

# **THE HARRISBURG AUTHORITY**

## **STAFF REPORTS**

Interim Executive Director – Shannon Williams  
Engineering Director – Shannon Williams  
Facility Director – Jack Lausch  
Interim Finance Director – Chris Feese

**NOVEMBER 2011**

**EXECUTIVE DIRECTOR /  
ENGINEERING DIRECTOR  
COMBINED  
REPORT**

**SHANNON G. WILLIAMS, P.E.  
NOVEMBER 2011**

---

**Administrative/General:**

- Attended numerous public and private meetings regarding Act 47 process
- Fielded numerous requests from press, public and investors
- Remain educated and up to date on City Bankruptcy, Act 47, SB1151 progress and impacts to THA
- Worked with Marsh (Insurance broker) to renew various Insurance policies
- Worked with Phillips (IT Consultant) to identify hardware/software/performance/security needs and deficiencies to improve operations
- Worked with the City and Adjusters International to investigate flood damage to facilities and prepare for flood damage recovery – both Insurance and FEMA Claims
- Attended PEMA/FEMA kick off meeting
- Continued to develop strategies to manage office tasks with the limited staff
- Worked with City and HRG to further the GIS project, including discussion of staffing needs and external workforce and funding assistance
- Provided public information via website and twitter account
- Attended DEP
- Attended PMAA Administrative Issues Seminar on 10/25
- Attended DEP Regulatory Update Seminar sponsored by SWEP (Society of Women Environmental Professionals)
- Monitored legislation affecting THA operations. Of note: Bid Limits and Sprinkler System Mandates
  - HB291 raises telephonic quote requirement from \$4,000 to \$10,000 and bid/advertising threshold from \$10,000 to \$18,500. Annual escalators will apply.
  - HB377 removes the mandate for installation of sprinklers on new one and two family residential units and instead requires that developers offer the option to the homeowner.

**Financial**

- Corresponded with COH regarding reduced revenues from previous years and draft COH water budget.
- Work with Finance Director and Facility Director to prepare 2012 Budgets and presentation to the Board and public at noon on November 15<sup>th</sup>.

- Work with Finance Director and auditors to provide information necessary for completion of the 2009 Financial Audit

### **Wastewater**

- Coordinated with HRG and AWTF for progress/closeout of 2009 AWTF projects. Correspondence with Blooming Glen Contractors.
- Continued to investigate possible funding solutions for the BNR and LTCP projects and brief discussions with State representatives.
- Met with AECOM, HRG and BOS to discuss progress of BNR design. Basis of Design being completed. AECOM to provide incremental costs for (1) ammonia removal, (2) renewal of aged facilities, and (3) nitrogen/phosphorus removal to meet Chesapeake Bay TMDL. The latter will be compared with nutrient credit costs to determine whether to proceed with final design and construction of the “concrete” in lieu of long-term purchasing of credits.
- Discussions with AECOM, HRG and BOS regarding continued pilot testing of m2t equipment.
- Remained educated on the City’s nutrient credit procurement status and the status of the trading market as a whole. City procured sufficient credits for water year 2011 well under their budget.

### **Water**

- Communicated with Moody’s regarding their November 14<sup>th</sup> meeting – prep and outcome.
- Coordinated for notice of material events necessary due to withdrawal of Moody rating of 2008 Bonds.
- Strategizing on improvement of financial reputation
- Investigating lower than expected revenues for 2011
- Coordinated with HRG and BOW to update the 5-Year CIP for consideration in budgeting/rate setting process.
- Met with HRG and BOW to discuss upcoming projects
- Developing revisions to Rules and Regulations, Standard Details/Specs and new Developer’s Handbook
- Discussed status of Water Allocation Permit Application with HRG and BOW
- Coordinated capacity requests and plan reviews

### **Solid Waste**

- Facilitated kick off meeting with RRF Transaction team and developing evaluation process

- Attended meeting with LCSWMA
- Corresponded with parties interested in the RRF facility
- Coordination with Finance and Solid Waste on implementing credit card acceptance at the scale house
- Met with DEP to discuss landfill operations
- Met with NRG regarding their Steam Purchase Agreement
- Corresponded with Gabel regarding progress of Co-Generation Study

