

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## JUNE 16<sup>TH</sup>, 2011 – 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, Vice Chairman; R. Mosca, Secretary; D. Nestler, Treasurer; Board Members; T. E. LeGrand, E. Kinkade, and J. Small; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; and J. McCarthy, Covanta Hudson Valley Renewable Energy LLC.

**1. Regular Session** – Vice Chairman E. Mills called the meeting to order at 5:05 pm.

Vice Chairman E. Mills introduced and welcomed new board member J. Small to the Agency Board of Directors. Also introduced was J. McCarthy, the Acting Facility Manager of Covanta Hudson Valley, who will be routinely attending the Agency's monthly board meetings.

**2. Minutes** – Vice Chairman E. Mills presented the minutes of the May 19<sup>th</sup>, 2011 Board Meeting. A motion to approve the May 19<sup>th</sup>, 2011 board meeting minutes was made by T.E. LeGrand, seconded by R. Mosca and unanimously approved with J. Small abstaining.

**3. Operating Report** – D. Walsh informed the Board that the monthly budget set for May was 13,131 tons and the Facility received 12,600 tons, resulting in 531 tons short of the budget. The year-to-date tonnage volume continues to remain ahead of the budget by 8,413 tons. Total electricity generated in May was 4,740,980 kwh for a total revenue of \$284,458.80.

The MRF monthly incoming tonnage was better than last month, but still remains at an overall low. There was a total of 494 tons of recyclable material that came into the Facility with a combined tipping fee and market sharing revenue in the amount of \$27,297.85.

W. Calogero spoke about the Household Hazardous Waste and the Medications collection programs that the Agency provides to the residents of Dutchess County. Both are community service events. There is no revenue generated from the programs but it offers Dutchess County residents an opportunity to safely and properly dispose of items that should not be entered into the waste stream. Most recently, the June 4<sup>th</sup> Household Hazardous Waste day had 171 attendees and a total of 41 pounds of medications were collected at the Household Pharmaceutical Collection event.

**4. Engineer Report** – D. Leibnitz informed the Board that since the date of the last board meeting until today the availabilities Unit Nos. 1 and 2 were 94.4% and 98.0% respectively. The only downtime on Unit No. 1 occurred when a cast iron manhole frame made it into the combustor and it damaged the boiler tubes in the bottom of the unit. Unit No. 2 had a few Bombay chute clogs caused by the large metal objects in the waste. Turbine-Generator availability was 99.2%. The turbine had been taken down a few brief times by miscellaneous nuisance trips. It was also down for one hour following a lightning strike on June 9<sup>th</sup>. As mentioned at the previous board meeting, Covanta has installed a "first-out relay stack" to help determine the cause of each trip. Once sufficient data has been recorded, discussions with Central Hudson will begin, if appropriate.

During a brief control room inspection, both units were running and producing 101,000 pph of steam and generating 8.5 MW of power. The pit presently contains approximately 2600 tons of MSW.

The updated performance summary sheet for 2011 was discussed that indicated that the Facility continued to run very well. The boiler capacity utilization based on a waste HHV of 4500 BTU/lb exceeded 100% in the same manner that it did in April. On this basis HDR is assuming that the energy content of the waste is increasing again to levels previously seen in 2010.

The 2011 annual stack test was completed in April. The draft report was forwarded by Covanta to HDR for review two weeks ago. HDR found that the test results all passed and HDR did not have any comments on the test report. In addition, the Agency received the annual inspection report from the NYSDEC on their Title V permit compliance. No events of non-compliance were mentioned in the report.

HDR received the completed working draft of the Title V permit renewal from the NYSDEC. The Agency had the notice for public comment of the working draft published in the Poughkeepsie Journal on June 13, 2011. There is a 30 day public comment period.

The working draft of the Facility's Part 360 permit is still expected from the NYSDEC shortly. The final completed Facility application was confirmed received by the NYSDEC on March 16, 2011, two weeks ahead of the deadline. The existing Part 360 permit expires in September 2011.

T. E. LeGrand inquired about the moisture content in the ash. He was informed about the semi-annual ash testing that is required by the NYSDEC. It does not specifically test for moisture. The general industry standard is that 25% of ash does contain water. There were some unofficial spot checks done a few months ago which indicated the Facility was much higher. That information was passed on to Covanta. Covanta since then made some modifications by putting vibrators on the lines. J. McCarthy stated that Covanta does do periodic in-house ash testing throughout the year that includes moisture and other items and he would be willing to pass this information along to HDR but he cannot guarantee that it is accurate.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,182,242.24. A motion was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved with J. Small abstaining to pay the bills in the amount of \$1,182,242.24.

J. Small questioned the pass through natural gas expense and was informed that the Agency is in the process of an open disagreement with Covanta over the amount of natural gas usage. The natural gas usage has increased with the Clean Air Act. The operator must stay within the compliance regulations; however, in the last year the numbers have substantially increased. Negotiations have begun with Covanta as to exactly who will pay for this.

**6. Committee Reports** - Vice Chairman E. Mills asked the Nominating Committee to recommend where new board member J. Small would be best suited to serve among the Board of Directors various committees. He would like the recommendation to be done by the next board meeting.

**Audit Committee**

R. Mosca of the Audit Committee stated that the RFP for accounting services was finalized today and the Committee is confident that it will be prepared and made public by July 1<sup>st</sup>. Vice Chairman E. Mills did an outstanding job in getting the RFP together. A motion was made by T.E. LeGrand, seconded by D. Nestler and unanimously approved with J. Small abstaining to finalize the Professional Auditing Service RFP and to release it to the public on July 1, 2011 with a response date of August 1, 2011.

