

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JANUARY 15TH, 2009 – MEETING MINUTES

A meeting of the Dutchess County Resource Recovery Agency convened at 5:00 p.m. at the offices of the Agency located at 96 Sand Dock Road, Poughkeepsie, New York. Those present included W. Conners, Chairman, C Chale, Vice Chairman, R. Mosca, Secretary, D. Nestler, Treasurer, R. Stephen Lynch, Board Member, E. Mills, Board Member; Agency Staff, W. Calogero, J. Bibko, D. Walsh and Z. Riel; J. Nelson, Agency Counsel; D. Leibnitz, HDR; R. Chance, MDLLC, R. Keller-Coffey, County Legislator

1. **Regular Session** – W. Conners called the meeting to order at 5:10 pm.
2. **Minutes** – W. Conners presented the minutes of the December 18th, 2008 Board Meeting. C. Chale requested that the language be changed on Page 3, 3rd paragraph “to negotiate a proposal” should be inserted. E. Mills requested the language be changed on Page 4, paragraph 4 from “E. Mills suggested that W. Calogero follow-up with the Soil and Water District in an effort to support their upcoming plant sale in the Spring by putting a link on our website.” To “E. Mills suggested that W. Calogero follow-up with the Soil and Water District to advise them that if they will be selling rain barrels and compost bins at their upcoming plant sale in the Spring, that the RRA would promote their effort by putting a link on our website.” A motion to approve the minutes as amended was made by R. Mosca, seconded by E. Mills and unanimously approved. R. S. Lynch abstained.

W. Conners stated that if the Soil and Water Department requests us to promote their spring sale on our website we would be willing to do so. They have informed us that they will not be selling rain barrels or compost bins.

3. Operating Report – D. Walsh

D. Walsh informed the Board that the tonnage budgeted for the month of November was 13,925 tons. The facility received 13,120 under budget by 805 tons. The actual tonnage for the year was 142,848 tons with an additional 1,570 tons of diverted waste during the scheduled outage in October making it a Grand Total of 144,418 tons. We met our commitment with MDLLC of 140,000 tons. The budget for 2009 is once again 154,000 tons. We are in the process of modifying our permit to accept treated medical waste to bring in more waste. Electricity generated for 2008 was 44,201,530 kWh resulting in revenue dollars of \$2,652,091.80. A discussion followed.

4. Clean Air Update – D. Leibnitz

D. Leibnitz reported that start-up and testing has resumed this week on the Ash Conditioning equipment. Megatech is on site. The hopper and piping insulation will be started next week. Instrumentation and control issues have been resolved. Montenay is presently going through their system start-up checklist. The Hopper and Silo were filled with fly ash in 18 hours. During the first ash processing run it was discovered that the hopper slide gate was leaking fly ash. Montenay is presently working with Megatech to remedy this problem. It was also determined that the water and fly ash flow rates will need further adjustment to produce an acceptably wetted product. Performance tests are tentatively scheduled in two to three weeks. Montenay will furnish a Test Protocol.

The facility is presently operating at reduced loads due to MSW availability. Both units are operating with a steam generating set point of 44,000 pounds per hour. Normal set points are approximately 53,000 pounds per hour. Montenay has developed a spreadsheet for anticipated MSW inventory at the reduced loads and has estimated that based on 2008 delivery that they would have enough MSW fuel through January. Unit shutdowns might be required in February.

A comprehensive internal stack inspection was performed on all three flues during the September 2008 outage. The report from Boston Chimney has been received. Montenay has been reviewing the report recommendations and will be forwarding the report along with a letter on their own recommendations. HDR has briefly reviewed the copy in Montenay's possession. There are no "emergency" issues noted by Boston Chimney. HDR will officially review the report once received.

All reporting requirements are currently up to date.

5. Agency Financial Report – W. Calogero

W. Calogero presented the December 2008 payables in the amount of \$1,144,702.87. W. Calogero stated that there are bills with an estimate of roughly \$8,500 that have not come in yet due to the board meeting on the 15th. E. Mills suggested that we pay these bills and enter on next month's submittal showing what has been paid. A motion to approve the payables minus \$6,770.98 deducted from the Kaufman Borgeest & Ryan LLP bill of \$21,770.98 authorizing a payment of \$15,000.00 was made by R. Mosca, seconded by D. Nestler and unanimously approved. R. Stephen Lynch abstained. The total bills to be paid are \$1,137,931.89.

