

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY NOVEMBER 18TH, 2010 – MEETING MINUTES

(Amended 12/16/10)

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.

- 1. Regular Session** – Vice Chairman E. Mills called the meeting to order at 5:07 pm.
- 2. Minutes** – Vice Chairman E. Mills presented the minutes of the October 21st, 2010 Board Meeting. On Page 3, first paragraph, E. Kinkade requested to add an additional sentence stating how he asked W. Calogero to prepare a report and present it to the Board for discussion regarding the issues that were addressed in the State Authority Budget Office report. A motion to approve the October 21st, 2010 minutes as amended was made by R. Stephen Lynch, seconded by T. E. LeGrand and unanimously approved.
- 3. Operating Report** - D. Walsh informed the Board that the monthly budget set for incoming tonnage in October was 12,232 tons. The Facility received 11,209 tons and of that transferred 820 tons out since the scheduled outage was still in effect. The actual year-to-date tonnage total is 125,436 tons versus the budget year-to-date tonnage total of 121,996 tons. The Facility continues to remain ahead on the year-to-date budget tonnage by over 3,440 tons. The total electricity generated for October was 4,326,450 kwh for a total revenue of \$259,587.00.

The MRF had not experienced any change in volume for incoming recyclables. There was a total of 510 tons of recyclables received in October that generated \$5,228.00 in tipping fees revenue and \$10,420.00 total for revenues in market sharing with the operator, Hudson Baylor.

The last Household Hazardous Waste Day for the year was held on November 6th, 2010 and had 179 attendees. The medications disposal collection in November brought in over 700 pounds of unused medications that included Putnam, Rockland, and Schenectady Counties.

- 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 95.2 and 97.8 percent respectively. Turbine generator availability was 98.9 percent. The only downtime common to both units and the turbine generator was a five-hour outage caused by a trip of the CHE&G interconnection breaker. The only other outage was 43 hours of downtime on Unit No. 1 to repair a tube leak on the main generator bank. The pit remains full and at the time of inspection today it contained approximately 3000 to 3200 tons of MSW.

The monthly summary table of various performance characteristics was updated. The estimated correction for the uncontrollable circumstances in August has been included but is not yet official.

Covanta's stack testing firm obtained the fourth quarter grab samples and has reported results of sixty percent biogenic carbon dioxide and forty percent anthropogenic carbon dioxide. These results are consistent with prior tests.

The USEPA just released the new best available control technology guidelines for greenhouse gas emissions. It is presently under review by all affected industries. HDR is presently determining how it will be applied to the Title V Permit renewal and is seeking discussion with the NYSDEC central office and Region 3.

HDR has reviewed the Part 360 Compliance Certification Report and submitted comments back to Covanta. HDR is expecting Covanta to have the revisions incorporated and the report to the Agency early next week so that it can be submitted to the NYSDEC before the start of the Thanksgiving Holiday.

E. Kinkade asked for an emissions summary indicating what the Facility is producing and releasing and how that correlates with the USEPA standards. D. Leibnitz will generate a comparison table on how the Facility is operating, versus the current requirements established by the NYSDEC on how the Facility is suppose to operate, and will incorporate that information into his report for next month.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,019,495.23. Discussion evolved over the Brinckerhoff & Neuville annual fee bill for handling the Agency's insurance in the amount of \$16,500.00. Vice Chairman E. Mills recalled at a prior meeting that Brinckerhoff & Neuville was asked to provide a scope of services for this fee. T. E. LeGrand remarked on the work that Brinckerhoff & Neuville has done and how reviewing the pass through insurance from the operator became more involved with the changeover to Covanta. Reviewing policies through the years has proven to be a substantial cost savings. W. Calogero added that Brinckerhoff & Neuville does price comparisons with different carriers for the lowest possible rates and they do go over those reviews with the Agency. R. Stephen Lynch asked if there is any contract or written agreement with Brinckerhoff & Neuville. There is no known contract. Vice Chairman E. Mills emphasized how important it is to do have a written scope of service to help understand all that Brinckerhoff & Neuville is doing and if the \$16,500.00 represents work that has already taken place, then a detail listing of what services took place is needed. It was unanimously agreed to hold back their payment for \$16,500.00 until a written scope of service is received. A revised motion to approve the payables in the amount of \$1,002,995.23 was made by T. E. LeGrand, seconded by D. Nestler and unanimously approved.

