

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## JUNE 17<sup>th</sup>, 2010 – MEETING MINUTES

(amended 7/15/10)

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; D. Nestler, Treasurer; R. Mosca, Secretary; Board Members, T. E. LeGrand, 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 5:08 pm.
- 2. Minutes** – Chairman W. Conners presented the minutes of the May 20<sup>th</sup>, 2010 Board Meeting. E. Kinkade previously asked that the April 15<sup>th</sup> 2010 Board Meeting minutes be amended; however, it lists only part of his change. He needs to add that he did not have an opportunity to review the report because he did not have the report. On Page 3, Item 6 of the May 20<sup>th</sup>, 2010 Board Meeting minutes he would like it to read that in his opinion he believes that it is a conflict of interest. A motion to approve the May 20<sup>th</sup>, 2010 minutes as amended was made by D. Nestler, seconded by E. Mills and unanimously approved. T. E. LeGrand abstained.

Chairman W. Conners presented the minutes of the June 2<sup>nd</sup>, 2010 Special Meeting. On Page 2, 1st paragraph E. Kinkade needs to add “facilities to accommodate solid waste” to his reply that he could not hear the full discussion but thought that the three proposers specialize in planning facilities to accommodate solid waste. On Page 3, 2<sup>nd</sup> paragraph he would like it changed to read that Chairman W. Conners stated his own opinion, not corrected the statement. A motion to approve the June 2<sup>nd</sup>, 2010 Special Meeting minutes as amended was made by E. Mills, seconded by D. Nestler and unanimously approved. R. Stephen Lynch abstained.

R. Stephen Lynch asked Chairman W. Conners about electing a new Chairman to the Board as referenced in Chairman W. Conners’ letter to all board members. R. Stephen Lynch made a motion to nominate E. Kinkade as Chairman, seconded by E. Kinkade. A discussion followed. T. E. LeGrand stated that the Nominating Committee discussed this issue and came to the conclusion that W. Conners should remain Chairman until the Solid Waste Management Plan is done. E. Mills, who is a member of the Committee, agreed that the Board should continue with W. Conners as Chairman since he brings a depth of experience and knowledge. The Agency is at a critical point of time where it needs to rely on that experience and knowledge and it would not be a good time to change especially since there are some very important items to be taken care of as the Solid Waste Management Plan, renewing the operating contract, etc. E. Kinkade remarked that according to the Bylaws, W. Conners’ resignation is effective on the day his letter was submitted. Chairman W. Conners stated that he wrote in his letter that he will remain as Chairman until a replacement is made. J. Nelson referred to Article 1 of the Bylaws that deals with Section 4, Membership of the Agency, which is the Board. Article 5 speaks on the resignation of a member. A member may resign. Article 2 talks about officers but does not address resignation of officership as opposed to membership. Mr.

Nelson’s recollection of Chairman W. Conners’ letter states that his tentative resignation is effective upon the election of a new chairperson. He believes that the resignation was tendered as to an officer rather than a seat on the board and that it would not have taken effect when tendered but would take effect upon the election of a chairperson. E. Mills inquired about the validity of an e-mail letter versus the formality of a paper letter that is signed. Chairman W. Conners submitted his letter via e-mail. R. Stephen Lynch asked about the role of the Nominating Committee according to the Bylaws and J. Nelson noted that the Nominating Committee is not discussed in the Bylaws.

A motion was made by R. Stephen Lynch to elect E. Kinkade as Chairman of the Agency Board to be effective immediately.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
T. E. LeGrand		√
R. Stephen Lynch	√	
D. Nestler		√
R. Mosca		√
E. Mills		√
E. Kinkade	√	
W. Conners		√

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

W. J. Calogero informed the Board that the Facility received a total of 12,792 tons of incoming waste for May which was 547 tons below the monthly set budget. The year-to-date tonnage is running over budget by 6,200 tons. The total electricity generated for the month was 4,827,230 kwh for a total revenue amount of \$289,336.80. It was a good month, everything was operating very well.

