

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

OCTOBER 24, 2012 – MEETING MINUTES

A meeting of the Dutchess County Resource Recovery Agency convened at 5:30 p.m. at the offices of the Agency located at 96 Sand Dock Road, Poughkeepsie, New York. Those present included E. Mills, Chairman; J. Small, Vice-Chairman, R. Mosca, Secretary; Board Members T. E. LeGrand and K. Williams; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Solid Waste Coordinator; M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC, and A. Surman Dutchess County Legislator.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:32 pm. Chairman E. Mills welcomed new board member Kimberley Williams to the Resource Recovery Agency Board, a County Legislature appointment.
- 2. Minutes** – Chairman E. Mills presented the minutes of the September 27, 2012 board meeting. A motion to approve the September 27, 2012 board meeting minutes was made by J. Small, seconded by R. Mosca and unanimously approved.
- 3. Operating Report** – D. Walsh reported that the budget set for incoming waste tonnage for the month of September was 10,944 tons and the Facility received 11,100 tons, 156 tons over budget. The year-to-date tonnage is running 13,390 tons over budget.

The MRF received a slight increase of recyclables from last month, a total of 310 tons in September. The revenue received from single stream recyclables totaled \$2,744. Fiber revenue totals have not been finalized yet from Hudson Baylor. Chairman E. Mills compared recycling totals from September 2011 and 2010 and noted the substantial decrease in volume.

The Household Hazardous Waste Day event was held on October 6th in Rhinebeck. There were a total of 191 participants. Positive feedback was received from those residents on the event. They have asked the Agency to consider having two collection events in Rhinebeck for next year. The Agency did not have a Household Pharmaceutical Collection Day event for September; however, there were medications received from other surrounding counties.

- 4. Engineer Report** – D. Leibnitz informed the Board that from September 26, 2012 until October 24, 2012 the Facility has operated with an availability of 92.7%, 98.0% and 99.6% on Unit Nos. 1, 2 and the Turbine-Generator, respectively. The primary reason for the lower availability on Unit No. 1 was a water wall leak near the coaxial pipe that took 50 hours to repair. Unit No. 2 was off line for a short time to replace the ID fan motor. The Turbine-Generator was off line for a short time caused by an external trip from Central Hudson.

During a brief control room inspection the Facility was running at an average/medium rate. Unit Nos. 1 and 2 were producing 102,000 pph of steam and generating approximately 8.8 MW

of power. The pit is low and presently contains approximately 1000 tons of MSW. T. E. LeGrand inquired about why the level of waste is presently low and if there was any problem. W. Calogero replied how the Operator is burning the waste very rapidly and that the Agency cannot burn over the daily permit level of 450 tons. By having additional waste brought in now will only generate a poor condition for the ash going out. This leads to costing the Agency more in expenses for ash disposal. The installation of new vibrators to aid in the removal of water from the bottom ash is almost complete. The Agency will start taking ash samples again once the vibrators have been installed to be used for comparison with prior recorded water content in the ash.

The updated Performance summary sheet was presented. In September, the Facility processed MSW at a Capacity Utilization of 84.6%. The average processing rate during the month was 370 tons per day. The overall availability was 80.6%. The Facility produced 55,897 kilo-pounds of steam. Energy efficiency was estimated to be 295 net kWh/ton which is below the 307 net kWh/ton target efficiency. The lower performance data was due to reduced availability and efficiency caused by the scheduled fall outages.

In September the rate of lime use averaged approximately 26 pounds of lime per ton of MSW, which is back to the normal average of the last few years.

HDR reviewed and provided comments for Covanta's draft version for the third quarter 2012 Title V Permit compliance certification report.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,109,432.75. A motion was made by R. Mosca, seconded by T. E. LeGrand and unanimously approved to pay the bills as presented for \$1,109,432.75.

J. Small inquired about the health insurance fees. C Tamney replied that those fees listed cover health insurance premiums for two months. Also asked was if there are any items that are over budget. C. Tamney replied that the only items that would be over budget are the expenses from the Operator that are classified under "Pass Thru's", which the Agency has no control over.

Chairman E. Mills spoke briefly about the insurance companies the Agency uses and was pleased to report that all six carriers have an AM Best rating of A or A+. A summary of insurance listing all policies is available to review.

6. **Committee Reports**

Finance Committee

The Finance Committee met and discussed the Agency's 2013 Budget that has been amended for a net service fee balance due of \$2,358,800. W. Calogero stated that the County has further asked the Agency to reduce the net service fee total to \$2,000,000 as this is the amount they are entering into their budget. After careful consideration and reviewing all

the totals in the Agency's budget, W. Calogero suggested to the Board not to change any totals as there were no line items that could be further reduced. It was noted that as the year progresses, there is a possibility of coming close to meeting the County's number, but that it still remains uncertain.

The proposed Agency 2013 budget was presented to the Board. It does consider the possibility of closing the MRF building. The County of Dutchess recently went out for an RFP to sell the building and property. L. Carille replied that the County does not have any plans to open another MRF but will continue to promote recycling. She does foresee the Agency still continuing with the Household Hazardous Waste programs.

As requested, staff composed an analysis of the MRF and projection costs for 2013 which shows a loss for 2013. Therefore, the liquidation of the equipment at the MRF will be addressed within the confines of the Agency's Property and Disposal Guidelines Policy. Chairman E. Mills requested staff to work together with T. E. LeGrand and develop an action plan as to the inventory of the equipment and decide upon which items need to be disposed of and decide if any of the equipment could be brought back to the Resource Recovery Facility. The plan needs to be presented to the Board at the November meeting. The MRF service agreement with the Operator is a month-to-month agreement that does require a month's notice for termination. Chairman E. Mills requested a Resolution be prepared that would reflect a December 31, 2012 closure to the MRF operations based on the decision from the staff analysis indicating that the funding of the MRF for 2013 would result in a deficit.

Chairman E. Mills noted one of the significant changes in the 2013 budget was the payoff of the 1999A series bonds one year early. It is work that is in progress that is expected to be accomplished by the first week of January. W. Calogero replied that discussions are currently being held with both the bond counsel and financial advisors. They are trying to decide whether or not to terminate the 1999A series bonds early or to keep it the way it is in order to not lose the interest capability. In either case, there would be no need to increase the County's net service fee. J. Nelson further explained the two processes currently being analyzed. Chairman E. Mills requested that staff work with the Finance Committee and decide upon which course of action to proceed with and have that decision ready for discussion at the Agency's November board meeting.

A motion was made by J. Small, seconded by R. Mosca and unanimously approved to accept the Agency 2013 budget as presented.

- 7. Public Comment** – There was no public comment.
- 8. Executive Session** – At 6:20 pm, a motion to move into Executive Session involving attorney/client discussions relating to the hiring of a particular corporation under contract was made by R. Mosca, seconded by J. Small and unanimously approved.
- 9. Regular Session** – The meeting resumed back to public session at 6:51 pm.

With no further business to discuss, a motion to adjourn the meeting at 6:52 pm was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director