price of the Project; and (b) any and all documents in connection with the Modification.

LANCASTER COUNTY SOLID WASTE
MANAGEMENT AUTHORITY

By: 
George W. Rettew, Chair,
Board of Directors

Amended and Restated Modification Number 2023-6

Covanta Harrisburg, Inc. (the "Company") and the Lancaster County Solid Waste Management Authority (the "Authority"), parties to a certain Master Professional Services Agreement and Harrisburg Appendix, dated as of January 1, 2018, (the "Agreement"), have entered into this Modification Number 2023-6 (this "Modification").

Background:

This Modification is for services for the design, engineering, and installation of the Stage 2 fire protection project (the "Project") at the Susquehanna Resource Management Complex (the "Facility"). The Project is outside of normal operations and maintenance and is not covered as a Listed Project. The Project consists primarily of the following activities, with all associated engineering, electrical, civil/structural, and piping work:

- Installation of remote-operated fire water monitors in the tipping floor area.
- Upgrade of the existing manual monitors to remote-operated monitors in the refuse pit areas.
- Balancing of existing automatic sprinkler systems and fire water monitors in each fire area.
- Installation of smoke and heat vents with remote open and close capability over the tipping floor and refuse pit/charging deck areas.
- Performance of a fire protection gap analysis.

Design engineering was authorized by the Authority by email dated April 28, 2023, in order to get cost estimates. Final construction engineering drawings were completed in October 2023 for the majority of the project scope. Formal quotes for these portions of the project were then obtained. All pricing has been updated to reflect the actual pricing received from vendors.

This Proposal incorporates the use of fire water monitors manufactured and supplied by Akron Brass. Akron Brass was selected primarily due to a short lead time, low costs, and the Authority's desire to expedite project completion. Initial engineering completed prior to receipt of quotes, however, contemplated the use of a competitor's product. While the initial review indicates that the change in vendors should have minimal impact, the associated engineering is currently being reviewed in more detail. If there are any material revisions to the system necessitated by the use of Akron Brass, Covanta will consider it a Change Order and will discuss any such revisions with the Authority prior to authorization to proceed.

Project construction, commissioning, and training is targeted for completion prior to the end of June 2024 and will be completed as soon as reasonably practical. Continued supply chain issues could, however, impact project completion dates, especially for materials with long lead times. At the Authority's request, the gap analysis will not be prioritized and will only be

initiated once all other projects have been completed. Covanta anticipates project construction to start upon delivery of materials following authorization by the Authority.

THEREFORE, the Authority and Company, intending to be legally bound and upon the exchange of good and valuable consideration, the sufficiency of which is hereby mutually acknowledged, agree as follows:

1. This is an Authority Modification pursuant to Section 5.10 of the Harrisburg Appendix to the Agreement. Each of the capitalized terms not defined in this Modification has the meaning as set forth in the Agreement. This Modification shall also be deemed the Company's Proposal Cost Estimate, Company's Modification Proposal, the Authority's approval of the Company's Modification Proposal, and the Authority's Notice to Proceed.
2. A summary breakdown of vendors and estimated costs is set forth in Exhibit "A" attached. The services to be completed by the Company pursuant to this Modification (the "Project Services") will include all work and materials necessary for the design, procurement of all required Project materials and work, installation, contract management, startup, and successful completion of testing of the Project in accordance with the acceptance criteria for an Unexpected Project. The Company shall complete the Modification (including any appropriate testing) prior to the end of June 2024.
3. The Company shall contract for the installation and implementation of the Project under this Modification, including but not limited to, all work, labor and materials for the design, procurement of all required materials, installation, project management, permit fees, and startup, as necessary or appropriate. All Project warranties shall be for the benefit of the Authority.
4. The cost of the Project is \$3,277,397, which includes any related fees paid to Covanta. It is agreed that the Project is a vital part of the operation, but the Authority has agreed that the Authority will nonetheless bear the cost of the Project.
5. No additional operation, maintenance and other costs will arise from the operation of the Project. The Annual Base Service Fee in section 1.01 of this Agreement shall not be changed.
6. The Company and the Authority agree to the following terms with regard to the design and construction of the Project:
 - (a) The preparation for installation of the Project shall occur during 2024, subject to the availability of materials. Installation, startup, and performance testing of the Project will not require total Facility shutdown or individual process train shutdown periods.