Recycling tonnage into the MRF Facility for May was 624 tons. Hudson Baylor continues to add to the volume there bringing in 184 tons of commingled for processing. Revenue sharing with Hudson Baylor was \$13,909.93 and the revenue from tipping fees was \$5,740.00.

Westchester County is doing modifications to their recycling facility. They want to discuss the possibility of having their recyclables shipped to the MRF during that time. E. Mills asked if there would be an intermunicipality agreement and if they would need a hauler’s license. W. J. Calogero agreed that an intermunicipality agreement is a good idea and J. Nelson replied that licensed haulers requiring licenses under Dutchess County rules exclude municipalities.

R. Stephen Lynch inquired about the private MRF that is being developed in Beacon and if the Agency is involved in it. W. J. Calogero spoke about Hudson Baylor and their ultimate plans to construct a regional facility which was presented at a recent Hudson Valley Regional Recycling meeting. It was clarified that the Agency was not involved in promoting this private MRF.

The Household Hazardous Waste Day held in June had 147 attendees. These collection events costs the Agency approximately \$100,000 a year. The Agency does receive grant rebates from New York State, although they have been delayed. The vendor costs were presented and it was noted that it is not the total cost for the eight events. Additional costs such as insurance and personnel were not included. The Agency charges a \$5 registration fee to enable residents to commit to their appointment. These charges do not have much impact towards the overall total expense of the events. R. Stephen Lynch spoke about the electronics recycling bill that was finally adopted in Albany. The intent of the bill is to put the electronic recycling costs on to the manufacturers and the bill describes three or four different ways of how this is going to be implemented. It will soon be known how different counties and towns can do it in different ways under this bill. Within the next year or two the electronics recycling portion will become the responsibility of the manufacturer.

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

The availabilities on Unit Nos. 1 and 2 from the last board meeting until today were 93.8 and 92.3 percent respectively. The turbine generator availability was 99.2 percent. The downtime on the turbine was scheduled and was due to work that Central Hudson was performing on the new substation on Spackenkill Road. Downtime on Unit No. 2 was primarily the result of a scheduled boiler wash but also to make a repair on the bottom ash drag conveyor. A boiler wash is scheduled for Unit No. 1 next week. The downtime on Unit No. 1 was primarily due to two leaks found on the economizer. This section of the economizer is 5 years old and will be due for an overhaul in the near future. Covanta is monitoring the economizer performance.

The uncontrollable circumstance claim for relief of lost production with Central Hudson was discussed. J. Nelson will continue to look into the terms of the contracts with Central Hudson and the operator.

HDR has received and is reviewing the report from the Air Compliance Group on the performance of the Annual Emissions Compliance test which was conducted May 3<sup>rd</sup> through May 6<sup>th</sup>. All tests passed easily with a significant margin below the Facility permit limits. Some test results were below the detection limits of the emissions testing equipment.

Covanta's stack testing firm obtained the second quarterly grab samples and has reported results of 62 percent biogenic carbon dioxide (from biomass, considered carbon neutral) and 38 percent anthropogenic carbon dioxide (from fossil fuel and man-made materials). These results are consistent with the first quarter samples.

Meetings have taken place with engineers from both sides regarding the Town of Poughkeepsie sewer disposal agreement. There has been a suggestion submitted on how to go about determining how much usage. This issue will be discussed at a later time during Attorney/Client session. R. Stephen Lynch suggested that the Board be briefed by J. Loeb on the strategy to be taken before meeting with the Town's attorney. T. E. LeGrand added that he does not want to run up a legal bill that would match whatever reimbursement monies given.

D. Leibnitz explained the difference between the two terms “availability” that means on and “capacity utilization” that means how much on; fully on or half way on. R. Stephen Lynch asked if the Facility is getting all the trash that it can burn every month and D. Leibnitz answered right now, yes. In the winter months it changes. R. Stephen Lynch asked for the capacity utilization numbers to be reported on a monthly basis since in his opinion it is the metric number that goes into the net service fee.

