

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## JANUARY 19<sup>TH</sup>, 2012 – 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 E. Mills, Chairman; R. Mosca, Vice-Chairman, D. Nestler, Treasurer; J. Small, Secretary; Board Members; T. E. LeGrand and E. Kinkade; Agency Staff, W. J. Calogero, D. Walsh, and C. Tamney; Agency Counsel, J. Nelson; and D. Leibnitz, HDR.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:10 pm.
- 2. Minutes** – Chairman E. Mills presented the minutes of the December 15, 2011 board meeting. A motion to approve the December 15, 2011 board meeting minutes was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved.
- 3. Operating Report** – D. Walsh reported that the incoming budget set for December 2011 was 13,582 tons and the Facility received 13,605 tons. The 2011 total incoming tonnage received was 160,469 tons, exceeding the yearly budget amount set by over 19,000 tons. Covanta contributed over 17,000 tons of supplemental waste for the year.

The MRF received 444 tons of recyclables for the month of December. The single stream recycling volume did increase in December; however, the Facility received only 5,380 tons of recyclables for the year, which has seen a decline from prior years. E. Kinkade asked of when the issue will be revisited on keeping the MRF open. W. Calogero replied that the new Beacon Recycling Facility has not opened and that even though the MRF received less volume than prior years, is not operating at a loss because the Operator eliminated the service fee it charges back in July with the start of the single stream recycling program. Chairman E. Mills concluded that the continuation of the MRF operations is something that should be addressed by the Solid Waste Management Plan.

- 4. Engineer Report** – D. Leibnitz informed the Board that since the date of the last board meeting until today, the Facility has been running very well. The availabilities of Unit Nos. 1 and 2 were 96.5% and 95.2%, respectively. Both units were off line for short periods due to scheduled boiler washes. Turbine/Generator availability was 99.4%. The only turbine downtime was due to a CHG&E scheduled disconnection for grid maintenance.

During a brief control room inspection at noon, the Facility was running at normal capacity. Unit Nos. 1 and 2 were producing 96,000 pph of steam and generating approximately 8.2 MW of power. The pit presently is very low containing approximately 1300 tons of MSW and because of the low pit inventory, Unit No. 2 will be coming down in the evening to fix a small waterwall leak.

The updated Performance summary sheet was presented. In December, the Facility processed MSW at very close to its design rate. Capacity utilization based on an established waste higher heating value (HHV) of 4500 BTU/lb was 101.1% while the Facility average availability in December was 98.0%. Estimated efficiency for the month of December averaged 310 kWh/ton and the throughput averaged 448 tons per day. From this data it is suggested that the HHV of the waste was close to 4500 BTU/lb.

Uncorrected, the draft annual average efficiency of the Facility was 292 kWh/ton which is less than the 307kWh/to limit of Change Order 19. Covanta would therefore be subject to a financial penalty for lost Agency electrical revenue. There are several issues that remain to be resolved before these numbers can be finalized. The final pit volume correction and standard uncontrollable circumstances (UCCs) documented to date will modify the final numbers but not significantly. The biggest issue is going to be the reduced performance of the Facility in August and September created by the very high rainfall received during this period. This could possibly be considered a UCC and is being investigated. A historical rain summary chart was presented.

HDR, the Agency, and Covanta continued with the program of weekly meetings for the purpose of resolving the annual reconciliation documents of 2008, 2009, and 2010 and the upcoming reconciliation for 2011. Language to resolve the electrical demand charges and the natural gas use continues to be discussed.

HDR and Convanta have been working on completing the US Dept. of Energy Annual EIA 923 Report, the 4th Quarter 2011 COMS Audit, and the 4<sup>th</sup> Quarter, second semi-annual, and annual 2011 Title V Permit Compliance Certification Report.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,196,695.34. A motion was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved to pay the bills as presented in the amount of \$1,196,695.34.

The Accounts Receivable Aging Summary was reviewed and Chairman E. Mills asked if the City of Poughkeepsie's account was as current as can be expected. D. Walsh replied that it is as they have been making more timely payments. Recently, a payment was received for the second half of November and the remaining balance due on the account relates to the billing period for the month of December.

T. E. LeGrand asked about the amount of the net service fee for 2011. W. Calogero replied that it is approximately 3.7 million and that it is under budget.

## **6. Committee Reports**

### **Finance Committee**

Chairman E. Mills asked for a motion to recommend J. Small to the Finance Committee since there is presently a vacant position open from when R. Stephen Lynch resigned from the Board. A motion was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved to appoint J. Small to fulfill the vacant position on the Finance Committee.