The Profit & Loss Analysis was reviewed. W. Calogero mentioned that the projections given for the end of the year remained basically the same. E. Kinkade asked about line item 6165, statutory fees and C. Tamney replied that it is a once a year charge from the NYSDEC for emissions. R. Mosca commented about one item, the net service fee income from Dutchess

County, under the column Jan-Oct 2010, listing \$3,478,308.00. This amount represents what the Agency needs to balance to zero as of right now. If you divide that amount by ten, it is approximately \$350,000.00 per month and with two months to go, it adds another \$700,000.00. Adding \$700,000.00 to the \$3,478,308.00 adds up to approximately 4.1 million dollars total, significantly below the budget; calling attention to, what the budget is and what it costs the taxpayer to run the RRF, significantly different.

It was decided to eliminate the Clean Air Budget paperwork from the monthly reports since there has not been any activity for some time; however, should there be any activity, the Board is to be notified.

6. Other Business - There were three informational items included in the Board members packets. One was the Catskill Watershed Corporation thanking the Agency for providing disposal of non-hazardous controlled substances; the second was a Resolution that was adopted by the Dutchess County Legislature establishing a plan to increase recycling in Dutchess County; the third was the Finance Committee Charter that was adopted by the RRA Board at the October 21st board meeting. It is the revised copy that includes the amendments discussed in October.

7. Committee Reports - R. Mosca of the Audit Committee presented minutes of the November 9th, 2010 Audit Committee meeting. The Committee discussed the possibility of issuing an RFP for the Agency's audit work and further discussed that separate RFPs should be considered for the three areas of audit work; an annual audit of the Agency's year-end financials, misc. month-to-month services, and internal controls. E. Kinkade and R. Stephen Lynch expressed that an RFP should be issued now for the annual audit of the Agency's 2010 year-end financials. R. Mosca and E. Mills felt that insufficient time existed at this point in the year to bring in a new firm not familiar with the RRA's operations. E. Kinkade reported that he had spoken to a representative of D'Arcangelo who said that his firm could respond to an RFP within 2-3 days, that they and other firms in the area do auditing work for similar agencies and was certain there would be several accounting firms in the area that would be interested in bidding on the job. The Committee was unanimously in favor to RFP the 2011 financials and was split 2-1 in recommending Sedore to continue and do the audit for the close of business ending December 31, 2010.

R. Mosca also presented a history worksheet he composed of the relationship between the Agency and Sedore that began back in 1997. When the agreement was originally made with Sedore, the DCRRA Board chose to have generally accepted auditing procedures. The agreement with Sedore technically expired on December 31, 2009. T. E. LeGrand remarked about the Agency's previous auditor, Coopers & Lybrand, and the exuberant fees that were charged. He recalled how the Agency Board was very unhappy with their service and it was then when they turned to Sedore. Sedore has treated the Agency fairly over the years. Both the Legislature and Executive branches of the County government were very comfortable and confident in the quality of Sedore's work.

The total cost of the audit will be the same as it has been for the past six years. The 2010 audit has not been paid yet. C. Tamney stated that the payments made this year to Sedore are for the 2009 audit and the net service fee work done for this year. R. Stephen Lynch replied that all three solid waste authorities he deals with use a separate auditing firm to prepare the financial statements and a separate firm to audit them. The estimated cost they incur is ten to fifteen thousand dollars for each roll, a total of thirty thousand dollars, half of what the Agency spends. R. Mosca spoke with Onondaga County and they told him they pay approximately thirty four thousand dollars. This is for their audit of the financial statements and Long Island said between forty five and fifty thousand dollars.

E. Kinkade expressed concern about how the accounting and audit work should be done by two separate firms according to the Charter. C. Tamney emphasized that Sedore only reviews the numbers she submits to them for the net service fee calculation which is done before it is submitted to the County. Discussion ensued.

Vice Chairman E. Mills called for a motion to issue an RFP for the Agency's year-end 2010 financials. T. E. LeGrand said he will vote against this motion since he feels there is not enough sufficient time to do a proper RFP procedure. A thorough investigation, a detailed scope of services, as to what is required needs to be done especially since he now heard that other solid waste industries are paying much lower fees than the Agency. However, he is in favor to RFP the 2011 financials. D. Nestler agreed to RFP the 2011 financials as well.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
T. E. LeGrand		√
R. Stephen Lynch	√	
R. Mosca		√
D. Nestler		√
E. Kinkade	√	
E. Mills		√

Motion failed to RFP the Agency's 2010 financials.

