

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY SEPTEMBER 15TH, 2011 – 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 E. Mills, Chairman; R. Mosca, Vice-Chairman, J. Small, Secretary; Board Members; T. E. LeGrand, R. Stephen Lynch, and E. Kinkade; Agency Staff, W. J. Calogero and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; J. McCarthy and M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC, A. Surman, Dutchess County Legislator; and J. Jansen, The League of Women Voters.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:05 pm.
- 2. Minutes** – Chairman E. Mills presented the minutes of the August 18, 2011 board meeting. A motion to approve the August 18, 2011 board meeting minutes was made by E. Kinkade, seconded by T. E. LeGrand and unanimously approved.
- 3. Committee Reports**

Audit Committee

R. Mosca of the Audit Committee passed out a summary sheet which listed the organizations and the various fees from those organizations that responded to the RFP for professional auditing services. The fees range from \$28,500.00 to \$75,250.00. The Audit Committee carefully reviewed all of the proposals and recommended Toski, Schaefer and Company to the Agency Board based not only on the price but also of the review of their engagement letter for the annual December 31, 2011 audit. In addition to their significant experience, they were familiar with working with authorities and governmental agencies. Chairman E. Mills also added that Toski, Schaefer and Company's prior accounting experience with public benefit corporations and entities in the solid waste business was impressive. J. Small questioned their low fee compared to the other proposers and asked if the Agency would be able to pull out of the contract if their work performance was found to be unsatisfactory. R. Mosca responded that the Agency would be able to. J. Nelson was asked to look into any disengagement costs or fees should there be an early termination. T. E. LeGrand noted that the Agency was very pleased with working with Sedore and Company through the years. Although he is in favor of using Toski, Schaefer and Company, when reviewing the pricing structure, it seemed that they were trying to get into this market since many of the tasks were priced very low compared to other proposals.

Resolution No. 717 – Retention of Auditor

This Resolution authorizes the Executive Director to execute a contract for audit and supplemental services for the years 2010, 2011, and 2012, with Agency options for 2014 and 2015, with Toski, Schaefer & Company, PC on terms acceptable to the Agency Chairman and consistent with the Agency RFP and the Toski, Schaefer proposal and engagement letter. A motion was made by R. Mosca, seconded by E. Kinkade and unanimously approved.

- 4. Operating Report** – W. Calogero reported that the plant has been running very well this month. The tonnage for the month is above what was budgeted, 400 tons, and the year-to-date total is also running above the projections by 11,000 tons. There has been good electrical revenue running for the month as well as the year-to-date.

The single-stream recycling volume has increased for August at the MRF. The pilot-program began in July which seems to have taken off. A total of 371 tons were received in August.

The Household Hazardous Waste day was held in Millbrook on September 10th. There were 120 people registered with 94 people attending. There were a few complaints from people who showed up late; some with no appointments and others just generally later than scheduled. Routinely, the last time for appointments has been 9:30 am, depending upon the volume of people pre-registered. The vendors initiate their clean-up process immediately after the last group of appointments is finished so they are able to move on to their next planned activity.

The Pharmaceutical Collection Program brought in 308.38 pounds of medications.

- 5. Engineer Report** – D. Leibnitz informed the Board that since the date of the last board meeting until today, the availabilities of Unit Nos. 1 and 2 were 100.0% and 85.2%, respectively. Unit No. 2 has been off line since September 11th undergoing its fall outage. Excluding the outage, the availability on Unit No. 2 would have also been 100.0%. Turbine-Generator availability was 98.6%. No unexplained short duration miscellaneous nuisance trips occurred during this period; however, short term turbine outages were caused on two occasions by low vacuum, a control issue with the air cooled condenser. A turbine trip on low steam occurred as Unit No. 2 was ramping off in preparation for the outage. In preparation for Hurricane Irene, on August 26th, the plant conducted an island test trip of the main utility breaker to confirm that the Facility could continue to run on its own turbine generated power while disconnected from the grid. The test was unsuccessful in that the turbine tripped during this test. Covanta will investigate their internal controls and make modifications as necessary.

