

Board of Directors • Meeting Minutes

DATE: July 16, 2021

TIME: 7:30 a.m.

Attendance

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

STAFF: Adams, Barnett, Capots, Cutarelli, Fetterolf, Henderson (Legal Counsel), Manning, Marsh, Sandoe, Stenson Dabney, Youngs, and Zorbaugh.

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

BOARD OF DIRECTORS ABSENT: Ulrich

Opening

Chairperson Brubaker requested all rise for the pledge to the flag.

Approval of Minutes

Action Items

1. BOARD ACTION NO. 1: APPROVAL OF MINUTES OF MAY 21, 2021

Chairperson Brubaker asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of May 21, 2021, as distributed.

Motion: J. Deerin

Seconded: L. Houck

Adopted: Unanimously

2. BOARD ACTION NO. 2: APPROVAL OF MINUTES OF JUNE 17, 2021

Chairperson Brubaker asked for any additions or corrections to the meeting minutes. Being none, a motion was requested to approve the Minutes of June 17, 2021, as distributed.

Motion: J. Deerin

Seconded: L. Houck

Adopted: Unanimously

Public Comment

None

Chief Executive Officer

Mr. Zorbaugh reported on the acquisition of Covanta Holding Corporation by EQT Infrastructure, a private equity organization headquartered in Sweden. He reported no radical changes are expected to be implemented by EQT impacting Covanta in the near future. He further reported there are no anticipated contractual modifications or amendments required between LCSWMA and Covanta.

Mr. Zorbaugh provided an update on the legislative activity at both the State and Federal level regarding waste-to-energy.

Lastly, Mr. Zorbaugh provided an update on the TSC Tunnel Roof Repair project and highlighted the first half of 2021 waste tonnage and tipping fee revenue.

Chief Financial Officer

Mr. Youngs provided a detailed report on monthly financials, including tonnage, revenues, expenses, and the net position. The Authority concluded the first half of FY2021 with stronger than anticipated financial performance resulting from several notable trends. June contributed to these positive six-month results as the Authority received 84,904 tons, exceeded budget by +1,133 tons [+1.4%]. Year-to-date tonnage of 467,936 is ahead of budget +3,506 tons [+8%].

Mr. Youngs provided an overview of the Financial Position, highlighting EBITDA, Balance Sheet, Income Statement, Cash Flow Summary, Analytics and Trade Receivables. Mr. Youngs provided a mid-year financial update highlighting tipping fee rates, factors that caused the spike in the ferrous metal market and presented an overview of labor, productivity and LCSWMA's strong liquidity position. He further provided insight as to refinancing options for the December 2023 Call Date.

Lastly, Mr. Youngs and Mr. Fetterolf provided an update on the IT Environment Refresh Project and presented a presentation of the newly integrated system. Mr. Fetterolf was recognized for his years of service to the IT Department.

Action Item**3. BOARD ACTION NO. 3: MOTION TO APPROVE DISBURSEMENTS FOR MAY AND JUNE**

Chairperson Brubaker asked for a motion to approve Disbursements for May 2021 and June 2021 for the total combined amount of \$15,522,730.00.

Motion: S. Dzurik

Seconded: K. Weibel

Adopted: Unanimously

Chief Operating Officer

Mr. Adams provided a detailed overview of the waste business outlook. He presented a detailed report on business performance as comparative to budget and waste stream volume comparison of 2021 vs. 2019.

Lastly, Mr. Adams reported on the TSC Tunnel Roof Repair Project currently underway and presented a time-lapse video of the construction from the initial stage to the current stage.

Action Items**4. BOARD ACTION NO. 4: RESOLUTION NO. 2021-09: MODIFICATION 2021-2**

Chairperson Brubaker asked for a motion to approve the Resolution No. 2021-09 authorizing the execution of the Modification Agreement, Modification 2021-2 between LCSWMA and Covanta by Robert B. Zorbaugh with an estimated cost of \$132,138.33.

Motion: L. Houck

Seconded: S. Dzurik

Adopted: Unanimously

5. BOARD ACTION NO. 5: MOTION TO APPROVE AWARD OF CONTRACT FOR TSC FIRE PUMP INSTALLATION

Chairperson Brubaker asked for a motion to approve the award of contract for the TSC Fire Pump Installation to Kinsley Construction, Inc. in the amount of \$166,700.00.

Motion: K. Weibel

Seconded: L. Houck

Adopted: Unanimously

Chief Business & Compliance Officer

Ms. Marsh reported on the energy market highlighting various market drivers for the month. She also provided a review of the market-based energy portfolio and commodity markets, real estate update and overview of business related to environmental and safety compliance.

Ms. Marsh and Mr. Capots presented a market-based energy overview, including revenue volatility and risk by market subset for electricity, capacity, and renewable energy credits (RECs). In addition, Mr. Capots discussed hedging strategy, capacity auctions and ongoing training at the WTE and SRMC facilities, as well as capacity reserve and risk mitigation strategies.

Action Item**6. BOARD ACTION NO. 6: RESOLUTION NO. 2021-10: SALE OF REAL ESTATE**

Chairperson Brubaker asked for a motion to approve Resolution 2021-10 authorizing an Agreement of Sale for the sale of certain real estate located in Cocalico Township known as at 425 S. Muddy Creek Road, being approximately 12.98 acres with Parcel ID: 080-8385900000 for the price of \$1,325,000.00.

Motion: L. Houck

Seconded: R.E. Gordon

Adopted: Unanimously

Other Business

A Meeting of the Board of Directions will not be held in August. The next meeting of the Board will be held on September 17, 2021.

Adjournment

The Board Meeting adjourned at 9:47 a.m. Mr. Henderson noted that an Executive Session would be held to discuss litigation and personnel matters, but no actions would be taken during or after the Executive Session.

APPROVED THE 17th DAY OF September 2021.



J. Scott Ulrich, Secretary