

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

OCTOBER 23, 2013 – 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, R. Mosca, Vice-Chairman, J. Mackey, Treasurer, K. Williams, Secretary; Board Members, T. E. LeGrand and W. Nussbickel; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Deputy Commissioner, Division of Solid Waste Management, M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC, and A. Surman, Dutchess County Legislator.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:05 pm.
- 2. Minutes** – Chairman J. Small presented the minutes of the May 16, 2013, June 20, 2013, August 15, 2013, and September 19, 2013 board meetings. The board meeting minutes were deferred until next month's board meeting.
- 3. Operating Report** – D. Walsh reported that the Facility received a total of 12,740 tons of waste in September. The budget for the month was set at 10,944 tons. The year-to-date incoming tonnage is running 6,000 tons over budget.
- 4. Engineer Report** – D. Leibnitz reported that, to date, no reports have been received yet from Lufkin Industries regarding the gear, AGT for the generator, or from the Wood Group for the overall outage. HDR has repeated its request for these documents.

In September the Agency met with Covanta regarding the business interruption insurance coverage related to this event. The preliminary information provided indicated that the business interruption coverage will be insufficient to cover the Agency's damages. Covanta has not advised the Agency any further on its insurance claim. The Agency has withheld \$684,559 from Covanta's invoices to cover the Agency's electrical revenue losses.

In September, the Facility processed 10,249 tons of MSW with an average availability of 66.4% on the boilers. The low availability was due to the outage. The pit contains approximately 3300 tons of MSW. In a recent spot check the Facility was producing approximately 100,000 pph of steam and generating a gross 9.0 MW.

At the present time, the Facility appears to be generating power at an efficiency of between 260 and 290 kWh per ton of MSW; however, there is a large potential error in the MSW tonnage processed associated with this calculation. The generator efficiency from October 8th to 16th has been measured at 61.32 net kWh/klb of steam which is comparable to the prior 3-year average from January 2010 through December 2012 which was 61.45 net kWh/klb of steam.

In September the Agency and HDR met with the NYSDEC to discuss the draft Part 360 Solid Waste Management permit conditions. Major changes to several sections were agreed upon and the NYSDEC is overdue in providing a second draft. The Agency has forwarded a subsequent letter requesting the information.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,050,375.54. A motion to approve the bills as presented in the amount of \$1,050,375.54 was made by R. Mosca, seconded by W. Nussbickel and unanimously approved with J. Mackey abstaining.

Under the Profit and Loss Analysis, Chairman J. Small inquired about the debt service fee. C. Tamney replied that “on a monthly and on a yearly basis it includes the bond payment until the end of the year, which even though it is listed, it is not included in the net service fee calculation. It is just how the books are done. The Agency has the funds to pay the fee and it appears that we are over budget but in reality we are not.”

6. **Committee Reports** – R. Mosca spoke about the Agency 2014 Budget. The first half of the year the Agency is working with Covanta and is not determined yet if the Agency will be working with them for the second half of the year, which made it very difficult to determine the numbers for the second half of the year. The tonnage fees and pass through fees were changed from last year but everything else stayed the same as the prior year. It was noted that the State Authority Budget Office requires the budget to be posted online by October 31st but can be modified if necessary.

K. Williams inquired about the amounts listed for employee health insurance and workers compensation. C. Tamney replied that “the workers compensation fees have been an ongoing issue with the County as they could not give an explanation as to why the bill is so high for six employees. If the Agency opts to get out of their program, there is a substantial penalty; however, it appears that last year would have been the last year to have to pay such a penalty.” After a discussion, for comparison purposes, it was decided to have the Agency’s insurance carrier, Brinckerhoff & Neuville, provide a quotation for workers compensation.

Resolution No. 777 – 2014 Budget Adoption

After a presentation by R. Mosca, Budget and Finance Chairman regarding certain 2014 Agency Budget issues, including the impact of an operator change during 2014, and issues relating to insurance, personnel and host fees, a motion to adopt the Agency 2014 Budget as presented and to authorize the Executive Director to forward the same to the County of Dutchess and the State Authority Budget Office was made by R. Mosca, seconded by J. Mackey and unanimously approved.

7. **Public Comment** – There was no public comment.

- 8. **Executive Session** – At 5:40 pm a motion was made by J. Mackey, seconded by R. Mosca and unanimously approved to move into Executive Session for discussions relating to the hiring of corporations.
- 9. **Regular Session** – The meeting resumed back to public session at 6:44 pm.

Resolution No. 778 Authorization to Negotiate and Seek Further Clarification

The Executive Director is authorized to seek further clarification of the proposals and to begin negotiations with the proposers as suggested to the Agency Board in Executive Session. A motion to approve Resolution No. 778 was made by W. Nussbickel, seconded by R. Mosca and unanimously approved.

Resolution No. 779 Approval of 2013 Solid Waste Disposal Agreement

The Executive Director is authorized to execute a Solid Waste Disposal Agreement with Royal Carting under which it will supply the Agency with 120,000 tons of solid waste during 2013 and with all waste delivered by Royal Carting in excess of 120,000 tons to be received by the Agency at \$60 per ton. All other terms of the Agreement are to be substantially the same as the 2012 Solid Waste Disposal Agreement with Royal Carting. A motion to approve Resolution No. 779 was made by R. Mosca, seconded by K. Williams and unanimously approved with J. Mackey abstaining.

- 10. **Executive Session** – At 6:46 pm a motion was made by J. Mackey, seconded by W. Nussbickel and unanimously approved to move back into Executive Session to continue with discussions relating to the hiring of corporations.
- 11. **Regular Session** – The meeting resumed back to public session at 7:00 pm.

With no further business to discuss, a motion at 7:00 pm to adjourn the meeting was made by W. Nussbickel, seconded by J. Mackey and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director