

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

APRIL 19TH, 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; J. Small, Secretary; D. Nestler, Treasurer; 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; J. McCarthy and M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC; L. Carille, Dutchess County Solid Waste Coordinator; and A. Surman, Dutchess County Legislator.

1. **Regular Session** – Chairman E. Mills called the meeting to order at 5:05 pm.
2. **Minutes** – Chairman E. Mills presented the minutes of the February 23, 2012 board meeting. A motion to approve the February 23, 2012 board meeting minutes was made by D. Nestler, seconded by J. Small and unanimously approved with E. Kinkade abstaining.

Chairman E. Mills presented the minutes of the March 15, 2012 board meeting. A motion to approve the March 15, 2012 board meeting minutes was made by E. Kinkade, seconded by T. E. LeGrand and unanimously approved with D. Nestler abstaining.

3. **Operating Report** – D. Walsh reported that the March monthly budget set for incoming waste tonnage was 10,368 tons. The Facility received a total of 13,560 tons, well over budget by more than 3,000 tons. The year-to-date tonnage remains ahead of budget, running 9,074 tons over budget.

The MRF received 326 tons of recyclables for the month of March and generated revenue in the amount of \$11,127.58 from the recyclables.

The first 2012 Household Hazardous Waste Day was held at the Agency on April 7th. There were 165 attendees. The County Executive office assisted the Agency by issuing a press release about the collection event and also helped promote the event in the local paper and radio station; however, the collection times were not clarified by the media. This caused some people to arrive after the event was finished.

A total of 157 pounds of medications were collected from residents at the Agency under the Safe Medications Disposal Collection event program.

4. **Engineer Report** – D. Leibnitz informed the Board that from March 15, 2012 until April 18, 2012 the Facility has operated with an average availability of 95.6%, 92.7% and 98.9% on Unit Nos. 1, 2 and the Turbine-generator, respectively. All outages were caused by small tube or waterwall leaks, clinker formation or turbine breaker trips.

The annual emissions compliance test started on April 17th. Unit No. 2 developed a clinker in the middle of the test program that required a boiler cleaning. This mandated that the dioxin/furan tests for this unit be delayed until it can become normally fouled again next week. All other testing was completed this week.

During a brief control room inspection at 10 a.m., the Facility was running at normal capacity. Unit Nos. 1 and 2 were producing 105,000 pph of steam and generating approximately 8.9 MW of power. The pit presently contains approximately 3000 tons of MSW.

The updated Performance summary sheet was presented. In March, the Facility processed MSW at a Capacity Utilization of 90.8%. The overall availability was 80.5%, including the outage. The Facility processed waste at an average daily throughput of approximately 403 tons per day and produced 61,982 kilo-pounds of steam. Efficiency was measured at 318 net kWh/ton.

All the tests except dioxin/furan for Unit No. 2 were completed successfully this week. Preliminary results for the CEMS based tests (CO, SO₂, Opacity) were positive. Unit No. 2 experienced a clinker that required a wash down in several portions of the boiler. It is required that the boiler be operating in normal operating condition during the test. Covanta's policy is to let the facility run for a week before restarting the test. Due to testing firm's availability, the dioxin/furan testing for Unit No. 2 will run on Wednesday and Thursday next week. An HDR representative will be meeting the NYSDEC representative(s) on site next Wednesday as part of the test program.

HDR, the Agency, and Covanta continue with weekly meetings to resolve the annual reconciliation documents of 2008, 2009, 2010 and 2011, among other topics. All four reconciliation documents have been brought up to date and resolved with the exception of a few remaining issues. The natural gas and demand charge letters have been accepted conceptually by both parties but have not yet been signed.

HDR has prepared in March the Annual Electric Generator Performance Report, the Annual Power Plant Operations Report, the USEPA Greenhouse Gas Emission Report, and the NYSDEC Annual Emissions Statement for the Facility performance in 2011.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,167,094.34. E. Kinkade inquired about the bill from HDR Engineering for this month. D. Leibnitz replied that the bill includes work done by HDR during the outage, including internal inspections of the equipment, which had not been done for six years, numerous regulatory reports that were due in March, and four years of annual reconciliations that had to be done several times.

