

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## APRIL 21, 2016 – 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; Board Members; T. LeGrand. D. Petrovits, R. Frost and S. Tinkelman; Agency Staff, W. J. Calogero, and D. Walsh; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Deputy Commissioner, Division of Solid Waste Management; J. Fedorchak, Dutchess County Attorney; A. Surman, Dutchess County Legislator; K. McAuliffe and D. Burch of Barclay Damon LLP.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:10 pm.
- 2. Operating Report** – The Facility received 12,609 tons of waste in March. The monthly budget was set at receiving 11,451 tons; making it 1,100 tons over budget. The year to date tonnage is running approximately 600 tons over budget. The pit level is currently low, with an estimation of 1,400 tons.
- 3. Engineer Report** – In March, the Facility had availabilities of 97.4% and 85.3% on Units 1 and 2, respectively. The turbine/generator had an availability of 96.1%. Overall availability in the first quarter for the Facility was 91.8%, 74.9% and 92.9% respectively for Units 1, 2 and the turbine/generator. The low availability on Unit 2 was due to the performance of the scheduled outage on that unit in February. The low availability of the turbine/generator was due to equipment failure at the number 1 pole on Sand Dock Road, seven subsequent turbine trips and a turbine outage in March. Total turbine downtime in the quarter was approximately 160 hours.

Summary Performance for the First Quarter 2016:

Total Net Agency Tons (NAT):	34,571.84
Electrical Production Efficiency:	288.35 kWh/NAT
Ferrous Metal Recovery:	4.25% of NAT
Ash Residue Tons/Ratio:	12311.22 tons for 35.61% of NAT

A first quarter penalty of \$29,016.97 was deducted by Wheelabrator from their invoice for not meeting the electrical performance guarantee. A total of \$56,109.13 was deducted by Wheelabrator from their first quarter invoices for ash residue in excess of 32% of NAT.

The Facility started its Annual Environmental Compliance Test (Stack Test) this week. It is scheduled to be completed on Friday.

In early March, HDR completed the Title V Air Permit renewal and pursuant to HDR's e-mail of March 31, 2016 has responded to the first working draft by the NYSDEC for the renewal of the Title V Air Permit.

In March, HDR completed the 2015 submittals of the DOE (EIA 860 & 923), the USEPA's Greenhouse Gas Report and Annual Emissions Statement.

As of the close of the first quarter HDR has expended \$70,498.68 of the \$180,000 annual budget for 2016. As stated in the January board meeting, the first quarter consistently contains a large amount of documentation activity to close-out the prior year's operations, usually averaging \$20,000 per month. In addition, HDR performed two important out of scope tasks including the initial application for the modification to the Part 360 Permit to allow ash storage on the tip floor and also the renewal of the Title V air permit, which is an event that occurs every five years. Chairman J. Small asked if the total number of engineering hours spent on the permitting process was known. D. Leibnitz replied that he has been keeping track, not hours, and that there has been approximately \$5,500 spent so far for the work. D. Petrovits asked if the engineering expense involved would be reimbursed. D. Leibnitz responded that there will be no reimbursement as the savings will come in by the overall outcome of less moisture being in the ash. Wheelabrator is absorbing the expense of doing the actual work, e.g., sloping the tipping floor, adding drainage, etc., which will cost approximately \$30,000 - \$40,000.

Discussion continued over the annual \$180,000 engineering budget. As of the start of April, HDR has exceeded the planned first quarter 2016 budget by \$10,500. At the present time with the additional out of scope activity related to the working draft of the new Title V Permit, the 2016 total annual budget is anticipated to be exceeded by \$20,000. In order to minimize any further effect on the annual engineering budget, HDR will not perform services outside of the specific scope of Task Orders 48A and 48B unless requested by the Agency. HDR will inform the Agency of any out of scope activities that are to be recommended to be performed. D. Petrovits requests that written work orders or purchase orders be issued by the Agency before any out of scope work activity is performed. D. Leibnitz replied that there will be no work orders, their firm provides time sheets. R. Frost stated that there seems to be some miscommunication as the \$180,000 is an estimate, a budgeted amount that the Agency believes will be spent for engineering. Within a work scope there is no definitive number, there will always be items that come up which may or may not be in the scope. This can expand the amount that is billed each year.

- 4. Agency Financial Report** – The payables were presented in the amount of \$1,061,158.53. T. LeGrand asked about John B Ingenio CPA. W. Calogero replied that he is the accountant that does the financial statements and Sedore & Co. does the auditing. T. LeGrand asked about Iseman, Cunningham, Ried. Chairman J. Small replied that it is the firm that David Wise represents that handled a personnel matter. A motion to pay the bills as presented for \$1,061,158.53 was made by T. LeGrand, seconded by R. Frost, followed by S. Tinkelman, and J. Small. D. Petrovits opposed. Motion carries.

L. Carille asked about the Central Hudson charges of \$43,441.75 from last month. D. Walsh replied that those charges apply to the substation. The monthly cost of interconnection equipment and metering charge at Sand Dock Road had increased. Central Hudson now

charges \$7,694.15 per month and had back billed three months for the monthly charge. J. Nelson explained how the Agency questioned the increased fees and how W. Calogero asked him to look into the matter. The Agency has a contract with Central Hudson in which payment is made to the substation. The language in the contract talks about what the Agency is paying for in addition to a payment under a tariff in which the Public Service Commission states the rate. The Public Service Commission raised one of its tariffs that relates to the substation. A question was raised about the Agency's contract. Under the Agency's contract, it states that payment will be made according to either the tariff or the contract. Central Hudson disagreed. They state that they charge under the contract and under the tariff. The question still remains as to whether the defined terms in the contract overlap what's in the tariff or not.

L. Carille asked about the host community benefit fees expense listed on the Profit and Loss Statement. It was an accrual which was agreed to be removed.

**5. Executive Session** – A motion at 5:51 pm to move into Executive Session was made by R. Frost, seconded by S. Tinkelman and unanimously approved for the hiring, firing, promotion, demotion of a particular person or firm, for discussions involving the Covanta litigation, and for attorney/client discussions.

**6. Regular Session** – The meeting resumed back into public session at 6:31pm.

With no further business to discuss at 6:32 pm a motion to adjourn the meeting was made by D. Petrovits, seconded by R. Frost and unanimously approved.