**FACILITY DIRECTOR  
REPORT**

**JACK D. LAUSCH  
NOVEMBER 2011**

**Resource Recovery Facility (HRRF):**

***Waste Deliveries and HRRF Performance:***

During October scheduled outages occurred on Units #1 and #3. As a result of these outages, the number of tons that could be accepted and processed at the HRRF was down significantly, as were electric and ferrous sales. Total tons received at the HRRF in October were 21,781 tons and tons processed were 20,585 making October the lowest month for tons received and processed in 2011. Average boiler availability for October was 74.7%. Turbine availability was 94.1% and net electric exported was only 7,077 MWs.

	October 2011	YTD
Waste Received:	21,781 tons	256,744 tons
Waste Processed:	20,585 tons	247,865 tons
Non-Processible Waste Transferred:	1,071 tons	7,296 tons

Deliveries of out-of-state Spot MSW were limited to 1,287 tons as a result of low boiler availability during the October outages.

***Post Combustion Ferrous:***

Revenue for post-combustion ferrous marketed in October was \$77,933. THA's net price per ton for October was \$158.79 which was \$5 per ton lower than September pricing.

	October 2011	YTD
Post-Combustion Ferrous Marketed:	491 tons	5,607 tons

***Turbine Repair:***

THA continues to work toward a solution and settlement regarding repair of the eighth stage turbine blading. Settlement of this issue within a few weeks is critical if a turbine outage is to occur in March 2012.

***Effluent Water Reuse System (EWRS):***

Acceptance testing continues to be on hold until the break in the water line from the AWTF to the D&D Building is repaired.

***Air Pre-Heaters:***

Replacement of the air pre-heater tubes and associated work on Unit #1 was successfully accomplished during the scheduled outage in October. Covanta

states there has been substantial improvement in the operation of Unit #1 since replacement of the air heater tubes. The final cost for the work should be approximately \$440,000 or \$160,000 less than the initial estimate.

***LCSWMA Due Diligence:***

THA continued to provide information to LCSWMA's consulting team for the purchase of the HRRF. Early in November, THA's sale negotiation team met with LCSWMA to hear a presentation on their proposal.

***DEP Inspection HRRF:***

The monthly inspection of the HRRF occurred on November 7th. No violations were noted.

**Ash Landfill (LF):**

***Ash Management Operations:***

	October 2011	YTD
Material Removed from Landfill:	4,842 tons	65,775 tons
Deposited in Landfill:	7,334 tons	79,015 tons

As can be seen from the year-to-date ash deposited versus ash removed numbers, the contractor (Earthwatch/KFG Trucking) is behind on the movement of ash off-site for disposal. The contractor has been notified of THA's expectations for the remainder of the year.

***LF Engineering:***

THA and Rettew met with DEP in early November to discuss the previously approved Brinjac fill and intermediate cover plan for the LF. Rettew has prepared an alternative plan that would be constructible and address the issues with slopes that have been a topic in LF inspection reports. The alternative plan with 2.5:1 slopes versus the approved plan with 1:1 slopes and a large soil wedge was accepted in principal by DEP as the intermediate plan. Rettew has been asked to prepare construction drawings and bid documents for this work. On the November Board Meeting agenda is a motion to approve an addendum to the Rettew agreement incorporating preparation of bid documents as part of the scope of work for the re-grade/intermediate cover project.

THA has asked ARM Group to provide assistance with evaluation of the work that should be undertaken with regard to repairs and upgrades to the leachate pumps and meters at the LF. As can be seen in the inspection reports, THA and DEP have been concerned with the condition of the pumps and efficiency of the system. ARM had prepared the GAP for the site and has knowledge of the leachate system. At the November Meeting, the Board will be asked to approve an agreement with ARM for this work.

***DEP Inspections:*** The October 12th LF inspection report contained multiple violations and recommendations regarding the operation of the LF. The primary issues were LF access road housekeeping, slopes greater than 50%, and ash deposited above permitted elevations. The housekeeping issue is being dealt with through the site contractor. Engineering issues are well underway with Rettew and ARM.

