

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## MARCH 15<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; 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; D. Leibnitz, HDR; M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC; L. Carille, Dutchess County Solid Waste Coordinator; A. Surman, Dutchess County Legislator; J. Rizzo and J. Klimek, Toski & Co., P. C.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:17 pm.
- 2. Minutes** – Chairman E. Mills presented the minutes of the February 23, 2012 board meeting. The minutes were deferred until next month's board meeting.
- 3. 2011 Audit** – J. Rizzo and J. Klimek of Toski & Co. P.C. met with the Resource Recovery Agency's Audit & Finance Committees earlier in the day and discussed many issues relating to the Agency's financial statements conducted from the year end December 31, 2011 annual audit. The Committees reviewed the entire report along with the numbers in great detail. Professional standards requires Toski & Co. to provide information about their responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of their audit. A formal report was presented to the Board along with Draft Reports on the following topics: Financial Statements as of and for year ended December 31, 2011; Compliance and Investment Guidelines for Public Authorities; Net Service Fee Reconciliation; Supplemental Compensation; Independent Accountants' Report on Applying Agreed-Upon Procedures for Multi-Year Contracts; and an audit of Internal Controls. Key financial highlights of the audit were that the Financial Statements showed an increase in net assets; the tipping fees increased in 2011 primarily due to an increase in metal sales, there was a decrease in energy sales primarily due to energy produced being severely impacted by adverse weather conditions, service fees were consistent with the prior year, the reduction of principal balances of the Agency bonds caused a decrease in overall interest expense, and the net service fee with the County decreased because of a decrease in the operating loss during the year.

R. Mosca of the Audit Committee recommended to the Board to accept these Financial statements as presented and prepared by the firm of Toski & Co. The motion was seconded by T. E. LeGrand and unanimously approved.

The Audit Committee will meet again to discuss the supplemental report of comments and recommendations that was based upon observations regarding internal controls that Toski & Co. was asked by the Agency Board to prepare. They will review the responses management

has made to that report. J. Klimek of Toski & Co. noted that there was no material weaknesses found in the annual audit of the Agency's internal controls.

- 4. Operating Report** – D. Walsh reported that the budget set for incoming tonnage in February was 9,710 tons and the Facility received a total of 12,400 tons, making it 2,700 tons over budget for the month. The year-to-date actual tonnage is 26,200 tons, which is 5,860 tons over budget.

The MRF received 292 tons of recyclables for the month of February and generated revenue of \$12,512.00 from the recyclables.

The First Household Hazardous Waste Day is scheduled for April 7<sup>th</sup>. The County Executive Office will help prepare a press release to help promote the collection day events.

- 5. Engineer Report** – D. Leibnitz informed the Board that from February 25, 2012 until March 11, 2012 the Facility has been undergoing its Spring Outage. There has been no downtime since the units came back on line. There was no turbine trip in February; therefore, there has been no additional demand charge incurred. During a brief control room inspection at noon, the Facility has been running at normal capacity. Unit Nos. 1 and 2 were producing 101,000 pph of steam and generating approximately 9.4 MW of power. The pit presently contains approximately 3,000 tons of MSW.

The updated Performance summary sheet was presented. In February, the Facility processed MSW at a Capacity Utilization of 92.0%. The overall availability was 91%. The Facility processed waste at an average daily throughput of approximately 422 tons per day and produced 58,777 kilo-pounds of steam. Efficiency was measured at 295 net kWh/ton but all these data points have been offset by the Unit No. 2 outage which started on February 25<sup>th</sup>.

The Spring outage took place on Unit No. 2 from February 25<sup>th</sup> until March 3<sup>rd</sup>. Primary activity included inconnel overlay, superheater tube repairs, fly ash drag conveyor belly-pan replacement, the installation of a double-dump valve at the economizer, force circulation pump motor replacement and combustor insulation repairs. It was planned to replace 200 tubes in the economizer but the tubes arrived late. One tube that was in need of immediate repair was fixed. The rest will wait until the Fall outage. The outage took place on Unit No. 1 from March 3<sup>rd</sup> through March 10<sup>th</sup>. Primary activity included inconnel overlay, generator bank tube repairs, fly ash drag conveyor belly-pan replacement, the installation of a double-dump valve at the economizer, induced draft fan motor replacement, ram cylinder replacement, baghouse door repairs, superheater hopper repairs and economizer tube repairs. A combustor ring dam was also installed into Unit No. 2, similar to the one in Unit No. 1.

