

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

JULY 21, 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; Board Members; T. LeGrand, R. Frost, S. Tinkelman, and D. Lois; Agency Staff, L. Carille and D. Walsh; C. Chew, Wheelabrator Dutchess County LLC, and Beth Ferguson, Capital Markets Advisors.

- 1. Regular Session –** Chairman J. Small called the meeting to order at 5:05 pm. C. Chew spoke about his position as the new plant manager. He worked at a Wheelabrator waste-to-energy facility in Spokane, Washington for sixteen years and then transferred to the east coast and worked in Gloucester, New Jersey for two years. He worked his way up from just about every position within the company. He has been working at Dutchess for 2 ½ weeks. Chairman J. Small asked if there were any issues that have come to his attention. C. Chew replied that he has been working with L. Carille on streamlining the shortage of ash trailers and metal containers. L. Carille stated that they continue to work on different options for getting the moisture out of the ash. The water adds more weight and also presents a problem with the landfill being able to take more than allowed.

Beth Ferguson of Capital Markets Advisors spoke about refunding the Agency's Series 2007 bonds that were done for the Clean Air Act. Refunding the Series 2007 Bonds under current market conditions produces an estimated total budgetary savings of \$1.8 million and average annual budgetary savings of approximately \$180,000 from fiscal 2017 through fiscal 2026. New bonds would be issued to take out the old bonds and the proceeds, after the payment of the issuance costs, would be placed in an escrow account held with a bank. The escrow account would be set up such that the proceeds placed in the account together with interest earnings would be sufficient to meet all required payments of the principal and interest in respect to the Refunded Series 2007 bonds. T. LeGrand asked about the interest rates. B. Ferguson replied that the interest rates are much lower now. The remaining Series 2007 bonds are at 4.4690% and the Proposed Series 2016 are at 1.9610%. Chairman J. Small asked about a call feature on these bonds. B. Ferguson replied that there is a call feature, the call date is January 2017, and they would do an advance refunding. Chairman J. Small also asked about the issuance costs. B. Ferguson replied that all the professional services; bond counsel, financial advisor, local counsel, and rating agency constitute fees totaling approximately \$138,000. In addition, there are the verification and escrow agents and miscellaneous charges of approximately \$7,000. The entire process takes about three months. B. Ferguson recommended the Agency move forward with a bond resolution at its earliest convenience. The market has moved in the Agency's favor this entire year. Discussion ensued.

- 2. Operating Report –** The budget for June was set at receiving 14,099 tons of waste. The Facility received 13,789 tons, making it 300 tons short of the budget. The Facility is running

approximately 2,000 tons under the yearly budget. The pit level as of the morning was at 2,120 tons.

- 3, **Minutes** - Chairman J. Small presented the minutes of the June 16, 2016 board meeting. A motion to approve the June 16, 2016 board meeting minutes was made by R. Frost, seconded by T. LeGrand and unanimously approved.
4. **Engineer Report** – The Net Agency Tons (NAT) for the month of June was 13,775.63 tons and the Facility sold 4,182.38 MW to Central Hudson. The net energy conversion performance rate in June was 303.61 kWh/ton. The ferrous metal recovery in June was calculated to be 4.54 percent. The official wet ash residue was 35.68 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 June invoice by \$19,731.61.

L. Carille spoke about the continuing problem with the moisture in the ash causing the ash loads to be heavier. MBI installed a new feature in their trailers that does not allow water to drain out while being loaded. A meeting was scheduled with MBI and Royal Carting to address this issue and try to find a solution. It had not been a problem at the landfill in the past but now the NYSDEC has set limits for the ash volume at the landfill. The landfill does not have to take any ash residue beyond the contractual amount. Last month the additional costs were passed on to Royal as a few trailerloads of ash had to be directed to Ontario County landfill. As previously mentioned, there is a permit modification in process with the NYSDEC to allow the ash to be left on the expansion part of the tipping floor where there are drains. This will enable the ash to dry out before being loaded into the trailers. Presently, the short term solution is that the Operator will routinely lift up all loaded MBI trailers inside the tipping floor and drain the water out of the trailers for approximately 6 hours. T. LeGrand asked if anyone looked into the possibility of using less water to cool the ash because that is where a lot of the moisture comes from. L. Carille will speak to the plant manager about it.

