

THE HARRISBURG AUTHORITY

STAFF REPORTS

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

OCTOBER 2011

**EXECUTIVE DIRECTOR /
ENGINEERING DIRECTOR
COMBINED
REPORT**

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

Administrative/General:

- 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 PMAA Fall Administrative and Environmental Issues Seminar
- Continued to develop strategies to manage office tasks with the limited staff
- Coordinated with HRG to provide temporary onsite engineering assistance while long term strategies are developed
- Worked with City and HRG to further the GIS project, including discussion of staffing needs and external workforce and funding assistance
- Facilitated Public Works Briefing on 10/14/11
- Remain educated and up to date on City Bankruptcy, Act 47, SB1151 progress and impacts to THA. Attended Bankruptcy status hearing and met with Klehr regarding THA's role.
- Fielded numerous requests from press, public and investors attempting to receive information on affect of the above on THA
- Met with Silver Jackets project team to discuss the scope of the project and THA involvement
- Provided guidance to staff on response to various document requests
- Attended Mayor's Town Hall Meeting and answered questions from participants/press
- Prepared for possible attendance at Receivership hearing

Financial

- Work with Finance Director and Facility Director to prepare 2012 Budgets for presentation to the Board and public at noon on November 9 - with a second date of November 16 if there is carry-over from the 9th.
- Work with Finance Director and auditors to provide information necessary for completion of the 2009 Financial Audit
- Discussed with BOW and BOS budget needs and vendor payments under current financial constraints
- Provided COH with 2012 THA Sewer Admin expenses for inclusion in their budget

- Corresponded with COH for receipt of their Proposed water budget by October 15 per O&M agreement. Received on October 18.

Wastewater

- Provided information to PENNVEST Auditors to close out their audit
- Coordinated with HRG and AWTF for progress/closeout of 2009 AWTF projects
- Met with representatives of Lower Paxton Township to discuss mutual projects / planning efforts
- Continued to investigate possible funding solutions for the BNR and LTCP projects
- 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.
- Remained educated on the City’s nutrient credit procurement status and the status of the trading market as a whole.
- Met with nutrient credit broker who has a concept for the long-term financing of the facility upgrades
- Coordinated review and approval of sewage facilities planning modules
- Provided Consulting Engineer’s Annual Report and Insurance certifications to Trustees

Water

- Monitored progress of 2011-SCA Contract
- Coordinated with HRG to contact property owners along the Elmerton Ave corridor to further design of the Extension.
- Participated in a Conference Call with Moody’s and answered questions they had prior to their October 4, 2011 decision to place THA’s Water Series 2008 bonds on the watch list for possible downgrade (or withdrawal). Discussed the possible ways to prevent such action to no avail.
- Strategizing on improvement of financial reputation
- Investigating lower than expected revenues for 2011
- Discussed operational/compliance issues with BOW including: TTHM levels, data historian failure, and inability to fill superintendent position after resignation of previous
- Coordinated with HRG and BOW to update the 5-Year CIP for consideration in budgeting/rate setting process.
- Discussed status of Water Allocation Permit Application with HRG and BOW
- Provided authorization to PENNDOT to complete work on a culvert adjacent to the DeHart Dam property
- Provided Consulting Engineer’s Annual Report and Insurance certifications to Trustees
- Coordinated capacity requests and plan reviews

Solid Waste

- Corresponded with three yet-unpublicized parties interested in the RRF facility
- Monitored progress with LCSWMA due diligence investigation
- Recommend concurrent negotiations with the above with a December 15 date for receipt of bids/proposals
- Development of back-up plan to sale/lease of RRF
- Provided Consulting Engineer's Annual Report and Insurance certifications to Trustees
- Worked with Covanta, HDR, HRG to complete performance testing of the Effluent Water Reuse system including coordination of necessary repair to damaged forcemain.
- Coordination with Finance and Solid Waste on implementing credit card acceptance at the scale house
- Met with DEP to discuss landfill operations

**FACILITY DIRECTOR
REPORT**

**JACK D. LAUSCH
OCTOBER 2011**

Resource Recovery Facility (HRRF):

Waste Deliveries and HRRF Performance:

Due to the scheduled outage on Unit #2, the average boiler availability, tons processed and electric sales were down significantly in September. Total tons received at the HRRF in September were 23,925 tons which was 4,688 less tons than received in August. The Facility processed 22,801 tons for the month or 4,863 less tons than processed in August. Average boiler availability for September was 80.7% which was a drop of 12% from August. Turbine availability was good at 99.7% however net electric exported was only 6,751 MWs.