6. Executive Director's Report – W. Calogero

W. Calogero reported that there was a discussion on flow control that was started prior to January of 2008. We have had a series of meetings with our Commissioner Roger Akeley and he would like to pull a committee together and put together a resolution to go forward with this. It was noted that Roger Akeley has set up a working group to analyze whether it would be in the best interest of Dutchess County to reinstitute flow control. There has been discussion that the Legislature has had people in to discuss flow control. The working group would have a representative of the Agency, Roger Akeley as the Commissioner and staff assistance that might come out of the Planning Department, C. Bogle, W. Calogero and a representative of the Legislature, who would be designated by the Chairman, Roger Higgins and also someone from the Waste Industry. J. Nelson was asked to prepare a resolution that recites Carbone, the United Haulers and that the Commissioner wishes to set up this working group. Roger Akeley would like a report from the working group by the first of June. In putting this together we would need some form of assistance from somebody who is familiar with the evaluation of flow control and implementation of flow control systems as well as the evaluations of alternatives to flow control. This draft resolution presents an opportunity to designate someone to serve on the Commissioner's working group and also a request that the Agency issue a RFP for someone who is familiar with the implementation of flow control. This would be a preliminary study of feasibility. It was suggested that we include two Board Members and somebody from a Municipality on this committee. W. Conners felt it was really necessary to have two Board Members represent the RRA. W. Conners and D. Nestler will represent the RRA on the committee. W. Conners stated that we do not have the kind of money that we would normally put into doing a large scope analysis. Whatever it costs is going to be paid for by the NSF. It is the only place the money can come from.

R. Keller-Coffey asked if there was money budgeted for this in the Planning or Solid Waste Departments. J. Nelson responded that it is his understanding that there was nothing budgeted for this analysis. W. Conners responded that there is not a line in the Planning Departments budget for flow control. R. Keller-Coffey asked where does Mr. Akeley presume the money is coming from. W. Conners responded that he couldn't speak for Mr. Akeley but assumes the money will come from the RRA. In the future it will be in our budget.

R. Keller-Coffey asked if we are aware that the Legislature has formed a committee, very similar to this one, but different. W. Calogero responded that they are similar and we started this more than a year ago where we have had some ongoing activities with people. As W. Calogero understands it, the Legislator's committee has had discussions with Joel Tyner and other people and that it is primarily made up of citizens groups. This flow control-working group has more to offer the Legislature and the County government to make such a decision; they are much closer to the issues. R. Keller-Coffey stated that the Legislature committee is made up of citizens group with expertise that is being asked to join in.

R.S. Lynch stated he has been asked to serve on this committee of the Legislature. W. Conners stated that when you serve on that committee you couldn't represent the RRA. Mr. Lynch stated that he understands that. Mr. Lynch said his firm had done a number of these flow control feasibility scopes and he would be happy to help Mr. Calogero and discuss what he is doing in other counties.

Resolution No. 681 – RFP FOR CONSULTANT – FLOW CONTROL WORKING GROUP

Designation of Working Group members and the retention of a flow control consultant for the Working Group which will involve environmental, economic and policy planning and will not commit the Agency to a specific course of action and are therefore exempt from SEQR. The Agency Board of Directors' designates Board Members W. Conners and D. Nestler to serve as members of the Working Group. The Executive Director is directed to promptly prepare and circulate a RFP for a solid waste flow control consultant to assist the Working Group.

A motion to approve Resolution No. 681 was made by R. Mosca, seconded by E. Mills and unanimously approved.

7. Other Committee Reports

C. Chale indicated a reminder to do the Annual appointment of Officers and Committees, welcome our new Board Member and get his Board of Director orientation set with Mr. Calogero along with setting up training for Board Members of Public Authorities. W. Conners indicated that the Annual Meeting would take place at our February 19th meeting.

E. Mills stated that we had met with Brinckerhoff and Neuville to clarify insurance coverage and asked if we had heard back. W. Calogero stated that he did not hear back and would contact them.

W. Calogero reported that last month there was a discussion regarding an RFP that was sent out for replacing the MRF scale. A decision was made to go with Valley Scale. J. Nelson has put something together which he forwarded to them and they have agreed with it. It has all the insurance requirements that have to be dealt with and prevailing wage issues, etc. They have ordered the materials. We are now charging tipping fees at the MRF and we want to have a properly operating scale. We will buy and own the scale equipment and then he will install it. It can be moveable. Load cells are warranted for life, five-year warranty on all workmanship and ten years on the load cells. Valley Scale expect delivery the third week in February. We have notified Hudson Baylor that it will be several weeks that the scale will not be in operation in order to dismantle the old scale and

install the new scale. We should be in operation by mid March. Valley Scale will certify the scale.

W. Calogero stated that we needed to get more materials at the MRF. We were getting 17,000 tons a year and it has dropped off dramatically in 2008. In November the market crashed and suddenly we were being flooded with material over there. Regional meetings were held and some of the counties were raising their tipping fees significantly and we are still well below that. We are still getting a lot of materials and would like to suggest that we re-think the limits we put on the tipping fees at the MRF from month to month. It was suggested that we have the flexibility of going from \$20 to \$40 for commingled and from \$10 to \$20 for paper. The other counties around us are charging \$35 and \$45 for commingled, and Orange County would like to raise their fees to \$35 as well but have not received approval yet.

A motion was made by E. Mills to authorize the Executive Director to charge at the MRF a revised tipping fee of up to \$20 per ton for paper and up to \$40 per ton for commingled. The motion was seconded by C. Chale and unanimously approved. R. S. Lynch abstained.