**Administrative:**

- The proposals for renewal of THA's general liability and excess liability policies were received from Marsh. Renewal pricing is unchanged from expiring coverage. The renewal date for coverage is November 25.
- The 2012 THA Solid Waste Budget was prepared and presented to the Board at the budget meeting on November 15. The Board will be asked to approve the budget at the November 22 Board Meeting.
- Reviewed the Five County Region Solicitation for MSW Processing/Disposal Capacity and Integrated Waste and Recyclables Management and Support Program document.
- The October report to stakeholders on HRRF waste deliveries and financial information was provided to Dauphin County, the Mayor, City Council, and AGM.

## INTERIM FINANCE DIRECTOR'S REPORT

CHRIS FEESE  
November 2011

### Finance:

***Treasurer's & Monthly Reports:*** Preparation of the Treasurer's Report (bank reconciliations); for the Water, Sewer, Resource Recovery Facility and the Administration were compiled. The Monthly Financial Statements including Balance Sheet and Budget Report for all four facilities were compiled and analyzed. A one page Summary Report was created for all end of the month bank balances. All Monthly Financial Reports for the month of October 2011 are now on the Board's FTP site.

***Vendor Check Register:*** Check register for the month of October 2011 is now on the Board's FTP site.

***Daily Accounting Functions:*** The Finance Department continues to maintain the timely recording and reconciliation of all accounting transactions for all accounts receivables, accounts payable, payroll, and budget related items.

***Cash Flows:*** The Resource Recovery Facility cash flow projections were updated for October 31, 2011.

***Audit:*** Maher Duessel is expecting to have a draft of the 2009 audit by November 30, 2011.

***Budget:*** 2012 Budgets for all four facilities have been drafted.

**END OF MONTH BANK BALANCES  
October 31, 2011**

**ADMINISTRATION**

	<u>Balance</u>	<u>Req. Interest</u>	<u>APY</u>	<u>Bank</u>	
Business Checking (QB#1575)/(6908)	\$1,013,351.72	0.75%	0.50%	Metro	
Project Fund (QB#1574)/(6990)	\$366,941.75	0.75%	0.50%	Metro	
National Civil War Museum (QB#1596)	<b>CD</b> \$308,445.89	0.90%	0.90%	Metro	Restricted \$250,000 min. / \$500,000 max.

**WATER**

Water Revenue Fund (QB#1530)/(6833)	\$2,968,217.48	0.75%	0.50%	Metro	
Water Contingency Subacct (QB#1519)/(0328)	\$1,731,768.60	0.75%	0.50%	Metro	
Water Operation Reserve (QB#1540)/(6841)	\$713,074.24	0.75%	0.50%	Metro	Req'd Balance 685,132.00 (adjusts)
Water Contingency Account (QB#1518)/(6866)	\$3,456,139.48	0.75%	0.50%	Metro	

**SEWER**

1998 Pennvest Construction (QB#1594)	15,954.29	non -interest bearing	n/a	Fulton	
2009 Pennvest Construction (QB#1596)/(2686)	87,122.40	non -interest bearing	n/a	Metro	
2009 Construction / H2O PA (QB#1597)/(0890)	109,727.89	non -interest bearing	n/a	Metro	

**RESOURCE RECOVERY FACILITY**

Solid Waste Revenue Fund (QB#1580)/(6924)	<b>(1 &amp; 2)</b> \$3,888,757.44	0.75%	0.50%	Metro	<b>(1 &amp; 2)</b> 3,888,757.44 Bank Balance
Solid Waste Operation Reserve (QB#1585)/(6932)	\$2,934,572.40	0.75%	0.50%	Metro	Restricted (713,482.02) Dresser-Rand (Insur.)
RRF Construction Completion (QB#1581)/(7526)	\$65,470.23	0.75%	0.50%	Metro	Restricted (11,478.27) Barlow
RRF-1109 Trust Closure Fund (QB#1625)/(4000)	\$3,380,002.16	0.75%	0.50%	Metro	Unrestricted <b>3,163,797.15</b> Adjusted

**Bank Statements (reconciled accounts). 11/7/2011**

**Notes:**

- (1) Includes \$713,482.02 of Restricted Insurance Proceeds for Dresser-Rand litigation.  
 (2) Includes \$11,478.27 of Restricted Funds under Barlow Settlement (October 2011).