A cold iron outage took place on March 3<sup>rd</sup> through the 5<sup>th</sup>. The turbine blades were inspected, the bearing cooling water system was serviced and breaker maintenance was performed on all 13.8kVA and 480 V breakers.

HDR technical personnel were on site to conduct internal equipment inspections during both outages. A report from them is forthcoming shortly.

HDR, the Agency, and Covanta continue with weekly meetings to resolve the annual reconciliation documents of 2008, 2009, 2010 and 2011.

The annual Emissions Compliance Test is scheduled to start April 16<sup>th</sup>. The Greenhouse Gas Emissions Report is due to be submitted on April 1<sup>st</sup>.

6. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,064,970.58. Chairman E. Mills asked if the revised invoices from Toski & Co. discussed at the last board meeting have been received. It was requested that Toski & Co. indicate how they divided up their expenses from their annual report and list is accordingly on their invoices. C. Tamney replied that those revised invoices have not been received. There is an additional invoice for \$10,000.00 in this month's submitted bills that also does not define their work. It was mutually agreed to disburse the payment to Toski & Co. but to not release the check until the revised invoice has been received. The Town of Poughkeepsie 2011 sewer bill for \$10,680.00 was discussed, which is part of the settlement agreement that is pending with the Town. Since the signed documents have not been received back yet and these fees are associated with that agreement, it was decided to withhold payment until those documents are returned.

A motion was made by E. Kinkade, seconded by T.E. LeGrand and unanimously approved to pay the bills, minus the Town of Poughkeepsie invoice for \$10,680.00, in the amended amount of \$1,054,290.58.

The Accounts Receivable Aging Report was reviewed and J. Small was thanked for his assistance to help resolve the outstanding debt from Levine & Levine. There were no further questions regarding the financials.

7. **Other Business** – C. Tamney spoke about Hess Corporation, the company that deliveries electricity to the MRF. As requested, she did an analysis by kwh from six months of usage in 2011 compared to six months of usage in 2010 and found there to be a savings of \$279.00.

W. J. Calogero announced that the Agency's website will be posting the NYS Department of Environmental Conservation Fact Sheet on the Amenia Town Landfill cleanup action that will begin. This posting is for informational purposes only.

## 8. **Committee Reports**

### **Governance Committee**

E. Kinkade reminded all Board members that if they have not filled out their evaluation report forms as so required by the NYS Authority Budget Office they need to do so and return it to

him as soon as possible. Also, if any board members have not taken a required training session to satisfy the requirement that directors must participate in a State approved training, as required by the Public Authority Law, they need to do so. "Webinar Training" (online training sessions) are now available for Authority board members. Space is limited for these sessions and registration is on a first come first served basis.

A Resolution was presented for the second time to the Board that would provide Agency employees the additional pension benefits already established of Section 41-j of the NYS Retirement and Social Security Law which allows credit for unused sick leave to be added to an employee's credited service for retirement purposes. The Agency would have no cash out to employees. At last month's Board meeting, J. Small was to do some research on his own and find out additional information as to what the overall costs are from New York State. Chairman E. Mills explained the program and how the NYS retirement system charges only an administrative fee to be in the program. The fee is based on the size of the workforce. The Agency's fee for its employees is \$626.00 a year. The County of Dutchess is already in the program. Discussion continued.

A motion was made by T. E. LeGrand, seconded by R. Mosca to approve the Resolution providing section 41-j (an allowance of unused sick leave credits). Roll Call Vote: T. E. LeGrand, R. Mosca, and E. Mills all in favor. J. Small and E. Kinkade opposed. Motion failed.

It was agreed to allow the additional time for J. Small to obtain the information he needs from New York State about this benefit cost and continue on with the discussion at another regularly scheduled board meeting.

### **Licensing Panel**

The Agency's Licensing Panel as a courtesy reviews the license applications and offers their comments back to the County of Dutchess. There was a recent application in which W. Calogero has not received the Panel's comments back and reminded the Panel about it. It was remarked about how the County's licensing law process takes so long. L. Carille was asked to see if anything can be done to speed up the process. The County of Dutchess issues the licenses not the Agency or the Agency Board.

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

**10. Executive Session** – At 6:25 pm a motion was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved to move into Executive Session for a discussion relating to a contractual matter.

The meeting resumed back to public session at 7:08 pm.

With no further business to discuss, a motion at 7:09 pm to adjourn the meeting was made by R. Mosca, seconded by T. E. LeGrand and unanimously approved.

Respectfully submitted,

William J. Calogero  
Executive Director