

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

AUGUST 17, 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 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** – Vice-Chairman D. Petrovits called the meeting to order at 5:02 pm.
- 2. Minutes** – Vice-Chairman D. Petrovits presented the minutes of the July 20, 2017 board meeting. A motion to approve the July 20, 2017 board meeting minutes was made by J. Senft, seconded by D. Lois and unanimously approved.
- 3. Operating Report** – The budget for July incoming tonnage was set at receiving 13,753 tons of waste. The Facility received 12,064 tons of waste; 1,689 tons under budget. There was 400 tons of waste that needed to be diverted in the month of July due to the fact that the pit level was high at the time when it became necessary to shut down Unit No. 1 for repairs of a tube leak and bottom ash conveyer issues. The receiving volume for the year is now 11,000 tons below budget. The first half of August has seen a high volume of incoming waste.
- 4. Facility Report** – The Net Agency Tons (NAT) for the month was 12,057.56. The Facility sold 3128.45 MW to Central Hudson. The net energy conversion performance rate in July was 259.5 kWh/NAT. The electric recovery guarantee was not met. The ferrous recovery in July was calculated to be 3.41%. The metal guarantee was not met. The official wet ash residue was 38.61 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 July 2017 invoice in the amount of \$32,105.70. The diverted 400 tons of waste resulted in a net reduction of the Service Fee of \$8,997.80. The value of the submitted invoice, totaling \$795,421.80 is considered complete and approved for payment to Wheelabrator.

J. Senft asked if the Agency pays for the diverted tonnage to go elsewhere. L. Carille replied that it all depends on how it's done. Normally, the Agency's works with Royal Carting and they transport the amount of waste the Agency's asks to divert to other locations. The Agency then credits that tonnage towards their solid waste disposal agreement. It helps them achieve their commitment to waste tonnage sooner. D. Lois asked if the deductions from the metal containers got any better. L. Carille replied that is has gotten better. The debris deduction has been reduced to 17 – 20 percent from 30 – 40 percent. She is still working on a mutually acceptable agreement with Baroni. S. Tinkelman asked if the Agency knows how much money Wheelabrator has spent on fixing some of the problems this year. L. Carille replied that the turbine repairs was over one million dollars, a recent bill from the lighting strike was under thirty thousand dollars and since they have took over operations there was basic overhaul expenses of over four million dollars to get the Facility to run more efficient.

Boiler No. 1 availability was 94,75% due to a tube repair and ash drag conveyor repair. Boiler No. 2 availability was 97.44% due to a tube repair. Turbine availability was 100 %.

Three NYSDEC inspections were completed with no violations noted. The Title V Semi-Annual and 2nd Quarter Compliance reports were submitted on time.

- 5. Agency Financial Report** – The payables were presented in the amount of \$1,032,599.53. With no further discussion, a motion to approve the payables for \$1,032,599.53 was made by S. Tinkelman, seconded by J. Senft and unanimously approved.

The Profit and Loss Analysis statement was reviewed and L. Carille spoke about the net service fee of \$35,522 needed for the month of July, although the year-to-date balance still indicates a positive number for the Agency. Earlier in the day, the financial auditors sent the net service fee reconciliation for January – March 2017 and there was no money needed from the County, indicating a balance of \$800 in reserve for the Agency.

The Accounts Receivable Aging Statement was reviewed. The City of Poughkeepsie's account was paid up last month but since has started to fall behind on payment.

- 6. Executive Session** – A motion at 5:25 pm to move into Executive Session was made by J. Senft, seconded by D. Lois and unanimously carried to discuss proposed, pending or current litigation.

The meeting resumed back to public session at 5:45 pm.

Vice-Chairman D. Petrovits announced that there was no Board decision made from the discussions concerning the current litigation matter.

L. Carille stated that the Professional Auditing Services RFP went out and is due back by September 12, 2017.

L. Carille stated that she did check with Agency counsel to make sure that Wheelabrator followed procedure regarding the “uncontrollable circumstances” lightning strike from last month. Counsel findings were that the Agency is responsible for the repair fees under an “uncontrollable circumstance” according to the agreement. Wheelabrator did notify the Agency of the situation verbally and by e-mail, which the Agency agreed to as an “uncontrollable circumstance.” They did inform the Agency about the necessary repairs, the process and the contacts needed to do those repairs. The repairs were completed in a timely manner and the Agency was sent the bill. Those steps taken constitute that the agreement was followed. The Agency owes Wheelabrator a total of \$29,775. S. Tinkelman asked if there was a rate schedule in the contract when the Operator does such repairs to know if the Agency has been charged a reasonable price. L. Carille replied that Wheelabrator didn't realize at the time that the Agency would be paying for the repairs. They called in some experts, used some of their own staff, and were honest with who they used on their own and who they had to bring in. This did help keep the fees down. If this would occur again in the

future, the Agency's engineers would need to be contacted to oversee the work and ensure the charges for doing the work are reasonable. Wheelabrator's property insurance does cover such circumstances with a \$50,000 deductible.

Wheelabrator is looking into updating and replacing the silencers to help contain the noise level when the plant is down. They are also looking into disconnecting the unused steam line pipe.

D. Denisoff presented the balanced business scorecard draft that he suggested using for the Agency's operations from last month.

With no further business to discuss at 6:00 pm a motion to adjourn the meeting was made by J. Senft, seconded by D. Lois and unanimously carried.