Chairman E. Mills spoke about a recent topic that came up regarding the Town of Poughkeepsie Host Community Benefit fees. From an accounting perspective, the Agency accrues these liabilities; however, it is a liability that needs to be managed better as far as the possibility of setting up a reserve or something similar. R. Mosca confirmed that the Agency has accrued those fees and it is reflected on the financial statements, that it is a contingent liability, and what essentially has not been done is to segregate the cash to pay for it. The Agency would be able to pay those fees in time of need; there just would not be the funds available to pay other obligations. In summary, these cash flow issues will become a detailed discussion with Toski Schaefer & Co., along with how, and if at all, they handled these issues with other organizations.

### **Audit Committee**

R. Mosca informed the Board that next week W. Calogero will be reviewing the draft from the internal controls audit that Toski, Schaefer & Co. performed. The Audit Committee will review that report. The Finance Committee will plan to meet with Toski, Schaefer & Co. as well to talk about the cash flow issues discussed in the past. The field work for the annual audit will begin on January 30<sup>th</sup>.

- 7. Other Business** - W. Calogero presented a schedule for the 2012 Household Hazardous Waste Collection days. The May Event will be held in Pawling, August will be in Amenia and September will be held in Millbrook. The remaining 5 months are allocated for Poughkeepsie. Chairman E. Mills requested to consider looking into holding one of the events in the northern part of the County, possibly the Red Hook/Rhinebeck area in November.

### **Resolution No. 725 – Dutchess County as Planning Unit**

Chairman E. Mills gave a brief summary of how the Agency served as the Local Planning Unit in the preparation of a Local Solid Waste Management Plan for Dutchess County and how the Agency served as the Local Planning Unit in the preparation and submittal to the NYSDEC of a Draft Local Solid Waste Management Plan. The Draft Plan remains unfinished since it was returned to the Agency by the NYSDEC with over two hundred comments. The Agency planned to issue an RFP for a new consultant to finish the Plan; however, the County now intends to assume the role of the Local Planning Unit for the purpose of completing the Draft

Local Solid Waste Management Plan for Dutchess County. The proposed Resolution No. 2012021 from the County has not been formally adopted yet as the County Legislature body will act upon it January 23<sup>rd</sup>.

Chairman E. Mills presented to the Board a Resolution that will support the County of Dutchess' Resolution No. 2012021 to become the Local Planning Unit for the Local Solid Waste Management Plan and authorizes and directs the Executive Director to transfer all relevant Draft Local Solid Waste Management Plan materials to the County, and if requested by the County, to provide reasonable assistance in the completion of the Draft Local Solid Waste Management Plan.

A motion to approve Resolution No. 725 was made by T. E. LeGrand, seconded by E. Kinkade. Roll Call Vote: T.E. LeGrand, R. Mosca, J. Small, D. Nestler, E. Kinkade, and E. Mills all voted unanimously in favor to adopt Agency Resolution No. 725.

W. Calogero spoke about natural gas. Covanta shares the expense along with the Agency for the Facility's usage of natural gas. The costs have been high. Covanta recently spoke with Central Hudson over the issue and they suggested checking into using a third party for a provider of natural gas. Discussion ensued. It was noted to not sign on to a long-term commitment and to closely monitor what the costs are going to be. There should be no additional fees regardless of whether you use Central Hudson or someone else along with no fees imposed if you decide to switch back. It was mutually agreed to look into this issue further and arrange to have a few people come into the Agency to make a presentation.

W. Calogero spoke about two trailers used to empty ash at the Facility that are owned by Royal Carting. Covanta has asked the Agency to purchase these trailers from Royal as the trailers are essential for moving ash daily throughout the Facility site. Covanta will do the routine upkeep and maintenance on the trailers. Chairman E. Mills asked W. Calogero to have an agreement drawn with Covanta stating their responsibility with the trailers and present it to the Board at February's meeting.

Chairman E. Mills handed out information prepared by the Agency's counsel for all Board members to review pertaining to the new Open Meetings Law requirement that relates to documents beings discussed at meetings and posted on the Agency's website.

**8. Public Comment** – There was no public comment.

**9. Executive Session** – At 6:19 pm, a motion was made by R. Mosca, seconded by D. Nestler and unanimously approved to move into Executive Session for a discussion relating to a particular contractor.

E. Kinkade excused himself from the meeting at 6:20 pm.

Chairman E. Mills excused himself from the meeting at 6:25 pm. Vice-Chairman R. Mosca chaired the remainder of the meeting.

At 6:40 pm a motion to resume back into public session was made by R. Mosca, seconded by J. Small and unanimously approved.

With no further business to discuss the meeting was adjourned at 6:41 pm.

Respectfully submitted,

William J. Calogero  
Executive Director