Chairman E. Mills recommended that the Town of Poughkeepsie 2011 sewer bill for \$10,680.00 be approved with the understanding that Drake, Loeb, Heller, special legal counsel for the Agency, hold onto the check until the Town of Poughkeepsie executes the sewer settlement agreement covering the prior decade of charges.

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 \$1,167,094.34.

Under the pass through fees, E. Kinkade inquired about the costly fees for lime and asked how long will it go on for. W. Calogero replied that the silo was very low so there had been more deliveries made this month than normal and the actual purchase price of the lime has increased.

There were no further questions regarding the financials.

6. Committee Reports

Finance Committee

Chairman E. Mills asked Board members to consider a minor change in the Committee chairs. He has asked E. Kinkade, a member of the Finance Committee, to become Chairman of the Finance Committee. R. Mosca, the present Chairman, would prefer to chair only one Committee as he is also the Chairman of the Audit Committee. A motion was made by T. E. LeGrand and seconded by J. Small to approve the appointment of E. Kinkade as Chairman of the Finance Committee. Roll Call Vote: T. E. LeGrand, J. Small, D. Nestler, E. Kinkade, and E. Mills all voted unanimously in favor.

The Finance Committee will continue to work on the subject of the net service fee and evaluate the possible establishment of a reserve fund to cover legitimate HCB liabilities as they may accrue in the future and to arrange to contact Toski and Company (the Agency's auditor) for additional input and advice on this matter.

Governance Committee

A Resolution was presented to the Board that would provide Agency employees the additional pension benefits of Section 41-j of the NYS Retirement and Social Security Law which allows for unused sick leave to be added to an employee's credited service for retirement purposes. As previously discussed, J. Small was able to do his research and was satisfied with moving forward to approve the benefit.

A motion was made by J. Small, seconded by E. Kinkade and unanimously approved to adopt Resolution No. 730 providing section 41-j benefits to all eligible Agency employees.

Audit Committee

Chairman E. Mills spoke about the Agency bonds debt reserve fund and the possibility of using this fund to retire part of the Agency's long-term debt by paying off one of the bond issues early. By using the surplus that is in this debt reserve fund, it would likely result in a significant reduction in the annual Net Service Fee due from the County earlier than scheduled. After a lengthy discussion, it was agreed to have the Agency staff look into requesting proposals from

three or four local and/or New York area bond counsels to provide the Agency with professional services related to the matter.

- 7. Public Comment** – L. Carille asked if the excess in the debt reserve fund could be used to pay the bond counsel fees. W. Calogero replied that he understands that it can only go back into the 2007 bonds for the same manner and coverage and that it cannot go into payment of private fees.

E. Kinkade asked if there was any new information on the progress of the Solid Waste Management Plan. L. Carille replied that there is indeed progress being made. She meets regularly with the County Executive, members of the Legislature, the Agency and the NYSDEC. She has taken the lead on the Plan and has people in the community that have offered help at no charge. She plans on having the draft report completed by late June.

- 8. Executive Session** – At 5:45 pm a motion was made by D. Nestler, seconded by J. Small and unanimously approved to move into Executive Session for a discussion relating to contractual matters and personnel.

The meeting resumed back to public session at 6:20 pm. A motion was made by T.E. LeGrand, seconded by J. Small and unanimously approved with E. Mills abstaining to adopt Resolution No. 731, 2012 Solid Waste Disposal Agreement with Royal Carting Service Company.

At 6:25 pm the meeting moved back into Executive Session for the purpose of discussing a personnel issue.

The meeting moved back to public session at 6:38 pm. With no further business to discuss, the meeting was adjourned at 6:40 pm.

Respectfully submitted,

William J. Calogero
Executive Director