W. Calogero stated that he is making sure that our tipping fees bring in enough to cover our costs to Hudson Baylor for monthly operation fees, which is \$20,833. W. Calogero would like to draft an agreement letter to Hudson Baylor along the lines of what they had proposed to us which deals with share levels based on what the market is. J. Nelson stated that we pay the monthly service fee and we keep the tip fees, however, the revenue we do not begin to share with them on commingled until they go over \$65. C. Chale would like J. Nelson to re-write the letter so that it says this. E. Mills requested that the Agreement letter be brought to the Board for their review at the next meeting.

W. Conners stated that we currently do not have a contract with the County of Dutchess for the MRF building. It is an issue that has come up and in view of all contentiousness on the budget this year and the Legislature wanting to have visibility on what the driving issues are on that NSF agreement, he would like to make certain that we have a contract in place because last year we had to repair the roof, electrical repairs and other interior repairs which came to about \$150,000. Mr. Conners said that In all fairness to the Legislature that is the kind of thing that they should have visibility to and part of the way we could do that would be to have a contract with the County and lease of that building. W. Conners would like DPW to have the option of making repairs as needed. When they decide they don't want to do the repairs quickly, it is our option to do them. E. Mills stated that we should make sure insurance coverage is included in the agreement. The County is insuring the building.

R. Keller-Coffey asked if we did arrange a contract or lease, and if we were to build a new building, could we get out of the contract. W. Conners responded that if we did a five-year contract, we could get out of it now.

8. Public Comment –

R. Keller-Coffey commented that in the beginning of the meeting, W. Calogero stated that the Soil and Water District does not want to sell rain barrels and compost bins. W. Calogero responded that if they wanted to do it, we would support their program.

R. Keller-Coffey asked for an explanation at the MRF. Could W. Calogero explain how Hudson Baylor gets \$65 per ton? W. Calogero explained that we have tipping fees that are going to support the servicing of our facility for us. They have a market that they have to deal with. The \$65 per ton is what the market cutoff is now. They have to get at least that to make it worthwhile on the resale. If the market goes up to where it was at \$120 per ton, then we would be sharing the revenue side of it like we have done in the last several years. Until they get to that point they will take whatever they can get.

R. Keller Coffey asked if we would lower the tip fee to bring in more garbage. W. Calogero responded that we did that last year and it did not pan out, and we are looking at it again. In this County we do not have a lot of licensed haulers, and of those that are licensed there are few that do support this facility. We have one major hauler in the County that does 85 percent of our business. We have a Put or Pay contract with them to guarantee a certain quantity a year. To meet that quantity we have to reduce the tipping fee. Our gate rate is \$80 and is reduced to \$73.75 and with that they bring in a guaranteed minimum of 115,000 tons. Prior years they have brought in 100,000 – 105,000 tons. Specialty waste is more than \$80 per ton. City of Poughkeepsie pays \$1 less than the gate rate. W. Calogero stated that there are only two haulers in this County that can bring in a significant amount of garbage, Royal and Waste Management. City of Poughkeepsie brings in 8 – 9 percent, Waste Management 7 – 8 percent, all others 1 percent or less. The only two haulers that we approached last year were Royal Carting and Waste Management.

R. S. Lynch would like to meet with W. Calogero to discuss getting more waste.

R. Keller-Coffey asked if we have put our budget on the Authority Budget Office website as of yet. W. Calogero responded that we are in the process of putting the information on their website.

R. Keller-Coffey asked what efforts do we have planned or are there any other things we are working on to reduce the \$6 million NSF. W. Conners responded that there is nothing definitive yet. When we went through the budget process there were a lot of fixed costs, so there is not a lot of opportunity to cut the budget.

We have cut staff substantially saving approximately \$200,000, however, you have almost seen that vaporize because of all the repairs at the MRF facility. There is not a lot of leeway, but we will continue to look. We will find a way to generate more waste and keep the electric going and get a model going that gives us flow control or a reasonable facsimile or strategy. W. Calogero noted that there are pass-thru costs that are going up. He had spoken to our operator and the lime costs are going up and this will be passed on to us.

E. Mills asked, as far as recycling, when do we envision the dates for the Household Hazardous Waste. W. Calogero stated that we have selected the dates and have lined up the vendors but we have not committed to what facilities for what months.

E. Mills asked if we expect to make that commitment by next month. W. Calogero explained that we made a commitment to the vendors, which was the important one but wants to look at the agreements with the vendor. The vendors want to increase their prices and this ends up to be a big-ticket item, especially if grants don't come through. W. Conners stated that if the State does not reimburse us that also drives up the NSF. We will always support HHW 100%.

E. Mills asked where are we are on licensing the haulers. W. Calogero responded that we have given the haulers six months notice of their expiration. We have sent out several notices stating that this takes a lengthy period of time to go through the investigation of these people. If they have not been investigated in five years they must go through a whole new investigation. If they had been investigated in that period of time, all they had to do was fill out an affidavit stating that nothing has changed in their company, principals, vehicles, etc. We updated the County website and ours as well. There are five haulers that we have been able to extend their license because they came into the evaluation process with the investigative services before the end of the year. There are eight haulers whose licenses have expired and seven haulers are licensed. We are in the process of sending the stickers to the haulers to be used only on power units.

A motion to adjourn at 7:18 p.m. was made by D. Nestler seconded by E. Mills and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director