	September 2011	YTD
Waste Received:	23,925 tons	234,963 tons
Waste Processed:	22,801 tons	227,280 tons
Non-Processible Waste Transferred:	1,256 tons	6,375 tons

Spot Waste deliveries dropped to 2,154 tons of out-of-state MSW in September which was 3,239 less tons than received in August. Less out-of-state Spot Waste was needed as a result of the outage on Unit #2 and the increased local tonnage due to Tropical Storm Lee.

Post Combustion Ferrous:

Revenue for post-combustion ferrous marketed in September was \$81,958. THA's net price per ton for September was \$163.88 which was a \$20 per ton lower than August pricing.

	September 2011	YTD
Post-Combustion Ferrous Marketed:	500 tons	5,116 tons

Turbine Repair:

THA continues to work toward a solution and settlement regarding repair of the eighth stage turbine blading.

Effluent Water Reuse System (EWRS):

The acceptance testing began the last week of September. Covanta and HDR are working to resolve operational issues that have occurred. The testing has been suspended until a 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 took place during the scheduled outage the week of October 3rd. Covanta has experienced substantial improvement in the operation of Unit#1 since replacement of the air heater tubes.

LCSWMA Due Diligence:

THA continues to provide LCSWMA's consulting team with information requested.

Indenture Report:

In accordance with the bond indentures, the Annual Consulting Engineers Report for the HRRF was completed by HDR and submitted to the trustee by October 1st.

Flood Debris:

In response to the State and Dauphin County decisions to waive their per ton fees on flood debris after cleanups began, a customer refund request form was prepared for use by those customers who seek a refund of fees paid. THA only received 292 tons designated as debris since haulers were asked to bypass loads of Oversized Bulky Waste and C/D waste flood debris to alternative disposal facilities.

DEP Inspection HRRF:

The monthly inspection of the HRRF occurred on September 23rd. No violations were noted.

Ash Landfill (LF):

Ash Management Operations:

	September 2011	YTD
Material Removed from Landfill:	2,827 tons	60,933 tons
Deposited in Landfill:	7,385 tons	71,681 tons

As part of the re-grading and intermediate cover project, Rettew has prepared several alternatives to the approved operating and closure design for the LF. They have also completed calculations on the effects to volume and cost estimates for each alternative. THA will be narrowing the alternatives and scheduling a meeting with DEP to discuss the designs. The project will be put out to bid.

DEP Inspections:

The monthly inspection of the LF occurred on September 23rd. A violation was noted due to some runoff of ash along the edge of the access road at the entrance to the LF.

Administrative:

- The application for renewal of THA's general liability and excess liability policies was completed and submitted to Marsh. The renewal date for these coverages is November 25.
- Prepared and submitted the quarterly DEP and Host Fees Reports for the third quarter.
- Attended the Covanta Clients Meeting at BWI, MD.
- Participated in the interviews of the firms short-listed to be the IT consultant.
- The September 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
October 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 Treasurer's Report Summary was created for all end of the month bank balances. All Monthly Financial Reports for the month of September 2011 are now on the Board's FTP site.

Vendor Check Register: Check register for the month of September 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 September 30, 2011.

Net Pay Update: The first meeting of the creditors was rescheduled for 10/18/11. Net Pay filed for chapter 7 bankruptcy on 8/2/11. THA is listed as a creditor holding unsecured nonpriority claim in the amount of \$27,330.79. Net Pay's total assets are listed as \$126,612 and total liabilities are listed as \$5,415,698.31.

Audit: Due to the state of the City's financial records the 2009 audit has been delayed again. Maher Duessel is now expecting to have a draft of the 2009 audit by November 30, 2011.