E. Kinkade confirmed that Sedore will do the 2010 audit according to government auditing standards. Vice Chairman E. Mills asked R. Mosca to obtain an engagement letter from Sedore by the December board meeting referencing how the 2010 audit will follow the government auditing standards. Further discussion followed on the 2011 financials. R. Stephen Lynch reminded all Board members that the recommendation from the Audit Committee is to develop three separate RFPs. It was concluded that R. Mosca, along with the Audit Committee members, will work on developing a detailed scope of services for 2011 and present it to the Board.

- 8. New Business** - W. Calogero spoke of the MRF Facility, the Facility's overall condition, the volume of recycling that is being processed there and how single stream recycling is coming to

use in Dutchess County. Vice Chairman E. Mills asked that he meet with the Facilities/Recycling Committee so that they may present the information along with any recommendations to the Board.

Resolution No. 701 – Amendment of By-Laws – Electronic Participation

J. Nelson presented a resolution regarding participation at Agency meetings. This resolution revises Section 9 of the Agency By-Laws. Since the Agency does not have two-way video conferencing capacity, board members may participate at distance telephonically but their participation cannot include voting and their presence by telephone would not count towards quorum. A motion to adopt Resolution No. 701 was made by T. E. LeGrand, seconded by R. Stephen Lynch and unanimously approved.

Resolution No. 702 - SEQRA Lead Agency – Local Solid Waste Management Plan

Vice Chairman E. Mills talked of the SEQRA process and establishing the RRA as lead Agency. Approximately two months ago letters when out to the NYSDEC and the County of Dutchess for the RRA to assume lead agency status under the NYS Environmental Conservation Law which enables RRA to conduct the environmental review of the Draft Solid Waste Management Plan. Neither party has shown any interest in being lead Agency. A motion was made by T. E. LeGrand, seconded by D. Nestler to have the RRA be named lead Agency for the SEQRA review of the solid waste management plan.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
T. E. LeGrand	√	
R. Stephen Lynch		√
R. Mosca	√	
D. Nestler	√	
E. Kinkade		√
E. Mills	√	

Majority approved Resolution No. 702.

Resolution No. 703 – Local Solid Waste Management Plan – Revision

Vice Chairman E. Mills talked of the Draft Solid Waste Management Plan that had some revisions prior to the October meeting, which essentially reflected some of the comments that Chairman R. Rolison had asked the Agency to consider. These were incorporated into this current revision along with the public comments, with J. Nelson’s synopsis of those comments, and a responsiveness summary done by Germano and Cahill. R. Stephen Lynch remarked how at the last board meeting the Executive Director was directed to have Germano & Cahill cease work, and how questions still remain as to what the consultants are going to do, how much the Agency is obligated to pay them, including concerns about continuing to use them.

Vice Chairman E. Mills concluded that the summary was part of their original scope of work and that we need to focus on which comments should be put in the revised draft, identify what the consultants should be told to change on the draft, and set up a meeting. Vice Chairman E. Mills then proposed a special meeting on December 2nd, 2010, at 5:00 pm. At this meeting a review of the revised plan that the consultants would generate would be done and a decision whether to move the document forward to the County Legislature. R. Stephen Lynch disagreed and stated that nothing should be done on the solid waste management plan, the Agency needs to continue to direct Germano & Cahill to cease work and wait for the outcome of the solid waste management plan being developed in cooperation with the County Comptroller's office.

There were no additional comments incorporated into the plan from what was placed by the consultants. It was noted that both the adoption of a user fee and flow control were taken out of the plan since they are funding issues that the County Legislature has to manage. T. E. LeGrand spoke about one of his comments on the plan which was to consider the development of rail hauling for MSW and ash. The cost of rail transfer is currently high but could change as fuel prices rise.

J. Nelson reviewed the details of the Resolution. A motion to adopt Resolution No. 703 Local Solid Waste Management Plan Revision was made by T. E. LeGrand, seconded by R. Mosca.

Roll Call Vote:

	<u>YES</u>	<u>NO</u>
T. E. LeGrand	√	
R. Stephen Lynch		√
R. Mosca	√	
D. Nestler	√	
E. Kinkade		√
E. Mills	√	

Majority approved Resolution No. 703.

9. Public Comment - There was no public comment.

With no further business to discuss, at 6:37 pm a motion to adjourn the meeting was made by E. Kinkade and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director