

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

OCTOBER 20th, 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; D. Nestler, Treasurer; Board Members; T. E. LeGrand, R. Stephen Lynch, and E. Kinkade; Agency Staff, W. J. Calogero and D. Walsh; Agency Counsel, J. Nelson; D. Leibnitz, HDR; J. McCarthy, Covanta Hudson Valley Renewable Energy LLC, A. Surman, Dutchess County Legislator, and S. Gaba, Drake Loeb Heller Kennedy Gogerty Gaba & Rodd PLLC.

1. **Regular Session** – Chairman E. Mills called the meeting to order at 5:10 pm.
2. **Executive Session** – At 5:11 pm a motion was made by E. Kinkade, seconded by D. Nestler and unanimously approved to move into Attorney/Client Session with special counsel.

Resumed back to public session at 5:36 pm.

A Resolution was presented to the Board with respect to a matter relating to the Town of Poughkeepsie sewer bills from 2000-2010. The Town of Poughkeepsie, through special counsel, offered a proposal to the Resource Recovery Agency under which the agreed upon amount due for sewer fees would be \$124,593.66 and further such agreement contemplates payment of the outstanding sum through credits given against amounts due in the future for municipal solid waste disposal services and where as the Resource Recovery Agency is willing to consider a written proposal in regard to the same. Drake Loeb Heller Kennedy Gogerty Gaba & Rodd PLLC, special counsel for the Resource Recovery Agency, is directed to consult with special counsel from the Town of Poughkeepsie to prepare a draft agreement for consideration by both the Town and the Resource Recovery Agency. A motion to prepare the proposal was made by T.E. LeGrand, seconded by E. Kinkade and unanimously approved.

3. **Minutes** – Chairman E. Mills presented the minutes of the September 15, 2011 board meeting. A motion to approve the September 15, 2011 board meeting minutes was made by D. Nestler, seconded by R. Stephen Lynch and unanimously approved.

Chairman E. Mills presented the minutes of the September 29, 2011 special board meeting. A motion to approve the September 29, 2011 special board meeting minutes was made by E. Kinkade, seconded by R. Stephen Lynch and unanimously approved with T.E. LeGrand abstaining.

4. **Operating Report** – D. Walsh reported that the Facility received 12,266 tons of MSW for the month of September, exceeding the monthly budget amount by 1,322 tons. The actual tons received for the year is up to 120,000, compared to the budget amount that was set for 107,077, showing the Facility running 13,000 tons over budget for the year to date. The MRF received 410 tons of recyclables, more volume than August, with \$8,471.50 of revenue generated under the single stream recycling program. Overall, the volume coming in to the MRF for the year has been low. The carters continue to market the material themselves.

The Household Hazardous Waste Day was held on October 1, 2011 at the Agency and had 144 attendees. Medications collected so far for the month of October has reached 358 pounds.

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 84.4% and 88.1%, respectively. Both units have been undergoing their scheduled Fall outages during this period. Discounting the outage days the availabilities on Unit Nos. 1 and 2 would have been 100% and 91.4%, respectively. Turbine-Generator availability was 99.8%. There was a short duration turbine trip this past Tuesday and again this morning that only lasted 1-1/2 hours each.

Following the turbine trip that occurred at 9:00 am this Thursday morning, the Facility started back up at 10:30 am. During a brief control room inspection at noon, the Facility was in the process of slowly ramping up to full capacity again. By 2 pm Unit Nos. 1 and 2 were producing 96,000 pph of steam and generating approximately 8 MW of power. The pit presently contains approximately 2000 tons of MSW.

The updated Performance summary sheet was presented. In September, the outage schedule reflects in the lower capacity utilization and boiler availability numbers. In addition, in the aftermath of Hurricane Irene that occurred in the last few days of August, the waste stream directed to the Facility was very wet and consisted of a high percentage of ruined household materials. It is estimated that the HHV of this waste was significantly lower than normal but an accurate measure cannot be obtained. The boiler capacity utilization based on an estimated waste HHV of 4500 BTU/lb was 76.0% while the Facility average availability in September was 82.2%. Estimated efficiency for the month of September averaged 235 kWh/ton, a low number also attributed to the wet waste stream. The observed waste processing rate averaged 381 tons per day, a lower number because of the scheduled outage. Excluding the outage time the average processing rate during September was theoretically calculated to be 457 tons per day and availability would have been 98%.

The Fall outage started with Unit No. 2 which came off line just prior to midnight on September 11th and was completed on September 17th. The outage on Unit No. 1 started on September 18th and was completed on September 24th. The primary activity during the outage was enhanced cleaning, routine inspections, testing and the repair of any deficiencies found. In addition, the traveling grate on Unit No. 2 was rebuilt and Covanta installed 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. This installation is still in test mode.

