

# DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

## NOVEMBER 29, 2012 – 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, Chairman; J. Small, Vice-Chairman, J. Mackey, Treasurer, 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; L. Carille, Dutchess County Solid Waste Coordinator; and J. McCarthy, Covanta Hudson Valley Renewable Energy LLC.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:08 pm.
- 2. Minutes** – Chairman E. Mills presented the minutes of the October 24, 2012 board meeting. A motion to approve the October 24, 2012 board meeting minutes was made by T. E. LeGrand, seconded by K. Williams and unanimously approved.
- 3. Operating Report** – D. Walsh reported that the budget set on tonnage for incoming waste for the month of October was 10,861 tons and the Facility received 13,379 tons, more than 2,500 tons over budget. The year-to-date tonnage is running close to 16,000 tons over budget.

The MRF received 374 tons of recyclables for the month of October and had \$3,845 in single stream revenue and \$1,777 in market sharing revenue.

The Household Hazardous Waste Day event was held at the Agency on November 3<sup>rd</sup>. There were a total of 143 participants. The residential prescription medication event was held on the same day in November and there was a total of 295 pounds collected at the Agency. Overall there has been over 3,500 pounds of unwanted/unused medications disposed at the Resource Recovery Facility.

- 4. Engineer Report** – W. Calogero reported that from October 24, 2012 until November 21, 2012 the Facility has operated with an availability of 90.6%, 93.0% and 97.7% on Unit Nos. 1, 2 and the Turbine-Generator, respectively. The primary reason for the lower availabilities was Hurricane Sandy that came through the area on October 29<sup>th</sup> and October 30<sup>th</sup>. Other than that there were two brief shutdowns, one for a Unit No. 2 waterwall leak repair and one for a pump repair. The failed pump was the electric forced circulation pump which boosts flow through the rotary combustor portion of the water/steam loop. At the time, the back up turbine driven forced circulation pump was being serviced and was not available.

During a brief control room inspection on November 21<sup>st</sup>, the Facility was running at an average/medium rate. Unit Nos. 1 and 2 were producing 92,000 pph of steam and generating approximately 7.2 MW of power. The pit was low and contained approximately 1500 tons of MSW.

In October, the Facility processed MSW at a capacity utilization of 92.8%. The average processing rate during the month was 425 tons per day. The overall availability was 93.1%. The Facility produced 63,330 kilo-pounds of steam. Energy efficiency was estimated to be 315 net kWh/ton which is above the 307 net kWh/ton target efficiency. The only major outage was caused by Hurricane Sandy. Chairman E. Mills inquired as to the status of the Facility to go into "island mode". The plant was unable to switch over to "island mode" operation during the outage caused by Hurricane Sandy. It has been discussed several times in the past, to have the plant working independently during unforeseen power outages (i.e. island mode); however, it does require additional maintenance, changing out some of the old generator relays that are outdated and inefficient. J. McCarthy added that he is currently having new relays designed.

In September, the rate of lime use averaged approximately 24 pounds of lime per ton of MSW, which is lower than their average over the last few years, most likely due to the reduced MSW throughput.

The installation of new vibrators to aid in the removal of water from the bottom ash is complete but the vibration rate has been reduced temporarily due to welding issues. A short term run with high vibration on Unit No. 1 appeared to significantly lower the moisture level in the ash. The Agency will start taking ash samples again once the vibrators are operating at full vibration rates on both units.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,328,047.96. The Rapport Meyers bill for \$3,850 was over the set retainer agreement fee and was withheld from payment until further discussion. A motion to approve the bills in the amended amount of \$1,324,197.96 was made by R. Mosca, seconded by J. Small and unanimously approved.

There were no further questions regarding the Financials.

