

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

MARCH 20, 2014 – 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 J. Small, Chairman; R. Mosca, Vice-Chairman; K. Williams, Secretary; and T. E. LeGrand, Board Member; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Deputy Commissioner, Division of Solid Waste Management ; M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC; L. Hannigan and W. Cochran, Sedore & Company CPA's, P.C.

1. **Regular Session** – Chairman J. Small called the meeting to order at 5:10 pm.
2. **Auditor Report** – R. Mosca, Chairman of the Audit Committee, presented the draft version of the 2013 financial audit conducted by Sedore and Company. L. Hannigan of Sedore and Company thanked the Board for their continued work with Sedore and also thanked the Agency staff for being cooperative and prompt with all of their requests for information needed to conduct the audit. She noted that the financial statements for the year ended December 31, 2012 have been restated to reflect the implementation of GASB 65. The 2013 audit indicates how the tipping fees decreased in 2013 primarily due to the decrease in metal sales caused by the decrease in the scrap metal market price, which in turn caused an overall decrease in revenue to the Agency. Energy sales decreased in 2013 due to a temporary shutdown of the turbine producing electricity. Service fees decreased in 2013 mainly due to the decrease in MRF processing fees following the plant closure in 2012. The reduction of principal balances of the bonds caused a decrease in overall interest expense. The decrease in net service fees is due to the retirement of debt with investment proceeds instead of operating revenues. In addition to the report on financial statements, reports are issued on the net service fee reconciliation, multi-year contracts, investment guidelines for public authorities and a report on supplemental compensation.

A recommendation to the Agency was to revisit and update its procurement policy thresholds on goods and services on which quotes are required and/or include other criteria in procurement considerations such as the nature of any prior experience. A second recommendation was for the Agency to request supporting documentation from the Facility Operator for expenses covered in the operating agreement prior to reimbursement.

A motion to accept and adopt the 2013 audit of financial statements as presented by Sedore & Company CPA's was made by R. Mosca, seconded by T. E. LeGrand and unanimously carried.

3. **Minutes** – Chairman J. Small presented the minutes of the January 16, 2014 board meeting. A motion to approve the January 16, 2014 board meeting minutes was made by R. Mosca, seconded by T. E. LeGrand and unanimously approved.
4. **Operating Report** – D. Walsh reported that the budget for the month of February was set at receiving 9,710 tons of waste and the Facility received 10,266 tons; 556 tons over budget. Covanta contributed to that number in February by transporting 265 tons of transfer station waste into the Facility.
5. **Engineer Report** – D. Leibnitz reported that in February, the Facility processed approximately 10,629 tons of MSW with an average availability of 94.2% on the boilers and 99.7% availability on the turbine/generator. Since the last report on February 19th until March 18th the Facility ran at 100% availability. Unit No. 1 was taken down on March 19th for outage activities in preparation of the annual stack test.

The pit contains approximately 1600 tons of MSW. In a recent spot check the Facility was producing approximately 47,000 pph of steam and generating 3.5 MW running on one unit. In February, the Facility was generating power at an efficiency of approximately 252 to 272 kWh per ton of MSW. The low performance could have been caused, in part, by wet waste caused by the heavy snow accumulation that month.

There have been no additional discussions with the NYS DEC related to the draft Part 360 Solid Waste Management permit conditions.

The annual emissions compliance test is presently scheduled to start the week of May 18th. In preparation, an outage on Unit No. 1 started on March 18th and is scheduled to be completed on the 21st. The preparation outage on Unit No. 2 is scheduled to start on March 23rd and is scheduled to be completed on April 10th. The extended outage on Unit No. 2 is due to extensive work that will be performed on the Unit No. 2 baghouse, included complete bag replacement and structural repairs. The low pit inventory will accommodate the extended run on a single unit during this outage.

6. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,040,816.05. A motion to approve the bills in the amount of \$1,040,816.05 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

There were no further questions regarding the financials.

7. **Public Comment** – There was no public comment.
8. **Executive Session** – At 5:40 pm a motion to move into Executive Session was made from T. E. LeGrand, seconded by R. Mosca and unanimously approved for discussions relating to the retention of a particular person, firm or corporation.

9. **Regular Session** – A motion was made by T. E. LeGrand, seconded by J. Small and unanimously approved to resume back to public session at 6:25 pm.

Resolution No. 787 – Retention of Counsel

The Agency Board authorizes the Executive Director to retain Michael J. Cahill, Esq., and Germano & Cahill, P.C. to provide legal services regarding specialized legal services relating to the volume and pricing of waste which will come to the Facility in the future at an hourly fee rate of \$300/hour for partners; \$220/hour for associates and \$70/hour for paralegals, with travel to be billed at one-half of the above fee rates, plus reasonable disbursements. The Executive Director will proceed to work with Mr. Cahill on the said issues and will also promptly develop with Mr. Cahill and submit to the Agency Board a scope of legal services and a limit on the amount of the legal fees to be charged, with fees in excess of that amount to be subject to the prior approval of the Agency Board. The Agency Board hereby finds it to be in the best interest of the Agency to enter into this retainer agreement without the necessity of issuing a Request for Proposals. A motion to approve Resolution No. 787 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

With no further business to discuss, a motion at 6:30 pm to adjourn the meeting was made by T. E. LeGrand, seconded by J. Small and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director