

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

OCTOBER 20, 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; W. Nussbickel, Treasurer/Secretary; Board Members; T. LeGrand, S. Tinkelman and D. Petrovits; Agency Staff, L. Carille and D. Walsh; and J. Metzger, Dutchess County Legislator.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:10 pm.
- 2. Minutes** – Chairman J. Small presented the minutes of the September 22, 2016 board meeting. A motion to approve the September 22, 2016 board meeting minutes was made by D. Petrovits, seconded by W. Nussbickel and unanimously approved.
- 3. Operating Report** - The monthly budget was set at receiving 12,527 tons of waste. The Facility received 13,187 tons. The yearly tonnage total is approximately 2,000 tons under budget, with the yearly budget based on receiving 154,000 tons. The pit is full, the level as of the morning was at 3,500 tons.
- 4. Facility Report** – The Facility sold 3,641.71 MW to Central Hudson. The net energy conversion performance rate in September was 276.3 kWh/ton, under the performance guarantee of 307/ton. The electric guarantee is reconciled on a quarterly basis and for the 3rd quarter the average rate was 265.61, resulting in a penalty charge of \$75,472.74. The metal recovery exceeded the guarantee of 4% at 546.44 tons (4.1%). The 3rd quarter resulted in no penalty as the average recovery rate was 4.41%. The ash residue was at 34.46%, which did not meet the guarantee of 32%. Wheelabrator absorbed the additional fee in the amount of \$12,878.92.

Boiler No. 1 availability was at 97.6% as the August scheduled outage ran into September. Boiler No. 2 availability was at 85.6% due to the September 12-15 outage which lasted 103.83 hours. HDR was on site one day during the outage to observe. Notes and photos were submitted to the Agency. The turbine had an availability of 99.8%. There was one trip caused by the loss of vacuum for 1.5 hours.

The NYSDEC performed the normal two per month spot inspections with no violations noted and no negative comments. There has been no response from them yet after answering their questions to the ongoing O&M manual modification.

- 5. Agency Financial Report** – The payables were presented in the amount of \$1,027,480.71. L. Carille replied that HDR's bill for \$10,020.82 was mainly for the engineers to be present during the outage, to provide a full report and also fees for reviewing the monthly Wheelabrator invoice. The Central Hudson monthly hook up charges expense is taken off Wheelabrator's monthly invoice to the Agency. Van DeWater's bill for \$1,821.60 had \$1,648.00 in fees relating

to the bond refunding process. Valtec Industries is the Agency's computer IT support assistance service.

A motion to approve the payables for \$1,027,480.71 was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved.

On the Profit and Loss statement, Chairman J. Small noted that the net service fee balance was at (-\$87,730). L Carille replied that there were two items that contributed to that balance; the sale of the Agency's surplus equipment for \$36,000.00 and the electrical shortfall penalty of \$75,000.00 from the Operator.

- 6. Other Business** - L. Carille spoke about the Agency's 2017 Budget. The goal is to have no net service fee from the County which made it very difficult. The budget is based on having perfect conditions, receiving 154,000 tons of waste under the current average tipping fee with generous metal recycling revenues, and generating electricity under the performance guarantee of 307 kWh/ton. The metals market is uncertain, but some reviews show the metal market improving. She will look into other tipping fee avenues such as specialty waste. The expenses listed are conservative; salaries basically the same as last year, minimal professional service expenditures and basically minimal for all expenses.

After a lengthy discussion, it was agreed to send a cover letter along with the budget explaining the fluctuating scrap metal prices and to also note that once the Series 2007 Bond refunding and refinancing is complete, the Agency may need to adjust the Budget to reflect the actual bond costs.

Resolution No. 824 – 2017 Budget Adoption

Following a presentation by the Interim Executive Director regarding certain 2017 budget issues, including the impact of fluctuating metals recycling revenue and the ongoing 2007 Series Bond refunding, the 2017 budget is hereby adopted and the Agency's Interim Executive Director is hereby authorized to forward the same to the County of Dutchess and the Authority Budget Office. A motion to approve **Resolution No. 824 – 2017 Budget Adoption** was made by D. Petrovits, seconded by S. Tinkelman, and unanimously approved.

L. Carille spoke about the Engineering RFP as October 28, 2016 was the deadline for proposals. She was informed by the Agency's current engineering firm, HDR that the engineer's report needed for the bond refinancing would not be done by them. HDR stated that previously they had been involved in a lawsuit from a bond issuance failure and made it company policy to not do any further bond work. There was no prior notification to the Agency that this is their company policy and a professional engineer's report is needed for the bond refinancing; therefore, an addendum is needed for the current Engineering RFP in order to ask the proposers if they would do a bond refinancing engineering report. The Board agreed to add this scope of work to the proposal, to include the rates and time to do such a report and extend the deadline an additional two weeks.

L. Carille spoke about the outdated scale computer software. An upgrade to the computer software is long overdue as the software is a DOS based system and is not supported anymore should there be a failure. There were quotations received previously from three companies all very close in price. The company that serviced the old system provided a quote. To completely update the software the cost is \$13,615.00 that includes remote installation and training. The cost may be less as they estimated the training to be 24 hours which the Agency would not need. T. LeGrand asked how much was taken in from the sale of the surplus equipment. L. Carille replied a little over \$30,000.00. T. LeGrand suggested using that money for items needed at the Agency. J. Metzger also suggested that there be other people able to update the system and provide a full mapping of how the logistics work. L. Carille replied that we do have an IT person that assists the Agency with all computer issues, knows the program, besides the company that designs the software. Without further discussion, the Board approved the purchase of the new scale computer software.

7. **Executive Session** – A motion at 5:55 pm to move into Executive Session was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved for discussions concerning proposed, pending or current litigation.
8. **Regular Session** – The meeting resumed back into public session at 6:30 pm.

With no further business to discuss at 6:32 pm a motion to adjourn the meeting was made by W. Nussbickel, seconded by D. Petrovits and unanimously approved.