

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JANUARY 21ST, 2010 – 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; D. Nestler, Treasurer; R. Mosca, Secretary; Board Members, T. E. LeGrand and R. Stephen Lynch; Agency Staff, W. J. Calogero and D. Walsh; J. Nelson, Agency Counsel; R. Chance, Covanta Hudson Valley Renewable Energy LLC; and D. Leibnitz, HDR.

1. Regular Session – W. Conners called the meeting to order at 5:08 pm.

W. Conners explained the recent Resolution 209408 adopted by the Dutchess County Legislature on December 7, 2009 regarding vacancies occurring on the Board. It purports to reappoint E. Mills, whose first term was set to expire on December 31, 2009, to a new three year term that will expire on December 31, 2011. It also appoints S. Jackson to a term to replace existing Board Member C. Chale to a new term that also expires on December 31, 2011. Both terms actually expired at midnight on December 31, 2009 and could not become vacant until midnight on January 1, 2010. The appointment to fill vacancies, therefore, did not exist and this Resolution is invalid. The two Board Members are authorized to continue to hold over in their positions until their successors are appointed and qualify for office.

2. Minutes – W. Conners presented the minutes of the October 15th, 2009 Board Meeting. A motion to approve the minutes was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved. R. Mosca abstained.

W. Conners presented the minutes of the December 10th, 2009 Board Meeting. A motion to approve the minutes was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved. R. Mosca abstained.

3. Operating Report – D. Walsh

D. Walsh informed the Board that 2009 ended positively with the facility exceeding the monthly budget by 600 tons. The 154,000 tons that was budgeted for the year was not met but the year ended well with an actual tonnage total of 150,640.82. Covanta has set the 2010 tonnage budget at 147,000 tons. The volume for the first half of January 2010 is down as expected for this time of year.

The MRF had a total incoming tonnage for the year of 12,656 tons which was better than last year but less than 2007. The Facility is capable of handling 18,000 tons, but with the carters still marketing the material themselves it seems that there will be no immediate change in the recycling volume. The revenues generated from the tipping fees for the year were \$159,875.00 and the revenues from the market sharing with Hudson Baylor were down to only \$38,164.68 due to the new benchmark settings established by Hudson Baylor.

4. Clean Air Update – D. Leibnitz

The Facility operations have been good. Unit No. 1 has had an availability of 90.3 percent. Unit No. 2 availability has been 84.1 percent, which is lower than normal due to the superheater outage. The turbine/generator availability was 97.4 percent. The lower than normal availability on the turbine/generator was due to instrumentation and control issues. For the calendar year 2009 the availability of Unit Nos. 1 and 2, respectively, was 87.5 and 91.4 percent. There were a total of 374 hours of unit down time due to a shortage of waste. Excluding the waste related downtime the overall facility availability in 2009 was 91.6 percent. The existing transformer is still operating well. The replacement oil filled transformer was received last month. Covanta has started engineering the installation details of the replacement transformer. The installation is presently scheduled for March/April 2010.

New Regulation 40 CFR 98 will require the facility to estimate and report the mass emission of carbon dioxide in 2010. Covanta is scheduling their air testing firm to take the first quarter grab sample in February. Covanta continues to review the requirements for the equipment needed at the Facility.

HDR has been working with Covanta on the new compliance certification format for the Part 360 permit. The permit is being revised and will include all modifications along with the new operator name. This work is part of the scope of services included in HDR's yearly environmental services fee which is not to exceed \$60,000.00. R. Stephen Lynch asked to find out how much this particular work will cost. D. Leibnitz will check with S. Mills on the detailed cost.

The outage to install the new superheater was completed on December 14, 2009. During that outage Covanta also performed a boiler wash and conducted a standard waterwall ultrasonic thickness inspection, test and repair program.

Stack access modifications were complete and Covanta is presently selecting a contractor to perform the flue repair work. During this outage they will also replace all of the bags and their tube sheets in both baghouses.

T. E. LeGrand raised a question on the increase in expenditures to \$535,373.00 as of 1/21/10 for engineering and management studies under Clean Air since there was only \$250,000.00 budgeted. W. Calogero responded that the amount includes the testing that was done in 2006 and had been verified with R. Huffman that this expense indeed could be distributed under the Clean Air bond.

5. Agency Financial Report – W. Calogero

W. Calogero presented the payables in the amount of \$1,018,912.33. W. Conners asked about the truck repairs and W. Calogero responded that Inter City Tire seems to offer better

service along with better prices for tires and flat repairs. The Agency truck broke down this past month on Route 9 and had to be towed. There was a check valve problem in the fuel system that failed. It was asked and found that the tow charges are not on this month's submittal list. T. E. LeGrand asked if the Agency can contact a representative from Verizon and perhaps have them issue one package and consolidate all the individual Verizon bills into one. He also inquired about the acid neutralization fees which calculate to be a load of lime delivered to the Facility every four to five days at approximately \$150.00/ton. W. Calogero responded that when we went to Clean Air we anticipated using more lime. R. Chance included that Covanta does look for the best purchase price and they do look at the amount of pounds per ton processed. It varies of course with how much comes in with the waste. For 2009, it calculated to be approximately 18 pounds per ton.

A motion to approve the payables for a total amount of \$1,018,912.33 was made by D. Nestler, seconded by R. Mosca and unanimously approved.

W. Conners proceeded to speak of a recent meeting with the Dutchess County Legislature and how the Legislature did not entertain either a line item in the budget nor did they entertain an implementation of a user fee for the Agency. It does not absolve them from their contractual obligation to pay the net service fee; however, he is hoping that they will move quickly and aggressively towards resolving it one way or another. The problem he sees is that their fund balance is very tight right now but if something is not done by March the Agency will have problems.

6. Committee Reports

There were no committee reports.

7. Public Comment

R. Chance stated he would like to see the Facility receive more waste.

A motion to move into Attorney/Client Session at 5:58 pm to discuss the potential hiring of two entities was made by D. Nestler, seconded by T. E. LeGrand and unanimously approved.

Resumed regular session at 6:20 p.m.

Resolution No. 693 Metals Contract

It was discussed to add some additional wording to the last paragraph, first sentence, that the Executive Director is directed to complete his due diligence as part of the adopting clause. A motion to approve Resolution 693 as amended was made by D. Nestler, seconded by R. Mosca and unanimously approved.

Resolution No. 694 Second Extension of Steuben Contract

A motion to approve Resolution No. 694 as presented was made by T. E. LeGrand and seconded by D. Nestler and unanimously approved.

A motion to move into Attorney/Client session at 6:45 pm for the purpose of a discussion regarding legal advice from counsel was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

Resumed regular session at 7:40 pm.

With no further business to discuss the meeting was adjourned at 8:02 pm.

Respectfully submitted,

William J. Calogero
Executive Director