

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

OCTOBER 21st, 2010 – 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, Vice Chairman; R. Mosca, Secretary; D. Nestler, Treasurer; Board Members, T. E. LeGrand, R. Stephen Lynch and E. Kinkade; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; R. Chance and B. Connolly, Covanta Hudson Valley Renewable Energy LLC; A. Surman, S. Goldberg, and J. Tyner, Dutchess County Legislators; and O. Plokhii, Millbrook Independent.

- 1. Regular Session** – Vice Chairman E. Mills called the meeting to order at 5:05 pm. Chairman W. Conners resigned from the Resource Recovery Agency Board effective October 9th, 2010. Vice Chairman E. Mills acknowledged and thanked William Conners for his years of devotion to the Resource Recovery Agency, his efforts and leadership as a Board member, his endless commitment to the solid sound practices of waste management, and for his service to the people of Dutchess County.
- 2. Minutes** – Vice Chairman E. Mills presented the minutes of the August 19th, 2010 Board Meeting. A motion to approve the August 19th, 2010 minutes was made by D. Nestler, seconded by R. Mosca and unanimously approved. Vice Chairman E. Mills presented the minutes of the September 16th, 2010 Board Meeting. A motion to approve the September 16th, 2010 minutes was made by R. Mosca, seconded by D. Nestler and unanimously approved.
- 3. Operating Report** - D. Walsh informed the Board that the monthly budget set for September was 12,527 tons. The Facility received 10,520 tons. Due to the scheduled outage and the volume in the pit, it was necessary to bypass waste in September, which continued into October, being October 7th as the final day. Overall, the Facility continues to remain ahead on the year-to-date budget tonnage by over 4,700 tons. The total electricity generated for September was 3,172,890 kwh for a total revenue of \$190,372.20.

There was little change to the volume of recyclables brought into the MRF in September, a total of 577 tons. Revenue from tipping fees was \$5,385.80 and market sales increased in September that resulted in revenue sharing of \$12,635.35.

The most recent Household Hazardous Waste Day was on October 9, 2010 and had 198 attendees. The medications disposal collection in October brought in 290 pounds of unused medications that included Delaware County as well as Ulster County RRA.

- 4. Engineer Report** – D. Leibnitz informed the Board that since the completion of the outage on October 6, 2010, the availabilities on Unit Nos. 1 and 2 were 100.0 and 99.2 percent respectively. Turbine generator availability was 99.4 percent. The pit remains full and at the time of inspection today it contained approximately 3200 to 3400 tons of MSW.

The monthly summary table of various performance characteristics was updated. HDR will continue to update and distribute this table at the monthly board meetings.

Covanta's stack testing firm is scheduled to take the fourth quarterly grab samples for greenhouse gases shortly.

At the Agency's request from last month's Board Meeting, HDR retrieved a wall sample for analysis from the homeowner on 232 Wilbur Blvd. The examination from the laboratory concluded that the dark material on the rock was of natural origin, being a member of the algae/fungi/lichen group and did not pose any health threat.

In preparation for the outage, Covanta conducted boiler wash-downs of the units in an effort to maximize throughput and reduce the pit volume. Both units experienced tube leaks during the September 18th to September 23rd timeframe which did not allow for the pit volume to be reduced enough to avoid the transfer of waste. The Agency was forced to transfer four thousand tons of waste.

The outage was completed at 1:00 am on October 6th, 2010. The outage went two days longer during the flue nozzle replacement task due to harsh weather. This delayed the completion of the entire outage past the originally scheduled outage completion date of October 3rd, 2010. The outage was successful and a significant amount of work was accomplished.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,930,124.64. R. Stephen Lynch asked about the repair and replacement charge of \$932,157.00 listed under the operator's wire transfers. C. Tamney replied that it is a yearly bill, it is \$500,000.00 plus escalation and it is part of the fixed operations and maintenance. A motion to approve the payables in the amount of \$1,930,124.64 was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved.

The Profit & Loss Analysis was reviewed. E. Kinkade remarked about the reduction in full-time salaries and if anything can be done about overtime. A part-time operator for the early morning scale hours was suggested. E. Kinkade asked what the public relations and education item covers. C. Tamney replied that it is for any fliers or items bought for the Kids Expo, for school tours and presentations. The \$876.00 fee was for reusable recycling bags bought to hand out at special events and to those residents participating in the Household Hazardous Waste days. R. Stephen Lynch remarked on the host community benefit and how the host community benefit payment for the burn plant terminated but the payment for the MRF continued. W. Calogero replied that both were terminated and the amount listed is in accrual and has been for two years since the Agency stopped payment.

The Account Receivable Aging Summary was reviewed. A motion was made by R. Stephen Lynch, seconded by R. Mosca and unanimously approved to write off the outstanding balance of Dyal Roll-Off for purposes of financial reporting; however, to note that the Agency reserves it's right for legal recourse to still collect this debt from Dyal Roll-Off.

