

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## May 20th, 2010 – MEETING MINUTES

(amended 6/17/10)

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 W. Conners, Chairman; E. Mills, Vice Chairman; R. Mosca, Secretary; D. Nestler, Treasurer; Board Members, R. Stephen Lynch and E. Kinkade; Agency Staff, W. J. Calogero and J. Bibko; Agency Counsel, J. Nelson; D. Leibnitz, HDR; R. Chance, Covanta Hudson Valley Renewable Energy LLC; A. Surman and S. Goldberg Dutchess County Legislators.

1. **Regular Session** – Chairman W. Conners called the meeting to order at 5:30 pm.
2. **Minutes** – Chairman W. Conners presented the minutes of the April 15, 2010 Board Meeting. E. Kinkade requested that the minutes be amended on Page 3, paragraph 3 to add, Ed Kinkade did not have an opportunity to review the report. A motion to approve the minutes as amended was made by E. Mills, seconded by D. Nestler, and unanimously approved. R. Stephen Lynch abstained.

Chairman W. Conners presented the minutes of the May 6, 2010 Special Meeting Minutes. A motion to approve the minutes was made by E. Mills, seconded by D. Nestler and unanimously approved. R. Stephen Lynch abstained.

Mr. Kinkade made a request of staff to include the balance sheet and A/R aging to the financial reports that are emailed to the Board a few days prior to the Board Meeting.

### 3. **Operating Report – W. Calogero**

Incoming monthly tonnage was slightly below the budgeted amount for the month, received 12,600 tons and budgeted 12,700 tons. The y-t-d tonnage still remains over budget by 6,700 tons. Electricity generated to Central Hudson was 5,046,330 Kwh for a total revenue amount of \$302,779.80, the strongest month for electrical generation this year.

MRF incoming tonnage remains low. There was a total of 687 tons of material. The market has increased for commingled recyclables which has brought more in revenue sales, while the fiber market continues to remain steady. Total market sharing revenue with Hudson Baylor for April resulted in \$18,442. The revenue received for tipping fees was \$6,125.00.

W. Calogero spoke about the Household Hazardous Waste Day Event held on May 8, 2010 in Pawling. There were a total of 60 attendees. Mr. Calogero stated that we really need to have more of a turnout to justify some of the expense, but people do appreciate it. E. Mills suggested that if we are not getting the turnout in eastern Dutchess County perhaps we should have one event in eastern Dutchess and go back up north to the Red Hook area and

reconfigure the locations that we serve outside of Poughkeepsie. All the communities need to have an opportunity to have this day.

The Medications Collections Event held on May 15, 2010 went very well, taking in 101 lbs. E. Mills questioned the way we provide a service to other counties, and the way that we could charge those other counties for assisting them in this disposal. W. Calogero responded that we were charging them. Some of the neighboring counties will be coming up soon from the New York City watershed area and Covanta has agreed not to have a charge passed on to us. Mr. Mills remarked that as long as we do not have any administrative costs involved we will not charge them. Chairman W. Conners wrote an article on the medications safe disposal event that was published in the Northern and Southern Dutchess News.

#### **4. Clean Air Update – D. Leibnitz**

Coming out of the spring outage, which ended on March 28<sup>th</sup>, the Facility ran at full capacity and 100% availability throughout the entire month of April. Since the date of the last board meeting (4/15/10) until today the availabilities on Unit Nos. 1 and 2, were 97.0 and 99.9 percent respectively. The Turbine Generator availability was 99.7%. The only downtime on the turbine and Unit No. 2 were due to a May 7<sup>th</sup> tree fall on Sand Dock Road which took out power to the wastewater plant next door. This caused a surge which tripped the utility breaker at the Facility. The Facility was back in full operation within two hours. Unit Number 1 was down for an additional 18 hours due to a tube leak in the economizer which has since been repaired. Facility performance during the last reporting period has been outstanding with electrical generating efficiently being 20% higher than the contractual guarantee.

In a spot check at 10:45 a.m. today HDR observed the Facility producing 114,000 pph of steam which was generating 10.9 MW of power. At that time, the pit contained only approximately 1800 tons of MSW. At full burn it is estimated that the pit will have less than 1000 tons on Monday morning.

The set point for both Unit Nos. 1 and 2 are 55,000 pph, which is in accordance with its original design. Additional MSW must be procured if the Facility is to continue running at the present processing rates.

Covanta has indicated that they have not yet filed the Uncontrollable Circumstance claim for relief of their lost production caused by the Central Hudson Breaker trip in the switchyard on February 26<sup>th</sup> nor for the tree-fall on May 7<sup>th</sup>.

HDR observed the performance of the Annual Emissions Compliance Test which was conducted from May 3<sup>rd</sup> until May 6<sup>th</sup>. HDR personnel met with NYSDEC personnel during the test. All test procedures went well and the testing program was completed on schedule. HDR also accompanied the NYSDEC during their Annual Facility Inspection.

HDR has initiated the Annual Compliance Certification Report that will be required for the Facility Part 360 Permit Renewal Process.