(b) The Company shall provide all design and construction management services as part of the estimated price.

7. Installation and operation of the Project provided under this Modification does not diminish, abrogate, or otherwise affect any of the Company's obligations, covenants, guarantees or representations under the Agreement.

8. This Modification reflects the entire agreement between the parties concerning the Project and supersedes and replaces all prior oral or written negotiations, agreements, or understandings, with respect to the matters set forth in this Modification. The Authority and the Company ratify and confirm the Agreement as amended by this Modification.

9. The Authority and the Company will cooperate to obtain all consents and authorizations regarding this Modification required under the Amended and Restated Trust Indenture between the Authority and Trustee.

IN WITNESS WHEREOF, the Authority and the Company, intending to be legally bound, have caused this Modification to be executed by their duly authorized representatives and thereby make it effective as of February 26, 2024.

~~COVANTA HARRISBURG, INC.~~

By: 

Vice President

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY

By: 

Chief Executive Officer

RESOLUTION NO. 2024-06

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY
LANCASTER COUNTY, PENNSYLVANIA

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED MODIFICATION NUMBER 2023-7 TO THE LANCASTER APPENDIX TO THE MASTER PROFESSIONAL SERVICES AGREEMENT, DATED JANUARY 1, 2018, CONCERNING FIRE SUPPRESSION PROJECTS AT THE LANCASTER WASTE-TO-ENERGY FACILITY

WHEREAS, Covanta Lancaster, Inc. (the "Company") and the Lancaster County Solid Waste Management Authority (the "Authority") are parties to a certain Lancaster Appendix to a Master Professional Services Agreement, dated as of January 1, 2018, (the "Agreement") with respect to the operation and maintenance of the Waste-to-Energy Facility located in Conoy Township, Lancaster County, Pennsylvania (the "Facility");

WHEREAS, certain fire suppression projects at the Facility will be beneficial to protect the Authority and the public, as well as mitigating insurance premium cost increases; and

WHEREAS, it is necessary and appropriate to Amend and Restate Modification 2023-7 based on information received since it was approved in June of 2023;

WHEREAS, it is appropriate to enter into an Amended and Restated Modification 2023-7 attached to this Resolution (the "Modification") with Covanta Lancaster, Inc.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Authority that Robert B. Zorbaugh, the Authority's Chief Executive Officer, acting alone, is authorized and directed, on behalf of the Authority, to execute: (a) the attached Modification Number 2023-7, with such changes as he deems appropriate and in the interest of the Authority, including changes in the scope of the Project so as to reduce the price of the Project; and (b) any and all documents in connection with the Modification.

LANCASTER COUNTY SOLID WASTE
MANAGEMENT AUTHORITY

By: 
George W. Rettew, Chair,
Board of Directors

Amended and Restated Modification Number 2023-7

Covanta Lancaster, Inc. (the "Company") and the Lancaster County Solid Waste Management Authority (the "Authority"), parties to a certain Master Professional Services Agreement and Lancaster Appendix, dated as of January 1, 2018, (the "Agreement"), have entered into this Amended and Restated Modification Number 2023-7 (this "Modification").

Background:

This Modification is for services for the design, engineering, and installation of the Stage 2 fire protection projects (the "Project") at the Conoy Waste to Energy facility (the "Facility").

The Project is outside of normal operations and maintenance and is not covered as a Listed Project.

The Project consists primarily of the following activities, with all associated engineering, electrical, civil/structural, and piping work:

- Installation of remote-operated fire water monitors in the tipping floor area.
- Upgrade of the existing manual monitors to remote-operated monitors in the refuse pit areas.
- Balancing of existing automatic sprinkler systems and fire water monitors in each fire area.
- Installation of smoke and heat vents with remote open and close capability over the tipping floor and refuse pit/charging deck areas.
- Performance of a fire protection gap analysis.