## 6. **Committee Reports**

### **Finance Committee**

The Agency staff has asked the Finance Committee to consider adopting a revised version of the 2013 Budget. At the last board meeting an approval was made for the Agency 2013 budget; however, since then the County Executive's Office has further asked the Agency to again revisit its budget with the expectation of reducing the net service fee even further. W. Calogero explained the changes and stated that by doing the budget closer to the end of the year, there were much more accurate figures for all the expenses incurred for the year instead of having to do an estimation earlier in the year. The larger dollar figures that changed in the budget were the decrease in expense for ash disposal and the elimination of funding for staff raises. Chairman E. Mills apologized to the Agency staff for not being able to fund cost of living raises for 2013 as originally intended. However, due to budget constraints placed on the Agency by the County, and a \$20,000 increase in year-end NYS Retirement Fund costs, the

requested raises could not be granted. He expressed that the Board remains very appreciative of the high quality of work which staff provides the Agency and the people of Dutchess County on a regular basis, and that the Board will revisit a plan for employee compensation at a future time. Chairman E. Mills also indicated that the revised Agency budget does not include any staff reductions for 2013.

Chairman E. Mills noted Item #4730 "Appropriated Fund Equity" that relates to the 1999A series bonds. As previously discussed, the original plan was to retire the bonds on January 1, 2013. Bond counsel now has recommended making the normal principal and interest payment for January 2013, normal interest payment in July 2013, and then paying off the principal and interest in January 2014. C. Tamney replied that because the bonds are not being paid off this year, it still has to be a monthly accrual on the books. To offset that, so it does not affect the net service fee, she will also accrue the debt service money that is received at the end of the year. Chairman E. Mills asked how this will not affect the net service fee. C. Tamney replied that the operating funds will pay the interest in July 2013 and in January 2014 the debt reserve fund will be available to be used to make the final payment to retire the 1999A series bonds. Chairman E. Mills emphasized how imperative and critical it is that these 1999A series bonds be paid off by January 2014.

K. Williams inquired about the increase for lab tests/research in the budget. Last year there was \$1,000 allocated and in the 2013 budget there is \$6,000. W. Calogero replied that the testing applies to the ash residue. It is necessary to continue the ash testing process to see how well the vibrators, which have been installed on both units in the plant, have helped with the water consistency in the ash. Chairman E. Mills noted that lab test line in the budget also covers mandatory regulatory testing at the Resource Recovery Facility. T. E. LeGrand asked about the Statutory Fees for the NYSDEC that has decreased from \$38,000 to \$27,000 in the budget. W. Calogero replied that this is a mandatory state fee that pays for a NYSDEC Representative to weekly monitor the Facility and that the decrease applies to the period of time. J. Mackey asked about the letter of credit fee. W. Calogero replied that the fee has increased when Covanta took over as operator and has since increased with each yearly renewal. There are plans to speak with Marshall & Sterling regarding the letter of credit early next year.

A motion was made by J. Mackey, seconded by R. Mosca to rescind the previously adopted 2013 Agency Budget and to adopt the amended 2013 Agency Budget as so presented. Roll Call Vote: T. E. LeGrand, K. Williams, R. Mosca, J. Small, J. Mackey, and Chairman E. Mills all voted unanimously in favor.

### **Resolution No. 743 Shutdown of MRF Facility and Notices**

Chairman E. Mills reminded the Board about the previous discussions regarding the 2013 Budget. The funding of the MRF was not included in the 2013 Budget. The County of Dutchess has issued a RFP for the sale of the MRF property, has determined to sell the property to a third party, and has notified the Agency on November 13, 2012 that the Agency shall close the MRF and arrange for disposal of Agency-owned equipment and machinery

currently occupying the MRF. The presented Resolution authorizes the Agency to cease to accept materials at its Materials Recovery Facility from municipal and private waste haulers who patronize the MRF effective as of the close of business on Friday, December 28, 2012. The Executive Director is directed to so notify in writing the Dutchess County Solid Waste Coordinator, the City of Poughkeepsie, the private waste haulers who patronize the MRF, the contract operator of the MRF and the NYS Department of Environmental Conservation of the scheduled MRF closure. A motion to approve Resolution No. 743 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved. Chairman E. Mills noted that this does not leave Dutchess County without options for processing recyclables. There is a new, privately-owned, state of the art single-stream recycling facility built in Beacon that was supported with funds from the Dutchess County Economic Development Corporation. One of the items in the Resource Recovery Agency Mission Statement is to utilize where possible private enterprise to achieve the Agency's objectives; and for recycling services, this is now the better option.