New Regulation 40 CFR 98 requires that the Facility estimate and report the emissions of Carbon Dioxide in 2010. Covanta's stack testing firm obtained the first quarterly grab samples and has reported results of 64% Biogenic Carbon Dioxide (from biomass, considered carbon neutral) and 36% Anthropogenic Carbon Dioxide. (from fossil fuel and man-made materials). The second quarterly grab sample was taken on May 12<sup>th</sup> and the results should be available next week.

A question was asked of Mr. Calogero as to whether we have a plan to ensure that we have enough waste. W. Calogero replied that he had turned the garbage off during the outage and we will be getting more waste above what we normally get in. Covanta brings in the additional waste from outside. The tip fee and processing fee is negotiated between us, defined as Spot Market in the agreement. R. S. Lynch requested a one page summary of the terms that were negotiated with Covanta on this relationship. We have tried to get in more waste from the haulers. E. Kinkade questioned if Royal Carting has brought in more waste. Royal Carting has occasionally brought in extra waste to us. There is a charge bestowed upon us by the operator for every ton of waste processed and that is how we came up with \$63.00 per ton this time. R. S. Lynch would also like to see that in a one page break-up, variable cost / fixed cost per ton basis.

Mr. Calogero spoke of the Metals Contract with Upstate Shredding. As of mid-May we have sent 1391.82 tons of metal, for a total revenue amount of \$321,490.06.

## **5. Agency Financial Report – W. Calogero**

W. Calogero presented the payables in the amount of \$1,270,424.34. Several questions were asked regarding the hauler receivables and it was suggested that we re-look at our credit policy. E. Kinkade asked staff to add another column to the Balance Sheet with the prior month amount. There was discussion regarding the NSF check that is due in June and December. The Legislature has not resolved the funding issue for the NSF. A motion to approve the payables in the amount of \$1,270,424.34 was made by D. Nestler, seconded by E. Mills and unanimously approved.

## **6. Committee Reports**

Chairman W. Conners spoke of the issue of the RFP and how the Board had discussed it extensively, agreed to do an RFP and voted on it. The RFP is being advertised and we have not received responses yet. The date of return is May 26, 2010. He spoke with the Assistant to the Chairman of the Legislature and they are encouraging us to move forward with it. There have been conversations with the DEC and they are insisting that they want the SWMP from us in August and there will be no extensions beyond December. Once the SWMP is in, modifications can be made. He would like to see the RFP's come back, who responds and how much. Fortunately, some work had been done before Acting Commissioner R. Akeley

retired. E. Kinkade feels that in his opinion it may be a conflict of interest for the Agency to do the RFP because the Agency has a vested interest in keeping the plant running. R. S. Lynch concurred with E. Kinkade. Chairman W. Connors remarked that if the County Legislature or the County Executive is not going to hire a consultant, how we would resolve this issue. R. Mosca suggested that we check with the ABO for their comments on this issue. The question of Professional Liability insurance was raised. E. Mills stated that the potential proposer should meet the requirements for Professional Liability insurance of \$2,000,000. R. S. Lynch stated that we have given an extraordinarily short amount of time for responses. Whether it is true or not, which might interpret that to mean that we have someone in mind already and they won't respond. R. S. Lynch stated that he had the opportunity to make a presentation at a SWANA Conference on solid waste management in New York State. There were approximately 30 or more DEC people present at the conference. He stated that he did not mention Dutchess County to the DEC people but mentioned his understanding was that planning for the SWMP, if we have one that is expiring, there is no enforcement mechanism by the DEC except, if the entity wants to build a new facility that needs a DEC permit. The DEC will not give you a new permit unless you give them a SWMP. He asked about a county that has an existing waste-to-energy plant that has an existing permit that is coming up for renewal, would the DEC hold that up if the county did not have a SWMP? DEC answered "No, no way, that is not true, it is not going to happen, the DEC will not do that, and the DEC will tell you that." Mr. Lynch advised that we revise the RFP and give an honest amount of time so that respondents know that this is wide open and get some kind of selection committee that is independent of the Agency. Mr. Lynch offered to do it, free of charge, as a Board Member, and it would take approximately a week. Mr. Lynch suggested that we have a selection committee independent of the Agency because we have a vested interest. Chairman W. Connors stated that we should be involved with the planning of the SWMP because it is our money and we have to answer to the Legislature for it. Chairman W. Connors proposed that the RFP process continue on, and we don't have to do anything with them. He will make an appointment with Ken Bresner from the DEC and get a clear answer how whether or not we are exposing ourselves if we do not have the SWMP in place by June 2011. The Legislature has informed us that they want the report by July 12<sup>th</sup>. Chairman W. Connors will try to arrange a meeting with DEC and Board Members present as long as we keep the process going.

## **7. Public Comment**

Legislator Goldberg referenced an earlier discussion related to the \$63.00 per ton that Royal Carting is charged to bring in additional waste to cover our variable cost and asked what is the industry standard. R. S. Lynch responded that the cost structure that he is familiar with is a variable cost per ton including the benefit of increased revenue from electricity as you burn more waste \$20.00 - \$25.00 per ton.

Legislator Goldberg asked if we bring the metals to Upstate Shredding. Chairman W. Connors replied that the metals are picked up by them.

With no further business to discuss, a motion to adjourn the meeting at 7:15 p.m. was made by E. Mills seconded by D. Nestler and unanimously approved.

Respectfully submitted,

William J. Calogero  
Executive Director