

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JULY 20, 2017 – 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. Nussbickel, Chairman; D. Petrovits, Vice Chairman; S. Tinkelman, Treasurer; D. Lois, Secretary; Board Members; D. Denisoff and J. Senft,; Agency Staff, L. Carille and D. Walsh; and J. Metzger, Dutchess County Legislator.

- 1. Regular Session** – Chairman W. Nussbickel called the meeting to order at 5:01 pm.
- 2. Minutes** – Chairman W. Nussbickel presented the minutes of the June 15, 2017 board meeting. A motion to approve the June 15, 2017 board meeting minutes was made by D. Petrovits, seconded by D. Lois and unanimously approved.
- 3. Operating Report** – The June budget for incoming tonnage was set at receiving 14,099 tons of waste. The Facility received 12,442 tons of waste, 1,657 tons under budget. The receiving volume is now up to 9,000 tons below the yearly budget amount primarily due to the two necessary diversions in March and May. There was also less electricity generated in the month as June 20th through June 28th, nine complete days, the turbine was shut down due to a lightning hit to the plant on June 19th.
- 4. Facility Report** – The Net Agency Tons (NAT) for the month was 12,431.85. The Facility sold 2182.07 MW to Central Hudson. The net energy conversion performance rate in June was 175.5 kWh/NAT. The electric recovery guarantee was not met. The ferrous recovery in June was calculated to be over 4.0%. The 4.0% guarantee was met. The official wet ash residue was 37.27 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 reduced their June 2017 invoice in the amount of \$26,076.30. The Facility experienced a lighting strike on June 19th and was considered an “uncontrollable circumstance” resulting in the need to take the turbine offline. The days needed for repairs were not counted toward Wheelabrator’s electric guarantee. The second quarter reconciliation was performed. An electric guarantee penalty of \$87,329.05 and a metal guarantee penalty of \$2,112.56, for a total of \$89,441.61 in penalties, was deducted from the June invoice. The value of the submitted invoice, totaling \$731,572.15 is considered complete and approved for payment to Wheelabrator.

Boiler 1 availability was 95.6% due to a tube repair. Boiler 2 availability was 96.27% due to a tube repair. Turbine availability was 61.06 % due to the generator grounding reactor failure from the lightning strike. There was no damage to the turbine, but it could not be online without the generator grounding reactor. Those repairs were completed by an outside contractor and the turbine was back online June 29th. It is thought that when the lightning hit the IBM property close by it traveled through the unused steam line and went straight through to the generator inside the Facility. D. Denisoff asked if the steam line could be disconnected to avoid something like this occurring again. L. Carille replied that the steam line has not been

used in a very long time, it is underground, and it would need to be dug up. However, she will discuss it further with Wheelabrator.

L. Carille spoke about how the metals in June were actually below the 4% rate due to excessive deductions by the contractor. The Agency is working with the new contractor on determining a more equitable debris deduction formula. The new contractor is deducting an average of 38% per load for debris. This is significantly higher than prior contractor deductions. As this does not accurately reflect Wheelabrator's performance, the Agency took the total tonnage prior to deductions, and applied the previous average deduction of 6% for a more realistic number.

The Agency has been very pleased with the service and payment pattern of Baroni Scrap Metal. Discussions pertaining to their final agreement will be within the next few weeks.

Two NYSDEC inspections were completed with no violations noted.

5. **Agency Financial Report** – The payables were presented in the amount of \$941,323.94. Two bills arrived too late to be added to the original bills submitted summary list; GBB Engineers for \$4,382.68 and Barclay Damon legal counsel for \$2,646.50. S. Tinkleman asked if the Agency ever writes a check to the County when there is a surplus in the net service fee. L. Carille replied, no, looking back at the history of the Agency, there has never been a surplus at the end of the year where the Agency would owe the County money. With no further discussion, a motion to approve the payables for \$941,323.94 was made by D. Petrovits, seconded by D. Denisoff and unanimously approved.

The Profit and Loss Analysis statement was reviewed. S. Tinkelman stated that the debt service expense from the bond refinancing is not clear on the amount of savings. L. Carille replied that it is only because of the estimated budget number that was used back in October, it was not the actual amount. The one million plus savings amount will not be shown in one year, the savings is spread over the ten-year life of the bonds. S. Tinkleman also asked if any of the bank accounts had a certain amount of money that is not spent routinely and, if so, would there be any logic in putting that money into a bond. L. Carille replied that most of the account balances are temporary to pay bills. There is basically one investment account where money is held in reserve; however, that account is used to make the bond payments due twice a year. It is also the account that would be used to disburse any funds from a settlement to a legal lawsuit. Chairman W. Nussbickel suggested looking into a sweep account.

The Accounts Receivable Aging Statement was reviewed. Chairman W. Nussbickel spoke of the City of Poughkeepsie's delinquent account and how it is now in good standing. L. Carille added that she was in touch with the City's Administrator who was very responsive in helping to oversee the payment. There was payment activity shown under Upstate Shredding's account and their current balance stands at owing \$14,000.

6. Executive Session – A motion at 5:30 pm to move into Executive Session was made by D. Petrovits, seconded by S. Tinkelman and unanimously carried to discuss proposed, pending or current litigation.

The meeting resumed back to public session at 6:00 pm.

Chairman W. Nussbickel informed the Board members that he is available for any questions, concerns or any other further information regarding the Agency. He wants to ensure the Board communicates well. He commended L. Carille for doing an excellent job for the Agency as Interim Executive Director.

D. Denisoff presented a sample of a balanced business scorecard that he suggested using for the Agency's Facility report information.

With no further business to discuss at 6:05 pm a motion to adjourn the meeting was made by D. Petrovits, seconded by W. Nussbickel and unanimously carried.