6. Other Business - T. E. LeGrand requested a written report on how the Agency is complying with the issues that were addressed from the State Authority Budget Office. E. Kinkade agreed and requested that it be given to the Agency Board first before submittal to the State Authority Budget Office. E. Kinkade requested that W. Calogero prepare and present the report to the Board for discussion and to also discuss some issues that he is concerned about that are listed in the Report to the Legislature done by Dutchess County Comptroller J. Coughlan.

W. Calogero spoke about the public meeting that was held on October 12th, 2010 for the Draft Local Solid Waste Management Plan. There were fifteen people that signed up to speak, fourteen actually spoke. Comments by mail, e-mail or delivery to the office were accepted until October 15th, 2010. All of the comments that were received under the LSWMP e-mail address are available electronically and can be forwarded to anyone that may request it. The transcription of the October 12th, 2010 public meeting is available and is posted on the Agency's website. E. Kinkade asked if Germano & Cahill can incorporate those comments to the plan without any significant increase in cost. W. Calogero replied that he notified Germano & Cahill of the availability of the transcript from the public meeting and sent them all the comments to review from the LSWMP e-mail address. R. Stephen Lynch stated that dealing with the public comments was not currently in their scope of services and it is the Board that needs to decide which of the public comments should be incorporated into the plan, not the consultants. E. Kinkade also added that Germano & Cahill needs to be stopped in doing anything further in the plan given the County's response to the plan since the Legislature responded that they do not want the user fee or flow control in the plan. The Legislature is conducting another study and working on some alternative ideas. R. Stephen Lynch also said that the Legislature is working with the Comptroller to have the independent study and the results will be coming soon. For clarification, E. Mills asked if this input by the Legislature discussion was referring to Legislature Chairman R. Rolison's letter of October 12th, 2010 to the Agency presented at the public meeting where he writes, "The LSWMP should not commit us to flow control since that is only one of many viable options being considered. An independent review of policy alternatives, funded by the Dyson Foundation, will be commissioned by the Legislature and their recommendations will ultimately be incorporated into the plan as close to the December 31st, 2010 deadline as possible." Chairman R. Rolison spoke with W. Calogero after the public hearing and asked to include this letter together with the transcript of the meeting. He informed him of the study by the Dyson Foundation and said that the Agency should not delay what it is doing with the LSWMP. T. E. LeGrand asked who makes the hire for the Dyson study. W. Calogero responded that it is the Legislature. T. E. LeGrand asked if R. Stephen Lynch was doing the study. R. Stephen Lynch responded "no." The discussion was then referred over to J. Nelson. He explained the procedure of incorporating comments into a plan and prepared a synopsis of all the comments that have been received to date.

T. E. LeGrand raised a question as to the net service fee process and if the County Comptroller is legally entitled to audit and approve it. All Board members agreed that the financial decision of how the County wants to finance and pay for something, the funding formula, should not be an item in the solid waste management plan as it has nothing to do with how Dutchess is handling their waste. NYSDEC is not concerned about how it is being paid.

E. Kinkade added that if you eliminate the user fee and flow control from the LSWMP done by Germano & Cahill, there is not much left to the plan.

J. Nelson was asked to look into the net service fee and comptroller's involvement as well as what kind of mechanism is used to raise it. J. Nelson reminded the Board of their undertaking to become the local government planning unit for purposes of preparing the solid waste management plan and how there are several NYSDEC permits that the Facility is dependent upon to operate and how there will be questions raised if the deadline is not met.

It was concluded and agreed that the public comments will be reviewed by the Board and a full discussion will be done at the November 18th regularly scheduled Board Meeting. W. Calogero will provide all board members with electronic copies of the comments along with J. Nelson's summary. The Board will then identify those comments that are germane to the plan and communicate that at the November meeting to the Executive Director. At that time it will be decided whether to move forward with directing this to the consultants.

Vice Chairman E. Mills reminded the Board of the comment schedule that was provided to the Legislature. The week of November 1st there was to be a special board meeting to accept/revise responses to comments. All board members still remained in favor of this discussion to be done at the November 18th regularly scheduled board meeting. W. Calogero was asked to inform the consultants to not do anything until further notice from the Board regarding their position for the comments. Vice Chairman E. Mills asked W. Calogero to also inform Chairman R. Rolison of the change in the schedule for the Board's approach.

7. **Committee Reports** - The Finance Committee Charter was reviewed by the Governance Committee and presented to the Board. All previous policies were done by Resolution. J. Nelson prepared and explained the details of the Charter. After further discussion it was decided to revise two line items in the responsibilities section for the duties of the Finance Committee. The first bullet point shall read as, "Review proposals for the issuance of debt by the Agency, the reinvestment of debt proceeds and other Agency funds, and make recommendations concerning those proposals to the Agency's governing Board (the "Board")." Fifth bullet point shall read as, "Recommend to the Agency such outside counsel, experts and other advisors as the Finance Committee may deem appropriate." An amended motion to accept and adopt the Finance Committee Charter with the corrections under Resolution No. 700 was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved.