R. Mosca spoke about the accounting services that the Agency requires and how it not only includes the annual report and audit, but several mid-year reviews and verifications of the net service fee, arbitrage, and the MRF net processing fees and how these particular items need to be done now. The County requires this information in order for the Agency to receive the net service payment that is due at this time. The County Comptroller was informed of the issue and he was in agreement with the Agency's position. Sedore, therefore, has been asked to do those mid-term functions.

**Resolution No. 712 Contracts for Auditing Services**

This resolution authorizes Sedore, Hudson Valley CPA's to proceed with three items of work at a cost of \$1,850.00 each for the net service fee calculations and \$3,700.00 for the rebate calculation. A motion was made by R. Mosca, seconded by T. E. LeGrand. Resolution No. 712 was unanimously approved with J. Small abstaining.

**Governance Committee**

Vice Chairman E. Mills of the Governance Committee informed J. Small on two time sensitive requirements that he is obligated to perform as a board member. It is required that within the next 30 days one must swear an oath of office and that must be filed with the County clerk. Also, under the Public Authority Accountability Act, one is required to attend a state approved training seminar within one year of your appointment to the Board.

The Governance Committee will meet on July 21, 2011 at 4:00 pm at the Agency offices.

One of the requirements from the State Authority Budget Office was the establishment of a credit card use policy. Since one has not been put in place, Vice Chairman E. Mills requested W. Calogero to draft such a policy by the July 21, 2011 board meeting. It was suggested that if the Water and Wastewater Authority has such a policy in place, that it could be sent over to W. Calogero for reference.

The Procurement Policy draft was presented to all Board members. E. Kinkade requested on the first page of the policy under the paragraph, "Review and Adoption by the Agency Board" to eliminate the bookkeeper and leave it as the Executive Director or designee. Also, he requested that the \$35,000 limitation level for services be reduced to \$20,000. Discussion ensued. J. Nelson questioned on Page 4, the Exception for work to be performed by the Contract Operator, and how it was typographically listed in the policy. Vice Chairman E. Mills replied that it was intended to be listed as an "open circle" under its own subject heading under public works.

The three proposed amendments for the Procurement Policy were summarized by Vice Chairman E. Mills:

- (1) Page 1, to eliminate "bookkeeper" and leave "Executive Director or designee." Unanimously all in favor. Amendment passed.
- (2) Page 4, to change the typographical format placement of the "Exception of work to be performed by Contract Operator". Unanimously all in favor. Amendment passed.
- (3) To reduce the threshold for the purchases of services from \$35,000 to \$20,000. E. Kinkade voted in favor; T. E. LeGrand, R. Mosca, J. Small, D. Nestler, and E. Mills were all opposed. Amendment failed.

### **Resolution No. 713 Procurement Policy**

This Resolution will adopt the Procurement Policy as amended. A motion was made by T. E. LeGrand, seconded by D. Nestler. T. E. LeGrand, D. Nestler, R. Mosca, and E. Mills all voted in favor. E. Kinkade was opposed. J. Small abstained from voting. Motion passed.

### **Facilities & Recycling Committee**

T. E. LeGrand spoke about entering into a three-month pilot program agreement with the current operator of the Materials Recovery Facility (MRF) to accept single-stream recycling from all waste haulers. Single stream recycling has become a trend nationwide. The MRF will be used as a transfer station during that time and the material will be transferred by Hudson Baylor to Newburgh for processing. E. Kinkade asked why we have to have such a program since it is known that single-stream recycling seems to be a success already. Vice Chairman E. Mills stated that this will be a demonstration project that will enable the Agency to quantify locally and to see how it potentially could work here in Dutchess County.

### **Resolution No. 714 MRF Pilot Program**

This Resolution authorizes the Executive Director to enter into an agreement for a three-month pilot program for the operation of the MRF by Hudson Baylor on the stated terms, to modify the operating contract with Hudson Baylor, and to report the results of the program to the Agency Board. A motion was made by T. E. LeGrand, seconded by R. Mosca. T. E. LeGrand, R. Mosca, D. Nestler, and E. Mills all voted in favor. E. Kinkade was opposed. J. Small abstained from voting. Motion passed.

7. **Public Comment** – J. McCarthy referred to the earlier discussion regarding the moisture content in the ash. He emphasized how Covanta is very much concerned about it. It is a benefit for both the Agency and Covanta to test the ash and how it is a difficult issue with the technology that is presently in place.
8. **Executive Session** – A motion at 6:20 pm to move into Executive Session to discuss a particular contract was made by R. Mosca, seconded by D. Nestler and unanimously approved.

Resumed regular session at 6:40 pm.

### **Resolution No. 715 Electrical Production Guarantee**

This Resolution authorizes the Agency's Executive Director to memorialize by Change Order a Modification to the electrical output guarantee at Schedule D-1 (4) of the Service Agreement to 307 net kwh/ton at zero extraction, voiding Change Order 7, and providing further that the computation of the electrical guarantee shall not include those times during which the Facility is not producing electricity as a result of a regularly scheduled outage, and notice of which has been given to the Agency not less than 24 hours in advance. A motion was made by T. E. LeGrand, seconded by D. Nestler. Resolution No. 715 was unanimously approved with J. Small abstaining. Motion passed.

9. **Executive Session** – A motion at 6:45 pm to move into Executive Session to discuss a particular contract was made by E. Kinkade, seconded by D. Nestler and unanimously approved.

Resumed regular session at 6:57 pm.

With no further business to discuss, a motion at 6:59 pm to adjourn the meeting was made by D. Nestler, seconded by R. Mosca and unanimously approved.

Respectfully submitted,

William J. Calogero  
Executive Director