Design engineering was authorized by the Authority by email dated April 28, 2023, to get cost estimates. Final construction engineering drawings were completed in October 2023 for the majority of the project scope. Formal quotes for these portions of the project were then obtained. All pricing has been updated to reflect the actual pricing received from vendors.

This Proposal incorporates the use of fire water monitors manufactured and supplied by Akron Brass. Akron Brass was selected primarily due to a short lead time, low costs, and the Authority's desire to expedite project completion. Initial engineering completed prior to receipt of quotes, however, contemplated the use of a competitor's product. While the initial review indicates that the change in vendors should have minimal impact, the associated engineering is currently being reviewed in more detail. If there are any material revisions to the system necessitated by the use of Akron Brass, Covanta will consider it a Change Order and will discuss any such revisions with the Authority prior to authorization to proceed.

Project construction, commissioning, and training is targeted for completion prior to the end of June 2024 and will be completed as soon as reasonably practical. Continued supply chain issues could, however, impact project completion dates, especially for materials with long lead

times. At the Authority's request, the gap analysis will not be prioritized and will only be initiated once all other projects have been completed. Covanta anticipates project construction to start upon delivery of materials following authorization by the Authority.

THEREFORE, the Authority and Company, intending to be legally bound and upon the exchange of good and valuable consideration, the sufficiency of which is hereby mutually acknowledged, agree as follows:

1. This is an Authority Modification pursuant to Section 5.10 of the Lancaster Appendix to the Agreement. Each of the capitalized terms not defined in this Modification has the meaning as set forth in the Agreement. This Modification shall also be deemed the Company's Proposal Cost Estimate, Company's Modification Proposal, the Authority's approval of the Company's Modification Proposal, and the Authority's Notice to Proceed.
2. A summary breakdown of vendors and estimated costs is set in Exhibit "A" attached. The services to be completed by the Company pursuant to this Modification (the "Project Services") will include all work and materials necessary for the design, procurement of all required Project materials and work, installation, contract management, startup, and successful completion of testing of the Project in accordance with the acceptance criteria for an Upgrade Project. The Company shall complete the Modification (including any appropriate testing) prior to the end of June 2024.
3. The Company shall contract for the installation and implementation of the Project under this Modification, including but not limited to, all work, labor and materials for the design, procurement of all required materials, installation, project management, permit fees, and startup, as necessary or appropriate. All Project warranties shall be for the benefit of the Authority.
4. The cost of the Project shall not exceed \$3,118,677, which includes any related fees paid to Covanta. It is agreed that the Project is a vital part of the operation, but the Authority has agreed that the Authority will nonetheless bear the cost of the Project.
5. No additional operation, maintenance and other costs will arise from the operation of the Project. The Annual Base Service Fee in section 1.01 of this Agreement shall not be changed.
6. The Company and the Authority agree to the following terms with regard to the design and construction of the Project:

(a) The preparation for installation of the Project shall occur during 2024, subject to the availability of materials. Installation, startup, and performance testing of the Project will not require total Facility shutdown or individual process train shutdown periods.

(b) The Company shall provide all design and construction management services as part of the estimated price.

7. Installation and operation of the Project provided under this Modification does not diminish, abrogate, or otherwise affect any of the Company's obligations, covenants, guarantees or representations under the Agreement.

8. This Modification reflects the entire agreement between the parties concerning the Project and supersedes and replaces all prior oral or written negotiations, agreements, or understandings, with respect to the matters set forth in this Modification. The Authority and the Company ratify and confirm the Agreement as amended by this Modification.

9. The Authority and the Company will cooperate to obtain all consents and authorizations regarding this Modification required under the Amended and Restated Trust Indenture between the Authority and Trustee.

IN WITNESS WHEREOF, the Authority and the Company, intending to be legally bound, have caused this Modification to be executed by their duly authorized representatives and thereby make it effective as of February 26, 2024.

COVANTA LANCASTER, INC.

By: 
Vice President

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY

By: 
Chief Executive Officer