

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JUNE 16, 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; W. Nussbickel, Treasurer/Secretary; Board Members; T. LeGrand. D. Petrovits, R. Frost and S. Tinkelman; Agency Staff, L. Carille and D. Walsh.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:05 pm.
- 2. Minutes** – Chairman J. Small presented the minutes of the April 21, 2016 board meeting. A motion to approve the April 21, 2016 board meeting minutes was made by R. Frost, seconded by D. Petrovits and unanimously approved. Chairman J. Small presented the minutes from the May 5, 2016 special board meeting. A motion to approve the May 5, 2016 special board meeting minutes was made by D. Petrovits, seconded by S. Tinkelman and unanimously approved.
- 3. Operating Report** – The monthly budget for May was set at receiving 14,214 tons. The Facility received 12,782 tons of waste in May making it 1,400 tons short of the budget. Overall the tonnage is running approximately 1,500 tons under budget. There has been an increase in tonnage volume for June compared to May. The pit level is currently below tipping floor elevation, having a receiving capacity of 1,270 tons.

The Net Agency Tons (NAT) for the month of May was 12,783 tons and the Facility sold 3,785.80 MW to Central Hudson. The net energy conversion performance rate in May was 296.10 kWh/ton. The ferrous metal recovery in May was calculated to be 3.44 percent. The official wet ash residue was 33.80 percent of NAT which exceeded the 32.0 percent guarantee. Wheelabrator has absorbed the additional fee for not meeting the 32.0 percent residue guarantee and has reduced their May 2016 invoice by \$8,956.11.

Chairman J. Small asked about the availability of the boilers. L. Carille replied that Boiler 1 was down in May for the 6 day scheduled outage and Boiler 2 had an economizer tube failure which required a short shutdown.

- 4. Agency Financial Report** – The payables were presented in the amount of \$1,088,655.58. D. Petrovits spoke about the HDR engineering bill for \$18,360.92. L. Carille stated that she does not need the Engineer at the Agency on a weekly basis. She has spoken over the telephone to him only when it was essential. She's asked that their daily activity be listed on their invoices. She continues to work on how much engineering services is needed at the Agency. S. Tinkelman asked how long the contract is. L. Carille replied that there has not been a contract since 1998, HDR has been working under that same contract and every year they provide a general work order stating what the engineering services and the environmental technology services will be for the year. The beginning of each year, the Agency does a

budget with HDR. This year it is \$180,000 and as previously explained it is not \$15,000 per month. It varies depending upon the monthly work; some months are busier than others. The plan is that their bills be under budget for some of the months and not exceed the \$180,000 yearly budget. She continues to review all the engineering services and time spent doing the work. D. Petrovits asked that the Board be provided with a copy of the work order. S. Tinkelman stated that at some point we need to go out to bid for the Agency's engineering services. L. Carille replied that she is working on a draft RFP for engineering services, trying to still learn all the needs that should be applied to the draft. She intends to have that draft completed soon.

Chairman J. Small spoke out on the Agency's \$27,358 net service fee total to date that the County of Dutchess is obligated to pay. The service fee has not been requested from the County due to unrestricted Agency funds available. L. Carille spoke concerning the 2007 Bond, Project Fund. The Agency, through the bond trustee, transferred monies held in the Project Fund reserve account to the Debt Service Fund. The Project Fund was no longer necessary due to the Clean Air project having been completed over 10 years ago. Of the \$512,319 transferred, \$323,818 will be used to pay the bond debt interest payment due July 1, 2016. The remaining \$188,501 will be used towards the bond debt principal and interest payment due January 1, 2017.

A motion to pay the bills for \$1,088,655.58 was made by R. Frost, seconded by S. Tinkelman and unanimously approved.

5. **Other Business** – L. Carille spoke about the Agency's Financial Audit done in March 2016 by Sedore & Company. The audit needed to be completed by the end of March in order to meet the posting deadline for reports on the Public Authority's website. Chairman J. Small met in March with representatives from Sedore & Co, the Executive Director and the Agency accountant to review the audit findings since there were not enough board members available to conduct a board meeting. A few highlights from the financial audit were that the tipping fee revenues increased in 2015 in the amount of \$334,826. Three major revenue sources decreased for the year, which were recycled metal sales; energy sales rate adjustments (based on market oil prices) and net service fee revenue. The net decrease in major revenue sources for 2015 was \$1,214,190. Service fees expense decreased in 2015 by \$1,132,673. This was primarily due to the reduced contract pricing with the new Operator who began operations in July 2014. The new operator's performance and contract favorably benefited the Agency. The reduction of principal balances of the bonds caused a decrease in overall interest expense. Discussion ensued.

A motion to adopt **Resolution No. 816 Financial Statement Acceptance** was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved.

L. Carille also reported that she inquired about refinancing the S2007 bonds since it can save the Agency 1.6 million dollars and has asked Beth Ferguson of Capital Markets Advisors to meet with the board at July's board meeting to discuss it further.

6. Executive Session – A motion at 5:50 pm to move into Executive Session was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved for the hiring, firing, promotion, demotion of a particular person or firm and for a discussion regarding legal matters.

7. Regular Session – The meeting resumed back into public session at 6:44 pm.

With no further business to discuss at 6:45 pm a motion to adjourn the meeting was made by D. Petrovits, seconded by R. Frost and unanimously approved.