As of noon today during a brief Control Room inspection, Unit No. 1 was running at a high rate, producing 58,000 pph of steam and generating 4.6 MW of power. Unit No. 2 was off line for the outage. The pit presently contains approximately 3000 tons of MSW.

The updated performance summary sheet was presented. In August, the Facility ran well but not as well as previous months. The boiler capacity utilization based on a waste HHV of 4500 BTU/lb was 86.5% while the Facility average availability in August was 95.9%, which is the same as it was in July. Estimated efficiency for the month of August averaged 248 kWh/ton. A total of 59,047 kilo-pounds of steam were produced which is approximately 16% lower than expected considering that the observed waste processing rate averaged 435 tons per day or 95% of maximum capacity. It is possible that the high quantity of very wet wastes from the impacted areas of Hurricane Irene affected the heat value (HHV) of the waste stream in the later half of the month.

The fall outage started with Unit No. 2 which came off line just prior to midnight on September 11th. The outage for Unit No. 2 is scheduled to be completed on September 16th. The outage on Unit No. 1 will run from September 19th through 23rd. The primary activity during the outage is enhanced cleaning, routine inspections, testing and to repair any deficiencies found. In addition, the traveling grate on Unit No. 2 will be rebuilt and Covanta will be installing a ring dam inside the rotary combustor of Unit No. 1. This ring dam is a temporary experimental installation designed to improve burn-out by holding the waste in Zone B (the hottest zone) for a longer period of time. The ring dam is being fabricated out of refractory and can be removed if deemed ineffective.

The new Title V Permit was received from the NYSDEC on September 9th. The existing Part 360 Permit expired on September 13th. Pursuant to state regulations, having been properly submitted in a timely manner, the current Part 360 Permit remains in effect until further notice.

T. E. LeGrand spoke about reporting the high rate of lime per ton that is being used at the Facility. D. Leibnitz continued speaking about lime usage. He stated that in order to reduce the amount of lime at the Facility, you need to see what the hydrogen chloride emissions are. There presently is no monitor at this Facility. It would be beneficial to the Agency to add such a device and was noted that it is something that needs to be negotiated in the new operator's contract. D. Leibnitz will begin to compute the lime information and have it listed on the next performance summary sheet.

6. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,070,031.22. A motion was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved to pay the bills in the amount of \$1,070,031.22.

T. E. LeGrand spoke about depreciation and on reporting depreciation. R. Stephen Lynch offered to help customize a new simplified excel spreadsheet report instead of using the existing Profit and Loss Statement. He further suggested producing two reports, a monthly report on performance metrics of the Facility and a quarterly report on more accounting oriented results.

7. **Other Business** – Chairman E. Mills announced that there is a copy of a letter addressed to Germano & Cahill for all board members. The content of this letter was discussed at the last board meeting and is what the Board had requested.
8. **Public Comment** – J. Jansen representing The League of Women Voters spoke about planning an information event on Solid Waste Management on November 16, 2011 at SUNY New Paltz. She asked W. Calogero and Ulster County Resource Recovery Agency Executive Director, T. Rose, to prepare an overview of their Agency from the last twenty years. A representative from the NYSDEC will be attending this event in addition to speakers from various surrounding counties who have tried different means of financing and handling solid waste. They will explain what they tried, what worked and what problems they encountered. All board members are invited to attend.

W. Calogero also invited J. Jansen and her colleagues to tour the Resource Recovery Facility.

9. **Executive Session** – At 5:45 pm a motion was made by R. Mosca, seconded by T. E. LeGrand and unanimously approved to move into Executive Session to discuss the hiring and/or firing of a specific contractor. Board members R. Mosca and R. Stephen Lynch excused themselves.

Resumed to public session at 6:15 pm.

A motion was made by J. Small, seconded by E. Kinkade and unanimously approved to direct the Agency staff to begin the development of an RFP for the purposes of hiring a consultant for the completion of the Solid Waste Management Plan.

With no further business to discuss, the meeting was adjourned at 6:21pm.

Respectfully submitted,

William J. Calogero
Executive Director