

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY JANUARY 6TH, 2011 – SPECIAL MEETING MINUTES

A special meeting of the Dutchess County Resource Recovery Agency convened at 5:00 pm at the offices of the Dutchess County Resource Recovery Agency located at 96 Sand Dock Road, Poughkeepsie, New York. Those present included E. Mills, Vice Chairman, R. Mosca, Secretary, Board Members, T. E. LeGrand, and R. Stephen Lynch; Agency Staff, W. J. Calogero, and D. Walsh, J. Nelson, Agency Counsel; D. Leibnitz, HDR; and A. Surman, Dutchess County Legislator.

Vice Chairman E. Mills called the meeting to order at 5:08 pm.

The purpose of the special meeting was to review a Supplemental Waste Agreement with Covanta Hudson Valley Renewable Energy, LLC for 2011.

W. Calogero electronically sent all Board members a draft copy of the letter of agreement from Covanta outlining the particulars for this agreement. There were a few word and date corrections. W. Calogero spoke of the reason for such an agreement and how it would benefit the Agency. In 2008 and 2009 there were significant amounts of shutdowns due to the lack of waste. The intention of this waste would be to avoid running short of waste and having to shut down burners. One specific variable that he did not agree with is that this supplemental waste cannot be added into the Agency's guaranteed 140,000 ton delivery that is required to be supplied to the operator for the year.

W. Calogero proceeded to hand out worksheets explaining the revenue stream and energy sharing contract obligations between the Agency and Covanta, the past estimated losses from burner shutdowns, and a financial estimation under the proposed supplemental waste agreement. He spoke about the first three months of the year and how it is beneficial for the Agency to receive this waste during that time of year in addition to being the best stage for the Agency in electrical revenue sharing. R. Stephen Lynch remarked how it doesn't matter which month the waste would come in, what matters is at the end of the year the total fits against the splits in the revenue sharing that occur. The Covanta waste does not count in the Agency's guaranteed waste therefore not changing any of the brackets. W. Calogero disagreed because even though this supplemental waste does not count towards the Agency's 140,000 ton guaranteed delivery, the electrical revenue splits apply to all processed waste. R. Stephen Lynch continued to view the figures on an annual basis since it was in his opinion the way the formulas work for calculating any revenue or loss. T. E. LeGrand reviewed the numbers on an annual basis as well, concluding that the Agency annual net revenue would be \$25.65 per ton.

Further review of the agreement, R. Stephen Lynch noted that there is no specific tonnage amount listed in the agreement and referred to and explained an industry term called "call waste." When waste is needed in order to avoid a shutdown, it is called "call waste" which would mean when the Agency requests a delivery, Covanta would have to deliver it. This agreement does not state this and it is not how it is written. It says that each Thursday Covanta and the Agency shall agree on the amount and timing of delivery of supplemental waste for the following week, if any. The agreement should specify tons, and the Agency should have the right to demand it. W. Calogero expressed that this agreement would be under his control and would be up to him to manage it with Covanta to avoid shutdowns.

After further discussion, a motion at 5:39 pm was made by R. Stephen Lynch, seconded by R. Mosca and unanimously approved to move into Executive Session to discuss the hiring of a particular corporation.

At 6:07 pm, a motion was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved to resume regular session.

Vice Chairman E. Mills asked J. Nelson to read the modification made to Section 1.6 of the Supplemental Waste Agreement issued by Covanta. The modification read as follows, "The Agency at its discretion may call for and Covanta shall deliver up to 1,000 tons of supplemental waste per week on 24 hours notice which shall be delivered at a rate of delivery specified by the Agency. The Agency shall have no obligation to call for supplemental waste and Covanta shall have no right to unilaterally deliver supplemental waste." The second sentence of Section 1.6 remains as listed. Vice Chairman E. Mills confirmed and read the sentence as such, "Agency shall have the right to cancel the delivery of supplemental waste due to unforeseen operational issues or increased deliveries from its haulers upon 24 hours written notice to Covanta." Also added to the document will be that any spot market waste delivered prior to execution of this letter of agreement in 2011 shall be treated as supplemental waste under this agreement.

J. Nelson presented a Resolution for the Supplemental Waste Agreement and it was decided to change the 6th paragraph to read as, "NOW, THEREFORE, BE IT RESOLVED that the Executive Director of the Dutchess County Resource Recovery Agency is authorized and directed to execute the annexed Supplemental Waste Letter Agreement with Covanta for the year 2011, and in the event that Covanta has comments or proposed modifications he shall circulate them electronically to the Board members."

A motion was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved to move forward with this Supplemental Waste Agreement.

J. Nelson requested from the Board, for informational purposes only, to have the Executive Director circulate a letter request for proposals to surveyors in the area that could complete the work that was started by W. E. James Company on the property alignment matter at the MRF. The W. E. James Company went out of business and the cost to finish the work would fall under the \$5,000.00 Agency Procurement Policy guideline. The Board agreed to move forward with the requests.

A motion to adjourn the meeting at 6:11 pm was made by R. Stephen Lynch, seconded by R. Mosca and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director