

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

MARCH 21, 2013 – 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, J. Mackey, Treasurer, K. Williams, Secretary, Board Members T. E. LeGrand and R. Ledrich; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Solid Waste Director; 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 5:00 pm.
- 2. Auditor Report** – L. Hannigan and W. Cochran presented a summarized report of the Agency's audited financial statements conducted for the year ending December 31, 2012. The Agency's Audit Committee met earlier in the week to ask questions and discuss the findings in detail. The audited financial statements indicated that overall the net assets increased in 2012 and 2011, increasing the Agency's net assets as of December 31, 2012. Other Reports completed were the Net Service Fee Reconciliation; the Report on Supplemental Compensation; the Report on Investment Policies, and the Report on Contracts. W. Cochran remarked on how easily accessible and organized the Agency's books and records were for obtaining the information that was needed to do the audit.

R. Mosca of the Audit Committee made a motion to accept the 2012 Financial Audit as presented and prepared by Sedore and Company. The motion was seconded by K. Williams and unanimously approved.

- 3. Minutes** – Chairman J. Small presented the minutes of the January 17, 2013 board meeting. A motion to approve the January 17, 2013 board meeting minutes was made by J. Mackey, seconded by R. Mosca and unanimously approved.

Chairman J. Small presented the minutes of the February 21, 2013 board meeting. A motion to approve the February 21, 2013 board meeting minutes was made by K. Williams, seconded by R. Ledrich and unanimously approved with R. Mosca abstaining from the vote.

- 4. Operating Report** – D. Walsh reported that the Facility received a total of 12,700 tons of waste in February, making it close to 3,000 tons over the monthly budget. The year-to-date tonnage is running 5,500 tons over budget.

5. Engineer Report – D. Leibnitz reported that from February 20, 2013 until March 20, 2013 the Facility has operated with an availability of 100.0%, 96.8% and 100.0% on Unit Nos. 1, 2 and the Turbine-Generator, respectively. There was approximately 7½ total hours of reduced operation on Unit No. 2 due to low waste inventory. An additional 14 ½ hour of downtime occurred to repair an external pipe leak.

During a control room inspection today, both units were operational. The Facility was producing 92,000 pph of steam and generating approximately 7.5 MW of power. The pit was low and contained approximately 800 tons of MSW.

In the 28 days of February, the Facility processed MSW at a Capacity Utilization of 90.6%. The average processing rate during the month was 444 tons per day. The overall availability was 96.4%. The Facility produced 55,857 kilo-pounds of steam. Energy efficiency was estimated to be 274 net kWh/ton which is below the 307 net kWh/ton target.

In February, the rate of lime use averaged approximately 23 pounds of lime per ton of MSW, which is lower than the historical rate of lime used under Covanta's management. In addition, Covanta has negotiated a new bulk lime delivery contract which has lowered the delivered cost of lime to the Facility by 11% on a per ton basis.

The moisture content of the ash residue has been an ongoing concern for the last several months, averaging over 40%. During the last several weeks Covanta returned to using a steam "sparing system" (steam injection for heating) in the quench water tank. This system was part of the original design by Pennsylvania Engineering and seems to be improving the quality of the ash relative to moisture content. The landfill has also commented that the ash appears better. Test samples are being taken on the ash and once a statistically valid sample size has been tabulated the results will be reported.

Covanta completed the repairs to the pit wall and pillar at Zone A. The quality of work was very good. There is remaining work to be completed in the tipping hall. The Spring 2013 outage is scheduled on Unit No 2 from April 9 until April 14. Unit 1 is scheduled from April 12 until April 21. A black plant outage will occur from April 12 until April 14 for turbine inspections and repair and replacements of common system components. Covanta has committed to a full turbine/generator preventive maintenance outage during the Fall 2013 outage.

The Federal Greenhouse Gas Report, the 2012 Annual Part 360 Permit Report , the EIA 860 and EIA 923 Report have all been completed and submitted to the NYSDEC on schedule.

6. Agency Financial Report – C. Tamney presented the payables in the amount of \$1,010,041.80 A motion to approve the bills as presented in the amount of \$1,010,041.80 was made by R. Mosca, seconded by R. Ledrich and unanimously approved.

Under the Accounts Receiving Aging Report, the delinquent account of Robisons Refuse was discussed. Agency counsel has sent out a final letter requesting payment from them. The slow paying accounts of Recycle Depot and the City of Poughkeepsie were also discussed.

7. **Public Comment** – There was no public comment.
8. **Executive Session** – At 5:35 pm a motion was made by J. Mackey, seconded by K. Williams and unanimously approved to move into Executive Session for an attorney/client session and for discussions relating to the retention of contracts with particular corporations.
9. **Regular Session** – The meeting resumed back to public session at 6:50 pm.

Up for the Board's consideration was the authorization to release the draft operation service agreement RFP that the Agency's Executive Director, with the assistance from the Agency's engineer and attorney, has prepared. The goal is to work towards a zero net service fee. It was noted that by adding the merchant capacity option to the proposal it will present more options to receive proposals from which the Agency can choose.

Resolution No. 759 Authorization for Release of Draft Operator RFP

This Resolution authorizes the Executive Director to release and publish notice of the Draft RFP and attachments in substantially the form presented and as modified at the direction of the Agency Board on March 26, 2013. The Executive Director is also authorized to prepare a Draft of an Environmental Assessment Form relating to the Request for Proposals and continued operation of the Facility for consideration by the Agency Board of Directors. A motion to approve Resolution No. 759 was made by J. Mackey, seconded by R. Mosca and unanimously approved.

Resolution No. 760 Surplus Balers, Etc. Sale

This Resolution authorizes the Executive Director, upon receipt of the required insurance, payment, and compliance with the other terms of sale, to dispose of the MRF goods to Millens Metal and to dispose of the MRF scale to Woodbourne Lawn & Garden. A motion to approve Resolution No. 760 was made by J. Mackey, seconded by R. Mosca and unanimously approved.

10. **Other Business** – Previously discussed was the property involved with the widening of a utility easement by Central Hudson. The Board mutually agreed that the offer made to the Agency was unrealistically low and should be rejected and further agreed that if Central Hudson needs to make a counter offer they may do so.

Also discussed was the Supplemental Waste Agreement with Covanta. A motion to modify the Supplemental Waste Agreement with Covanta to be effective through June 30, 2014 to provide for a 15/15 split on that waste with the ash being deducted for purposes of computing the

service fee and the Operator paying for the lime that is used as result of that waste was made by R. Mosca, seconded by J. Mackey, and unanimously approved.

With no further business to discuss, the meeting was adjourned at 6:55 pm.

Respectfully submitted,

William J. Calogero
Executive Director