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

W. Calogero presented the payables in the amount of \$1,103,029.77. E. Mills asked about the Card Member Service bill for \$427.69 that was for a SWANA Conference. E. Kinkade asked about the letter of credit fee for \$17,000.00. The Agency pays for the operator’s letter of credit as per the contractual agreement. J. Nelson reminded the Board that R. Huffman took the lead in looking at the issue relating to the letter of credit. Discussion ensued. R. Stephen Lynch concluded that there needs to be a reasonable independent verification that this fee is not outside of industry standards. R. Mosca previously did look into this and found that the rates quoted were standard. It was agreed that the Finance Committee will meet and contact the Bank of America, which has been most recently replaced by JP Morgan Chase, since they are the institution that issued the letter of credit, and verify this information. A motion to approve the payables in the amount of \$1,103,029.77 was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved.

The Accounts Receivable Report had not changed much from last month. Dyal Roll-Off and Hess Hauling continue to remain past due. Hess has made a few payments but not on a regular basis. Both have been banned from the Facility. The judgment against Dyal dates back to 2008. Dyal had multiple pieces of personal property where there was going to be a uniform commercial code sale and it was the understanding that the creditors were going to sell them off and that the Agency’s judgment would come in line of date of priority. It is not known if the pieces were ever liquidated and the Agency still has not received any payment. It was agreed to review the Agency’s credit policy.

At 6:43 pm a motion was made by E. Mills and unanimously approved to move into Attorney/Client session for purposes of discussing personnel issues and related matters.

T. E. LeGrand excused himself from the meeting at 7:10 pm.

Resumed regular session at 7:15 pm.

## **6. Other Business**

The draft of the contract for the Local Solid Waste Management Plan was given to the Chairman and Vice Chairman prior to this Board meeting. E. Mills had some suggestions as to the term of the agreement. He requested there be an end term for the provision of services, which was added in paragraph 5, and some clarification as to the insurance requirements from

the subcontractors which has been made. Chairman W. Conners also added some items to the contract specifically to DEC comments. The contract fee includes all of the work on an hourly rate to not exceed \$59,000. It was further suggested to detail the fee structure in stages as listed in Germano & Cahill's proposal. The contract should include one cap of \$38,000.00 for the preparation of the initial draft LSWMP including receipt and incorporation of Agency and County comments; \$49,000.00 as the second cap for the estimation of revenue and expense impacts of LSWMP components; and \$59,000.00 as the third cap in the aggregate for all services and disbursements provided under the contract. R. Stephen Lynch recommended a clearer subcontractor clause in the contract. It should be stated that Cahill was not to use subcontractors without the Agency's approval. The Board has already approved H. Arnold. A motion was made by E. Mills, seconded by R. Mosca to move forward with amending the language in the contract.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
R. Stephen Lynch	√	
D. Nestler	√	
R. Mosca	√	
E. Mills	√	
E. Kinkade	√	
W. Conners	√	

T. E. LeGrand was absent.

A motion was made by R. Stephen Lynch, seconded by E. Kinkade that the Board resolves not to go forward with this contract but to reissue the RFP along with the elements that were discussed at the last regularly scheduled meeting.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
R. Stephen Lynch	√	
D. Nestler		√
R. Mosca		√
E. Mills		√
E. Kinkade	√	
W. Conners		√

T. E. LeGrand was absent.

E. Mills inquired about the expiration date of the Directors and Officers Liability Policy. W. J. Calogero responded that it has expired and there has been a monthly extension until the end of June. E. Mills asked W. J. Calogero to contact Brinckerhoff and Neuville to try to obtain another extension for this policy and to circulate the information received from them regarding insurance carriers and coverage to all Board members. E. Mills also asked to find out if Selective would be an option for the Directors and Officers Liability.

Action regarding the Directors and Officers Liability Policy will be discussed at July's meeting.

At 7:50 pm a motion to adjourn the meeting was made by E. Mills, seconded by D. Nestler and unanimously approved.

Respectfully submitted,

William J. Calogero  
Executive Director