E. Kinkade inquired about the drainage in the pit. The Facility does have a twelve inch drain which goes from the bottom of the pit through the wall into the sump. A discussion developed over the water drainage and how pumping it out would be a huge HHV improvement. D. Leibnitz will look into the drainage issue and report back his findings at a future board meeting. J. McCarthy will also check with other Covanta facilities.

HDR has been working with Covanta and the NYSDEC to resolve a discrepancy in the semi-annual Title V Compliance Certification Report.

6. **Agency Financial Report** – W. Calogero presented the payables in the amount of \$1,097,764.28. The fee from NYSDEC of \$9,975.15 was based on the stack testing done with them once a year. A motion as made by T. E. LeGrand, seconded by E. Kinkade and unanimously approved to pay the bills in the amount of \$1,097,764.28.

There were no further questions regarding the Financials.

7. **Committee Reports**

Personnel Committee

Chairman E. Mills requested the Personnel Committee to refine the current Overtime Policy and develop a Computer Use Policy.

Governance Committee

Chairman E. Mills requested the Governance Committee to develop a policy for calibrating the scales at the RRF and MRF.

Audit Committee

It was confirmed with R. Mosca of the Audit Committee and previously so authorized by the Board that information regarding the net service fee calculations for the MRF, Jan-June 2011, and the RRA, Apr-Sep 2011, will be submitted and done by Sedore and Company.

Finance Committee

E. Kinkade of the Finance Committee presented the revised draft of the Agency's Budget for 2012. The Budget is based on the Agency receiving a yearly total of 141,000 tons of MSW and 10,000 tons of supplemental MSW from the Facility Operator. The total revenues were modestly changed and the net service fee is projected to go down; the net service fee is already going to be quite a bit lower from the 2011 Budget. There was no major changes to expenses except for the increase fees now imposed by the NYSDEC, Item 6165. The insurance has been revised down because the rates are already lower than the budget amount for this past year. The item for Professional Services, Planning Consultants, relates to the potential hiring of a firm to assist with the preparation of a RFP to select the next Resource Recovery Facility contract operator. In anticipation of the expiration of the current RRF operator agreement within the next two years, W. Calogero had recommended on budgeting something for this item in 2012. The Committee discussed including the item in the budget, but decided to defer doing so until after the new County Executive takes office. It was noted that if, after consulting with the new County Executive, it is determined to move forward with the RRF Operator RFPs, the Agency will need to go back and have an additional budget item added in 2012 for consulting services related to that effort.

R. Stephen Lynch expressed his concern over the funds the County has given the Agency under the net service fees for the Town of Poughkeepsie Host Community payments that the Agency has not paid. He was under the assumption that the funds were being escrowed but turns out that it has not been and cannot be reconciled at this time. W. Calogero responded that those monies were used to pay other expenses and it is on the books as a liability, a deferred expense. E. Kinkade added that this amount is \$875,000 and the problem is that the Agency does not have a cash budget. There needs to be a hard copy plan in place. The Finance Committee has asked W. Calogero to prepare a cash budget in order to be able to know what is coming in, what is going out, about how much will be short, and when will it be short and to have such a budget developed by the next board meeting.

A motion was made by E. Kinkade, seconded by R. Stephen Lynch and unanimously approved to adopt the 2012 Budget as presented.

8. Other Business – At the request of Chairman E. Mills, W. Calogero addressed the issue of calibration of the RRF and MRF scales and provided copies of the 2011 County scale inspection reports to the Board members. The Agency scales are calibrated quarterly, which the Agency pays for. On a yearly basis, the Dutchess County Department of Consumer Affairs Weights and Measures, comes to both the RRF and MRF along with a scale company that provides the equipment for weighing purposes, and inspects the scales. Inspection stickers are issued if the scales are to be found within tolerance. If not, they must be repaired until they pass inspection. Any service repairs that are needed for the RRF scales are paid for by the Facility Operator.

9. Public Comment – There was no public comment.

9. Executive Session – At 6:25 pm a motion was made by E. Kinkade, seconded by D. Nestler and unanimously approved to move into Executive Session to meet with counsel in Attorney/Client session and to also discuss contractual matters relating to the hiring and/or firing of a particular entity or entities.

Resumed to public session at 7:10 pm.

An outline was passed out with respect to having an RFP done for a consultant to complete a Local Solid Waste Management Plan. Comments are expected back from all board members by the next board meeting.

With no further business to discuss, at 7:15 pm a motion was made by D. Nestler, seconded by R. Stephen Lynch and unanimously approved to adjourn the meeting.

Respectfully submitted,

William J. Calogero
Executive Director