

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JUNE 18th, 2009 – 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 W. Conners, Chairman, C. Chale, Vice Chairman, Board Members, T. E. LeGrand, D. Nestler and R. Stephen Lynch; Agency Staff, W. J. Calogero, D. Walsh, and J. Bibko; R. Chance, MDLLC; and D. Leibnitz, HDR.

1. **Regular Session** – W. Conners called the meeting to order at 5:05 pm.
2. **Minutes** – W. Conners presented the minutes of the May 21st, 2009 Board Meeting. A motion to approve the minutes was made by R. S. Lynch, seconded by D. Nestler and unanimously approved.

3. Operating Report – D. Walsh

D. Walsh informed the Board that our monthly budget for May was 13,175 tons, and the actual tonnage brought in was 12,402 tons, 773 tons under budget for the month. The ytd tonnage is under by 600 tons. We are 6000 tons ahead of last year at this time. The electricity generated for May was 4,357,370 Kwh resulting in revenue dollars of \$261,442.20.

T. LeGrand inquired if Waste Management was bringing in much garbage. W. Calogero responded that they are bringing in about the same, about 106 tons last week.

W. Calogero stated that Recycle Depot's business is picking up. They had bought Nieco's residential customers.

4. Clean Air Update – D. Leibnitz

The new fly-ash conditioning system is complete. The redesigned fly-ash slide gate has been installed and was tested successfully. Recently, there was a failure of the solenoid valve that diverts the fly ash from the old conditioning system to the new conditioning system so the new system is not presently in service. A new solenoid valve has been ordered and should be received and installed next week. Montenay will resume using the new equipment and will be experimenting with the best methodology of operation, specifically the frequency of batch process operations. This will be the last entry of the fly-ash conditioning system in this report as a Clean Air Project. Further developments will be reported as necessary.

Downingtown Engineering Consultants has inspected the siding on the south side of the building and has issued a recommendation to Montenay to replace all of the siding on the south side of the building. The siding on the east and west sides has been determined to be in good condition, Montenay has received three quotes from vendors to replace the siding in kind

per original design. The report from Downingtown is complete and has been reviewed by HDR. Downingtown has concluded that the premature failure of the siding, caused by excessive corrosion of the sub-purlins, was caused by the lack of insulation at the roof top parapet wall on the south side of the building (a 1987 installation error). This allowed humidity inside the building to condense and run down the siding interior where it soaked the lower areas of insulated panels and accelerated the rusting of their supports. HDR is in agreement with their conclusions.

Waste delivery to the Facility has improved significantly, however, the waste is very wet due to recent weather conditions. The Facility is presently operating at full load on both units. During the previous 4 weeks of operations, availability on Unit No.s 1 and 2 were 88.8 and 96.6 percent, respectively. Unscheduled outages were primarily due to the repair of small boiler tube leaks. Unit No. 1 also required a traveling grate repair and underwent a boiler wash and clinker removal.

The stack inspection report from Boston Chimney has been independently reviewed by Downingtown Engineering Consultants. Their report is expected to be forwarded to the Agency and HDR next week.

The annual air emissions compliance test was conducted from April 20th until April 23rd. HDR has reviewed the test report. The report and cover letters are being forwarded to the NYSDEC tomorrow. While all test parameters passed, there was a concern on the HCl test performed on Unit No. 1. The HCl test on Unit No. 1 occurred during a period of very high HCl inlet concentration spikes. While still passing the test, it did not pass with a comfortable margin. HDR and Montenay both believed that a software change to use the lime slurry more effectively would remedy the issue. A similar situation occurred at the Islip RRF this year and was successfully remedied with software modifications. The Islip I&C supervisor was on site today and has already made the modifications. A substantial improvement in baghouse inlet temperature control is immediately apparent. The minimum flow set point of the lime slurry has also been increased. Acid gases monitored by the CEMS (SO₂ and NO_x) have already begun to show lower emissions rates and reduced fluctuations. HDR will continue to monitor the operations and report on any further improvements made.

C. Chale inquired as to the status of the project, management fee, and open change orders and when will we see a letter saying it is done. A discussion followed.

5. Agency Financial Report

W. Calogero presented the payables in the amount of \$1,177,590.81. There were questions from the Board regarding Kaufman Borgeest & Ryan, LLP, Card Member Services and American Steel Processing Co. A motion was made to approve the payables for payment in the amount of \$1,177,590.81 by C. Chale, seconded by T. E. LeGrand and unanimously approved.

A discussion followed regarding the heavy metal market. W. Calogero was given approval by the Board to subscribe to the American Metal Publication.

6. Other Committee Reports

W. Calogero informed the Board that there have been several discussions regarding Hudson Baylor and that we are not making money on the recyclables. Right now we are \$43,000 in the hole and along with that we are not getting any paper. The markets are starting to return.

C. Chale requested if we could put together a spreadsheet for Hudson Baylor similar to the one we get from Montenay, which would include 2007, 2008 and the year-to-date.

C. Chale announced that the Finance Committee and Governance Committee met earlier this month. The Finance Committee is scheduled to meet again on July 22 @ 10:00 a.m., discussion will include investments and banking reports.

C. Chale reported that E. Mills would have a report on the Governance Committee meeting at the next Board Meeting.

7. Public Comment

There was no public comment.

A motion was made to move into Executive Session at 6:05 p.m. to discuss a particular person or corporation. Resumed regular session at 6:25 p.m.

Resolution No. 685 – Settlement of Nieco Container Litigation

All parties to the Action wish to resolve their differences relating to the Nieco Container license application. Counsel to the Agency is authorized to execute a So-Ordered Stipulation of Discontinuance and Release. A motion to approve Resolution No. 685 was made by W. Conners and seconded by C. Chale and unanimously approved.

With no further business to discuss a motion to adjourn the meeting at 6:30 p.m. was made by C. Chale, seconded by R.S. Lynch and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director