The Finance Committee met and is recommending a 2011 Budget that includes the Facility processing 141,000 tons of waste for the year with the net service fee due to the Agency of \$5,413,600.00. A motion to adopt this 2011 Budget was made by E. Kinkade, seconded by R. Stephen Lynch and unanimously approved. The Finance Committee previously discussed with W. Calogero about possibly increasing the volume for 2011 and requested him to devise a plan to increase the amount of waste brought into the Facility by ten thousand tons.

Audit Committee member R. Mosca did some research on the relationship with the current accounting firm, Sedore and Company. There were letters dating back to 2001 when the relationship began and where the Agency engaged them to do the accounting work on an

annual basis. In 2003, the Agency asked for a long-term proposal from Sedore, which they gave, that stated what work would be done for a six-year period. That six-year period ended with last year's 2009 audit. So far this year Sedore is still working for the Agency and has received their agreed upon monthly payments for work such as consulting with the ABO, conferencing, telephone calls, etc. For 2010 there has not been an engagement letter from them. After he briefly discussed this with Sedore, they were under the impression that they would continue to provide those services and do the Audit for the end of the year. He explained to them that it would be the Board's decision, and an RFP may have to be done for those services. R. Stephen Lynch asked if under the bylaws you are obligated to RFP all professional services. J. Nelson replied that the Procurement Policy does say that professional services in excess of \$5,000.00 are to go out for an RFP. Policies can be amended by the Board. T. E. LeGrand questioned if the Agency has already paid for part of the audit work done already in the monthly payments and if by doing an RFP may cause them to increase their cost to market levels. Sedore has kept their fee the same for the past six years. Discussion ensued.

In summary, the Audit Committee will report back at the next board meeting their recommendation. Vice Chairman E. Mills asked W. Calogero to find out what are the annual fees paid for an audit done at another Agency such as the Water & Wastewater Authority and one or two other resource recovery facilities.

Since there is presently an absent member from this Audit Committee, Vice Chairman E. Mills asked E. Kinkade to serve on the Audit Committee. E. Kinkade agreed and was appointed to serve as a member to the Audit Committee.

8. **Public Comment** - Legislator J. Tyner requested the Board to not consider increasing the volume of waste to burn by ten thousand tons in 2011 and referred to the March 7th Poughkeepsie Journal article on air emissions from the RRF. He also made reference to "stop trashing the climate.org" and "threefifty.org" websites for more information.

Legislator S. Goldberg commented on the timing for the LSWMP and for the audit decision. Both will be going into the third week of November and the LSWMP has a December 31st deadline. She suggested that if you are serious about going out for an RFP for the 2010 audit she recommends that the Board produce a scope of services at that time so that another month is not wasted.

T. E. LeGrand further commented on the ten thousand tons request by the Finance Committee for the Facility in 2011. Alongside that plan should be a cost benefit analysis. He also addressed Legislator Tyner about his comments regarding low Dutchess recycling numbers. To make a comparison, one would have to look at what some of the other communities are including in their recycling numbers. For instance, New York City includes road grindings in their recycling figures.

9. **Old Business** - J. Nelson spoke about conforming the bylaws as far as electronic participation that was mentioned at September's board meeting. He confirmed that one cannot

vote on the telephone and one cannot be counted as part of a quorum on the telephone. The Agency must have a two-way video conferencing system in place if you are unable to be in the room.

J. Nelson presented a Resolution to accept the Agency as lead for the environmental review of the solid waste management plan. Since the thirty day period for the County and the NYSDEC to become lead agency has passed, normal practice in order to do the environmental review would be to have a brief resolution stating that the Agency accepts lead agency status in doing the SEQRA review. Discussion ensued.

In summary, given there was no response from the Legislature, it was agreed to contact Chairman R. Rolison and to not move forward with the Resolution at this time. The SEQRA process will remain open until the Board takes an official action. Vice Chairman E. Mills asked J. Nelson if he could circulate any resolutions prior to the meeting so that all Board members may have the opportunity to review it beforehand.

Vice Chairman E. Mills opened the meeting up to nominations for Chairman of the Resource Recovery Agency Board that would remain effective to the end of the year. T. E. LeGrand asked E. Mills to rethink his own resignation and recognized his governmental experience and his understanding knowledge of how the government functions. It has been a great asset to the Board since most of the other Board members are from the private sector. It was concluded that Vice Chairman E. Mills will perform the duties of the Chairman of the Board until the end of the year.

With no further business to discuss, at 7:25 pm a motion to adjourn the meeting was made by T. E. LeGrand, seconded by R. Stephen Lynch and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director