#### **Resolution No. 744 Extension of MRF Occupancy, Preparation for Sale of Equipment**

The presented Resolution authorizes the Executive Director, with the assistance of the Agency Counsel, to negotiate with the County of Dutchess an agreement for the continued occupation of the MRF premises by the Agency through March 31, 2013, for the purpose of removing material and disposing of personal property and equipment, and confirming the cessation of the Agency's adoption to receive and process recyclables as of December 28, 2012. The Executive Director is authorized to execute such documents following the review and approval of them by the Agency Chairman. The Executive Director is directed to gather such information, valuations and descriptions as are required for the declaration of the Agency's MRF personal property and equipment as surplus, and to prepare for its disposition in accordance with the Agency's Disposal of Property Guidelines and applicable sections of the New York State Public Authorities Law, as when subsequently approved by the Agency Board of Directors. A motion to approve Resolution No. 744 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

7. **Public Comment** – L. Carille informed the Board that a new firm has been chosen for the investigative services to begin in 2013 for the solid waste disposal licenses and there were approximately twenty applicants for the Solid Waste Compliance Inspector position with approximately three that are qualified for the position. The job will consist of validating the solid waste disposal licenses for any entity hauling solid waste in Dutchess County, which includes issuing notices of violations for illegal haulers. There will be actual enforcement duties, along with enforcing the sort separation law to businesses. Regarding the Solid Waste Management Plan, the County is in the final stages with the NYSDEC. The Agency will not have a preliminary review of the Plan before it is released to the public solely because it has taken so long to come to an agreement with the NYSDEC over numbers.
8. **Executive Session** – At 6:05 pm a motion was made by J. Small, seconded by J. Mackey and unanimously approved to move into Executive Session for the purposes of discussing particular contract issues and for attorney/client sessions.

T. E. LeGrand excused himself from the meeting at 7:05 pm.

9. **Regular Session** – The meeting resumed back to public session at 7:19 pm.

**Resolution No. 745 Contract for Hauling and Re-Use of Ash**

This Resolution authorizes the Executive Director to negotiate and execute contracts with Panichi Holding Corporation and Capital Regional Landfills, Inc. for the transportation and beneficial reuse of the Agency's incinerator ash residue for an eighteen month initial term price of \$37.95 per ton, with four one-year COLA-adjusted Agency options to extend, and otherwise on substantially the terms presented and discussed at the November 29, 2012 board meeting. Chairman E. Mills noted that this contract is non-assignable. A motion to approve Resolution No. 745 was made by J. Small, seconded by J. Mackey and unanimously approved with Chairman E. Mills abstaining from the vote.

**Resolution No. 746 Net Service Fee Calculation**

This Resolution authorizes payment pursuant to the contract with Toski, Schaefer & Co. Inc. on the completion of the calculation of net service fees due to the Agency for the period of April 1 – September 30, 2012. A motion to approve Resolution No. 746 was made by R. Mosca, seconded by J. Mackey and unanimously approved.

**Resolution No. 747 Additional Solid Waste**

This Resolution authorizes the Executive Director to execute an addendum to the 2012 Solid Waste Disposal Agreement with Royal Carting under which it will supply the Agency with 5,000 additional tons of additional solid waste during 2012 at prices to be ratified by the Chairman. A motion to approve Resolution No. 747 was made by J. Mackey, seconded by J. Small and unanimously approved with Chairman E. Mills abstaining from the vote.

**Resolution No. 748 Bond Counsel Consultation**

This Resolution authorizes the Executive Director to execute a Retainer Agreement with Randall A. Huffman of Cuddy & Feder LLP, for professional legal services consisting of a preliminary review and advice regarding the permissible options for the compensation of a Facility operator at a cost not to exceed \$4,000 for fees plus disbursements, unless authorized by the Agency Board. A motion to approve Resolution No. 748 was made by J. Small, seconded by J. Mackey and unanimously approved.

**Resolution No. 749 Bond Counsel Compensation**

This Resolution authorizes the payment of a \$3,850 invoice to Rapport Meyers, LLP for its additional compensation services regarding the application of the 1999A bond reserve funds. A motion to approve Resolution No. 749 was made by J. Small, seconded by J. Mackey and unanimously approved.

With no further business to discuss, a motion to adjourn the meeting at 7:28 pm was made by J. Small, seconded by R. Mosca and unanimously approved.

Respectfully submitted,

William J. Calogero  
Executive Director