

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

NOVEMBER 20, 2014 – 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 (via video conference); W. Nussbickel, Treasurer; K. Williams, Secretary; Board Members; T. LeGrand and D. Petrovits; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; and D. Leibnitz, HDR.

1. **Regular Session** – Chairman J. Small called the meeting to order at 5:00 pm.
2. **Operating Report** – D. Walsh reported that the Facility received 10,861 tons of waste in October exceeding the budget amount by 3,094 tons. The year-to-date tonnage amount is 8,360 tons over budget.

W. Calogero reported that there were 215 people that attended the last Household Hazardous Waste Event for 2014. The Agency also had a household pharmaceutical collection event on the same day and collected 188 pounds of medications. Year-to-date the Resource Recovery Facility incinerated 4,115 pounds of medications from Dutchess and surrounding counties in New York.

3. **Engineer Report** – D. Leibnitz reported that in October the Facility processed approximately 14,500 tons of MSW. Exactly 13,955 tons of these are considered Net Agency Tons (NAT) pursuant to the new Agreement. The difference is accounted for in the change in pit level. All performance requirements in October are based on NAT. The official performance of the Facility in October was 300.11 net kWh/NAT electrical generation, 4.53% ferrous recovery and 40.39% wet ash generation. The electrical shortfall is not assessed on a monthly basis. Both the electrical and ferrous recovery guarantees are based on quarterly performance. However, in accordance with the Agreement, the percentage ash residue calculated as being over 32% is borne by the operator. A total of \$45,576.47 was not billed by Wheelabrator on their October invoice. At the end of the year the Agency and Wheelabrator will conduct a reconciliation based on the overall ash generation and NAT of the contract year.

The availability of the Facility for the last 33 days has been 94.6% for the boilers and 100% for the turbine generator. Boiler outage work primarily was scheduled for repair work inside unit No. 1 to repair newly discovered air and water leaks. Both units are presently running in the range of 90,000 to 100,000 pph steam production. The pit presently contains 2200 tons of MSW.

Wheelabrator provided HDR with a detailed list of repair activity performed in October. Wheelabrator has scheduled some brief Facility outages in November and December. The outage on November 13th and 14th was taken to conduct additional inspections and repairs of

combustor and boiler leaks. From December 8th until the 10th Unit 2 will be taken off line for repairs. Scheduled work includes the replacement of all soot blowers, the chains, flights and sprockets of the siftings conveyor, all the controllers of the combustor air control valves, and the internal screws of the super heater and economizer screw conveyors. During this same time frame the ash handling system is being taken off line for a major rehabilitation. Wheelabrator has contracted with General Kinematics, the original equipment manufacturer, to assist in the rehabilitation. It is intended to remove the pushwalls, replace the grizzly scalper with a new one, remove and replate the magnet's spreader feeder, replace the rocker arms and clips of the main vibratory conveyor and replace the belts of fly ash conveyor. In addition, the concrete floor area that is opened up for the work will be removed and replaced with new concrete.

The retesting of Unit No. 2 occurred during the week of October 27th. The tests were completed in two 12-hour days without incident. Initial indications are that all tests passed; however, the official report will not be available until the end of the month. The draft Part 360 compliance report for the third quarter was just received from Wheelabrator and will be submitted to the NYSDEC next week.

HDR has prepared a "cost to complete" estimate for the remainder of 2014 for the Board's review.

The video connection was lost after several attempts to conference with R. Mosca.

4. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,285,841.74. The vehicle insurance costs were discussed at the last board meeting and a request made for a few more quotations. C. Tamney replied that the current truck insurance is with Progressive Insurance through Brinckerhoff with a premium in the amount of \$16,488.00 for the two trucks only. After making calls to Dalleo, Marshall & Sterling, whom never responded, and Brinckerhoff, Brinckerhoff came back with the best price. Dalleo responded back with a quote for the two trucks and the one vehicle in the amount of \$23,403.00, which was a savings over the two, but not very much. Brinckerhoff responded that if the Agency were to switch to Selective Insurance, insuring the two trucks and the one vehicle, the premium with the same coverage would be \$8,996.00 a year, a savings of \$11,600.00.

Chairman J. Small questioned the HDR engineering \$61,750.00 invoice for services rendered in October. D. Leibnitz replied that hourly rates for engineering services vary upon the person; there are technology charges, and also expenses for people that have to travel to the site. He does not charge for his personal attendance at any of the monthly board meetings. Discussion ensued over the professional engineering fees.

When reviewing the Profit and Loss Analysis Report, T. LeGrand suggested using percentages to indicate overages and underages as an easier management tool when looking over such a report. On discussion over the Agency budget, K. Williams would like to see amendments to reporting on the budget, particularly a separate line item on the budget to reflect the money spent for the new operator negotiations. Under the revenues, a notation about the fluctuation in the metal market industry was requested.

A motion to approve the bills as presented in the amount of \$1,285,841.74 was made by T. LeGrand, seconded by W. Nussbickel and unanimously approved.

D. Petrovits left the meeting at 6:05 pm.

5. **Public Comment** – There was no public comment.
6. **Executive Session** – At 6:07 pm a motion to move into Executive Session was made from K. Williams, seconded by W. Nussbickel and unanimously approved for discussions relating to a particular litigation, contracts and attorney/client discussions.
7. **Regular Session** – The meeting resumed back into public session at 6:27 pm.

Resolution No. 792 Authorization for Partial Settlement and Mediation

This Resolution authorizes the Executive Director to make payment to Covanta in the amount of \$728,889.38 for the May 2014 service fee and \$661,752.42 for the June 2014 service fee in exchange for a release from Covanta to the Agency of all claims and causes of action relating to the May and June 2014 service fee invoices, and further provided that the Agency shall reserve all other claims, causes of action, set offs and defenses which it has or in the future may have against Covanta. The Executive Director and Agency Counsel are authorized to engage in non-binding mediation of the issue presented in the Covanta litigation. A motion to approve Resolution No. 792 was made by T. LeGrand, seconded by K. Williams and unanimously approved.

Resolution No. 793 Second Contract Extension for Hauling and Re-Use of Ash

This Resolution authorizes the Executive Director to execute a second extension of the contract with Panichi Holding Corp. and Capital Regional Landfills, Inc. for the transportation and beneficial reuse of the Agency's incinerator ash residue from July 1, 2015 through June 30, 2016. A motion to approve Resolution No. 793 was made by K. Williams, seconded by T. LeGrand and unanimously approved.

Resolution No. 794 Modification to County-Agency Solid Waste Disposal Service Agreement

This Resolution authorizes the Executive Director to execute an amendment to the Disposal Agreement with the County of Dutchess to have three net service fee cycles within each calendar year, i.e., January through March, April through September, and October through December, subject to the receipt of approval from the Trustee for the Agency's bondholders. A motion to approve Resolution No. 794 was made by W. Nussbickel, seconded by K. Williams and unanimously approved.

8. Executive Session – At 6:29 pm a motion to move into Executive Session was made by T. LeGrand, seconded by K. Williams and unanimously approved for the purpose of conducting attorney/client discussions on other outside business and for the review of committee reports.

9. Regular Session – The meeting resumed back to public session at 6:45 pm.

With no further business to discuss the meeting was adjourned at 6:48 pm.

Respectfully submitted,

William J. Calogero
Executive Director