The Facility is running well. In June, Boiler No. 1 was at 99.83% availability and Boiler No. 2 was at 96.73% availability because there was a fan fuse that blew and also a water wall tube failure. Both were brief shutdowns.

5. **Agency Financial Report** – The payables were presented in the amount of \$1,175,133.93. Chairman J. Small noted HDR's June bill for \$10,886.95. He commended L. Carille for her efforts in overseeing the engineering services to help reduce the Agency's engineering expenses with HDR. L. Carille stated that she has been asked to look into issuing RFPs for engineering and also legal services. She is still working on obtaining all the essential and/or required engineering tasks needed for the Facility before compiling the engineering RFP.

A motion to pay the bills for \$1,175,133.93 was made by T. LeGrand, seconded by R. Frost and unanimously approved.

The financial statements and receivables were reviewed. L. Carille stated that the retiree that owed over \$18,000 in health benefits has signed the document that she will pay her past due

balance by December 31, 2016 and has indeed sent in her first payment towards it. Upstate Shredding and the City of Poughkeepsie have 60-90 day past due balances. L. Carille was asked to make a call and inform the City of the delinquent fees that are owed to the Agency.

- 6. Other Business** – The Directors and Officers insurance policy is up for renewal next month. Ulster Services provided a few quotations. After a brief discussion, the Board unanimously agreed to keep with the present insurer, RSUI. The premium is \$25,350 per year, the same amount as last year.

L. Carille spoke about the Agency's surplus personal property and presented a list of items to the Board. She spoke with the company, Absolute Auction, and they will come in, take pictures and put in a bid on the items all at no cost to the Agency. All the items for consideration are either unusable and/or obsolete equipment, other than the vehicle and truck. T. LeGrand suggested making a list of anything that will constitute an annual savings; for example, the insurance savings by not having to insure a vehicle and a truck anymore. A motion to adopt **Resolution No. 817 Authorization to Auction Surplus Personal Property** was made by T. LeGrand, seconded by R. Frost and unanimously approved.

- 7. Executive Session** – A motion at 5:48 pm to move into Executive Session was made by T. LeGrand, seconded by R. Frost and unanimously approved for discussions involving the hiring, firing, promotion, demotion of a particular person or firm.

- 8. Regular Session** – The meeting resumed back into public session at 6:10 pm.

L. Carille briefed the Board regarding the change to the Consumer Price Index (CPI) used as the annual adjustment factor on the current price so that it matches the CPI used as the annual adjustment factor on the base service fee to Wheelabrator Dutchess County LLC and the CPI used for the Solid Waste Disposal Agreement with Royal Carting. The CPI will be applied July 1, 2017 pending a fourth contract extension.

The Interim Executive Director is authorized to execute an amendment to the Ash Disposal Contract with Royal Carting. A motion to approve **Resolution No. 819 – Amendment to Ash Disposal Contract** was made by R. Frost, seconded by T. LeGrand and unanimously approved.

L. Carille briefed the Board regarding pricing under the current Put or Pay Solid Waste Disposal Service Agreement with Royal Carting and the change to the Consumer Price Index used as the annual adjustment factor on the current prices so it matches the CPI used as the annual adjustment factor on the base service fee to Wheelabrator Dutchess County LLC.

The Interim Executive Director is authorized to execute an extension of the Solid Waste Disposal Agreement with Royal Carting. A motion to approve **Resolution No.818 – First Contract Two Year Extension with Amendments, Put or Pay Solid Waste Disposal Agreement** was made by R. Frost, seconded by T. LeGrand and unanimously approved.

A motion was made by T. LeGrand, seconded by R. Frost and unanimously approved for the Interim Executive Director to do a job search for a part-time scale operator.

With no further business to discuss at 6:13 pm a motion to adjourn the meeting was made by T. LeGrand, seconded by R. Frost and unanimously approved.