

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

AUGUST 4TH, 2009 – SPECIAL MEETING MINUTES

Amended 8/20/09

A special meeting of the Dutchess County Resource Recovery Agency convened at 5:00 pm at the offices of the Dutchess County Resource Recovery Agency located at 96 Sand Dock Road, Poughkeepsie, New York. Those present included W. Conners, Chairman, C. Chale, Vice Chairman, D. Nestler, Treasurer, R. Mosca, Secretary, E. Mills, Board Member, T. E. LeGrand, Board Member, R. Stephen Lynch, Board Member; Agency Staff, W. J. Calogero, D. Walsh; and R. Huffman, Robertson, Overbey, Wilson & Beeler

W. Conners called the meeting to order at 5:13 pm.

The purpose of the special meeting was to discuss the recent announcement of Covanta's acquisition of Veolia ES waste-to-energy business and to discuss the necessity of seeking professional help to review the transaction.

W. Conners reported that he met briefly with Seth Myones of Covanta and Steve Passage of Veolia ES. At that time he suggested that the Agency may consider getting counsel and that it may be appropriate for them to offset the cost of that counsel. The counsel would not be working for Covanta. The counsel would be working for the Agency and reporting back to the Agency. He remarked on how the entire process is moving very rapidly and there is talk of signing an agreement as early as the end of this month. The Federal government approval is in the process as well and should come within 60 days or less. The present administration and staff of Veolia ES Dutchess will remain in place and changes would involve only the professional help. Some of the engineering work that Veolia ES Dutchess brought on board from outside vendors would no longer be needed as Covanta already has this engineering capability in place covering many areas of our operations with their own staff. Many other aspects of work that Veolia ES did not have, Covanta has as well.

E. Mills talked of the process for hiring of professional services and how it relates to the Agency's procurement policy. He would like to go down the path of the RFP process and look at hiring based on the result of an RFP. He questioned if hiring without this procedure would be authorized under our current procurement policy. R. Stephen Lynch agreed with E. Mills about the Agency's procurement policy and how it clearly states that an RFP process is required for professional services. W. Conners stated that the policy does not include responding to a situation where time is of the essence. R. Stephen Lynch felt strongly that he would not support hiring a professional service without an RFP. He has been involved with the change of ownership of the operating company in a waste-to-energy plant before and found it to be a wonderful opportunity to negotiate several factors. He noted that is very important to look at the bond counsel issues and disclosure issues. He agreed that we should have counsel.

The Board members discussed the crucial element of time and it was emphasized that the deal will be closed the end of August whether or not the Agency was ready.

R. Huffman then presented to the Board an Outline of a Proposal of the Covanta/Veolia ES share purchase transaction. Besides doing an analysis of the transfer of documents, he would make recommendations to the Agency. He noted that there is an opportunity for the Agency to gain strength in two respects. One being that Covanta would be in the position to provide a stronger letter of credit and secondly, since we are moving into the last five years of the service agreement, there is an opportunity to set forth the beginnings of new contract negotiations. Some questions were asked to R. Huffman regarding previous bond transactions he did for the Agency. Discussion ensued.

The fees for the service of Robertson, Overbey, Wilson & Beeler were announced, \$325.00 per hour, with a total cost not to exceed \$15,000.00. It was agreed that general counsel would be involved along with the bond counsel and that it should be added to the Resolution and the Outline. There will be a reference to the continuing arrangement of the existing contract in the Resolution as well. The Executive Director and the Chairman will follow through and request Covanta pay for the Robertson, Overbey, Wilson & Beeler review.

E. Mills and C. Chale spoke of the procurement policy process. C. Chale recommended that we add professional service contracts to the existing list of service contracts and suggested that this list will be viewed by the Board on a regular basis. Doing so would help constitute enough time for the preparation of an RFP. E. Mills reiterated an earlier statement as a reminder that the legal counsel working on this transaction will not only report back to the Executive Director but also to members of the Agency's Planning Committee.

After much discussion, it was decided to move forward with the Resolution. R. Huffman read the Resolution, correcting the verbiage. A motion to approve the Resolution was made by D. Nestler, seconded by R. Mosca. A roll call was made to vote on the foregoing Resolution. **Vote:** W. Conners, C. Chale, D. Nestler, R. Mosca, T. E. LeGrand and E. Mills in Favor. R. Stephen Lynch Opposed.

With no further business to discuss a motion to adjourn the meeting at 6:05 pm was made by E. Mills and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director