

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

APRIL 20, 2017 – 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; W. Nussbickel, Treasurer/Secretary; Board Members; D. Petrovits, S. Tinkelman, D. Lois, and D. Denisoff; Agency Staff, L. Carille and D. Walsh; Agency Counsel, J. Mackey; and J. Metzger, Dutchess County Legislator.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:06 pm.
- 2. Minutes** – Chairman J. Small presented the minutes of the November 17, 2016 board meeting. A motion to approve the November 17, 2016 board meeting minutes was made by D. Petrovits, seconded by W. Nussbickel and unanimously approved. Chairman J. Small presented the minutes of the January 19, 2017 board meeting. A motion to approve the January 19, 2017 board meeting minutes was made by W. Nussbickel, seconded by D. Lois and unanimously approved.
- 3. Operating Report** – The budget for incoming tonnage for March was set at 11,451 tons. The Facility received 8,859 tons. The March budget was not met since the Agency had to divert 3,000 tons of waste during the month. This diversion was necessary due to the turbine and boiler downtimes which affects the amount of waste that was stored inside the tipping floor. According to the budget, the Facility should have received 33,962 tons of waste for the first quarter and the actual number because of the diversion is 31,965 tons; approximately 2,000 tons under budget.
- 4. Facility Report** – L. Carille spoke about the turbine problems the Facility has been experiencing since the overhaul was done last October. Between February and last week there has been 44 days in which the turbine has been down. Wheelabrator brought in more experts along with additional staff and did repairs on many things. The turbine since has been running well. The plan now is to incinerate the waste as quickly as possible in order to generate as much electricity as possible.

The Facility sold 644.70 MW to Central Hudson in March. The turbine/generator went offline February 20th due to excessive vibrations causing a trip, and went back online March 18th (27 days downtime). The turbine went back offline March 25th due to harmonic noises. The checks, diagnostics and repairs kept the turbine offline for the remainder of the month. The metal recovery exceeded the guarantee of 4% at 424.41 tons (4.79%). The ash residue, at 45.35%. did not meet the guarantee of 32%. Wheelabrator absorbed the additional fee in the amount of \$47,043.26. Boiler 1 availability was 97.6% due to downtime for the turbine exhaust trunk removal. Boiler 2 availability was 91.4% due to downtime for the turbine exhaust trunk removal and traveling grate repair. Turbine availability 21.4% due to vibrations and harmonics investigation and replacing bearings on turbine journals and gear box high speed bearings. S. Tinkelman asked, in reference to the turbine, if there is a 5 or 10 year capital plan for

replacement of components. L. Carille replied that unlike the last agreement, the Operator is responsible for all costs associated with repairs and maintenance. The new agreement has a turbine/generator maintenance fee. Every ton of waste that is brought in, the Operator receives approximately .84/ton which is put in an escrow account to be used every 7 years for a major turbine overhaul. Wheelabrator used up everything that was in that fund, \$225,000 and has asked to use the next 5 years of accumulating funds to help pay for the recent turbine expenses which totaled over 1 million dollars. They were told they could not use those funds now and were also told that they could not raise the fee that is put in the account.

The annual reconciliation with the Operator was completed in February. It resulted in a net amount due from Wheelabrator to the Agency of \$360,258.95. This amount was taken off Wheelabrator's February invoice to the Agency.

The 2016 annual emission statement, the annual reports for the US EPA Greenhouse Gas, the USDOE Energy Information Administration Reports 860 and 923 were all submitted on time.

- 5. Agency Financial Report** – The payables were presented in the amount of \$561,396.13. L. Carille reported that this is the last bill from HDR Engineering as this concluded the overlap of work done from 2016. It is also the last bill from VanDeWater as they reached their maximum charges for the bond refunding work. VanDeWater, along with GBB, the new Agency's Engineering firm, bond work totaled approximately \$56,000 which will be reimbursed back to the Agency at the time of the bond closing.

A motion to approve the payables for \$561,396.13 was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved.

Upstate Shredding slow payment process was discussed further. The Board asked if there was anything more that can be done to speed up Upstate's payment process in order for the Agency to receive payments more timely.

6. Other Business

L. Carille spoke about the bond refunding process. The sale of the bonds occurred on Tuesday, April 18th. The Agency will see a savings of \$1.165 million dollars over the 10-year life of the bonds. During the process SEQR was considered; however, this was a Type 2 action so no further action concerning SEQR was needed for it. Chairman J. Small was on the telephone when the bonds were sold. It was a mutual agreement to sell the bonds. The closing date will be May 3rd.

The Financial Audit was completed by RBT and submitted on time to the Authority Budget Office established March 31st deadline. The audit went well. There were no findings nor were there any recommendations. The Net Service Fee for fiscal year 2016 was \$291,697, which the Agency did not request from the County. The Agency used its unrestricted funds account to compensate for this shortfall.

Resolution No. 830 – Authorization to Auction Surplus Personal Property

L. Carille presented “Exhibit A Surplus of Items” that included one, 2003 International Vehicle; one, 1993 International Vehicle; two, 1990 large recycling containers; and one, front-end loader bucket that are no longer useful to the Agency and/or no longer operational.

The Agency Board directed the Interim Executive Director to submit the surplus items to auction and to determine if a bidder is successful and/or to scrap the item. A motion to approve **Resolution No. 830 – Authorization to Auction Surplus Personal Property** was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved.

Resolution No. 831 – Capitalization Policy Amendment

A recommendation was made from the Agency’s Auditor, RBT, and CPA consultant to amend the Agency’s current Capitalization Policy. The recommendation is to change the capitalization amount from “over \$1,000 to over \$5,000.”

The Interim Executive Director is authorized to amend the Capitalization Policy as recommended. A motion to approve **Resolution No. 831 – Capitalization Policy Amendment** was made by D. Lois, seconded by S. Tinkelman, and unanimously approved.

- 7. Executive Session** – A motion at 5:30 pm to move into Executive Session was made by W. Nussbickel, seconded by D. Petrovits and unanimously carried to discuss proposed, pending or current litigation.

The meeting resumed back to public session at 6:20 pm.

Authorization was given to the Interim Executive Director by the Agency Board to have the current litigation case reviewed within a spending budget range of \$7,000 - \$12,000 for a potential malpractice lawsuit from the Agency’s former counsel.

With no further business to discuss at 6:25 pm a motion to adjourn the meeting was made by W. Nussbickel, seconded by D. Lois and unanimously carried.