

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

DECEMBER 15TH, 2011 – 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; R. Mosca, Vice-Chairman, D. Nestler, Treasurer; J. Small, Secretary; and Board Member E. Kinkade; Agency Staff, W. J. Calogero, D. Walsh, and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; S. Womer, The League of Women Voters; S. Goldberg and A. Surman, Dutchess County Legislators.

- 1. Regular Session** – Chairman E. Mills called the meeting to order at 5:10 pm and announced that Board Member R. Stephen Lynch has submitted his resignation to Legislature Chairman R. Rolison on Monday, December 12, 2011 and has resigned from the Resource Recovery Agency Board. Chairman E. Mills thanked Board Member R. Stephen Lynch for his service to the Agency and to the Board and wished him well in his future endeavors.
- 2. Minutes** – Chairman E. Mills presented the minutes of the November 17, 2011 board meeting. A motion to approve the November 17, 2011 board meeting minutes was made by E. Kinkade, seconded by D. Nestler and unanimously approved.
- 3. Operating Report** – D. Walsh reported that the budget for the month of November was set at 9,480 tons and the Facility received 14,400 tons. The year-to-date tonnage is running 19,300 tons over budget. Covanta has contributed to that tonnage total by bringing in 16,000 tons of supplemental waste. W. Calogero added that the 140,000 tonnage guarantee to the operator will be met by the year end.

The MRF received 332 tons of recyclables for the month of November and the revenue generated from single stream recycling was \$7,989.00. The incoming volume continues to be low at the Facility. It appears as if the Facility will only be receiving just slightly over 5,000 tons for the calendar year.

- 4. Engineer Report** – D. Leibnitz informed the Board that since the date of the last board meeting until today the Facility has been running very well. The availabilities of Unit Nos. 1 and 2 were 100.0% and 99.9%, respectively. Unit No. 2 was off line for only one-half hour to fix a conveyor linkage. Turbine-Generator availability was 99.5%. There were two short duration turbine trips (one for 1 ½ hour and one for 2 ½ hours) since the last meeting. These were caused by brief control issues.

During a brief control room inspection at noon, the Facility was running at normal capacity. Unit Nos. 1 and 2 were producing 90,000 pph of steam and generating approximately 8.0 MW of power. The pit presently is very low containing approximately 1000 tons of MSW.

The updated Performance Summary sheet was presented and indicated that in November the Facility processed MSW at a record rate. Utilization based on an established waste HHV of 4500 BTU/lb was 104.4% while the Facility average availability in November was 97.1%.

Estimated efficiency for the month of November averaged 290 kWh/ton and the throughput averaged 490 tons per day. From this data it is suggested that HHV of the waste was lower than 4500 BTU/lb (estimated at approximately 4100 BTU/lb). It is noted that the Facility produced 69 million pounds of steam in November while burning 14,698 tons of waste while it also produced 68 million pounds of steam in October while burning approximately 1000 tons less. This suggests either a major short-term lowering of HHV or a significantly lower efficiency of burnout had occurred. More data is needed for review for a definitive answer. HDR will follow-up on these analyses.

HDR, the Agency, and Covanta continued with the program of weekly meetings for the purpose of resolving the annual reconciliation documents of 2008, 2009, and 2010 and the upcoming reconciliation for 2011. All discussions to date have been of a technical nature. Draft language to resolve the electrical demand charges and the natural gas use has been developed and is being prepared for the Agency Board to review.

HDR performed the annual Facility inspection pursuant to the Part 360 Permit. The report should be issued prior to the end of the year.

HDR plans on doing a thorough review of all of Covanta's maintenance records for this year and to also do internal boiler inspections during their scheduled outages.

D. Leibnitz spoke with several people in HDR over the issue on the pit drain that was previously discussed. All new facilities generally do not install a pit drain. There is a low area in the pit where the water would tend to accumulate and when there is a need one would put a sub pump down into that low end and pump the water out. By having a fixed installation of water removal seems to fail in almost every circumstance. He recommends pumping out as much water as you can when the pit is low. When the pit is full and you have an excess amount of water, pump out as much as you can and mix the dry and wet trash together. This will eventually eliminate the excess water.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,205,005.64. A motion was made by D. Nestler, seconded by R. Mosca and unanimously approved to pay the bills in the amount of \$1,205,005.64.

The remaining financials were reviewed and E. Kinkade asked if there was an estimate of what the net service fee will be for this year. W. Calogero replied that the net service fee is roughly 3.7 million. Under the receivables, Robisons has been banned to use the Facility since their account has an unpaid balance that is currently over forty-five days old. Recycle Depot has paid the amount of funds that were due to the Agency from an issue involving a dispute with another carter over who would be responsible for the payment on certain tipping fees incurred at the Agency. The City of Poughkeepsie plans to have their account up-to-date by year end.

J. Small asked if the Agency has any active marketing campaigns to attract new haulers. W. Calogero replied that there have been incentives done in the past typically when the waste is lighter which is during the first quarter of the year. The only other time the Agency can offer a

lower tipping fee is after the 140,000 ton commitment to the Operator has been achieved. This is when the Operator's processing fee reduces dramatically. It routinely occurs towards the end of the year. This year it will be the last week in December.

6. Other Business

The 2012 schedule of Board Meetings was presented. A motion was made by R. Mosca, seconded by D. Nestler and unanimously approved to adopt the schedule as presented.

A draft RFP for hiring a consultant to assist with the completion of the Local Solid Waste Management Plan was presented. Chairman E. Mills asked all board members to review the draft and return any comments back to W. Calogero by the first week of January. There is some uncertainty as to what course of actions that may take place with the new Dutchess County administration in January and as to whether the new County Executive or Legislature will decide to become the local planning unit for the County's solid waste management system or not. If the Agency does not receive any formal correspondence from the County indicating the County's desire to be the local planning unit by the January 19th Agency Board meeting, then Chairman E. Mills asked the Board to consider the issuance of an RFP in order to move forward with identifying a consultant to assist the Agency in completing the Local Solid Waste Management Plan. E. Kinkade asked if the NYSDEC has a new timeframe for the Plan's completion. W. Calogero responded that he has had several discussions with the NYSDEC and they have conveyed that they are looking for something by the end of May 2012.

Governance Committee

E. Kinkade presented a Scale Calibration Policy to maintain proper calibration at the Agency's RRF scales and MRF scale. A motion was made by E. Kinkade, seconded by D. Nestler and unanimously approved to adopt the Scale Calibration Policy as presented.

Personnel Committee

Three policies were presented by the Personnel Committee. The first policy was the Computer, Telephone, Electronic Information/Communication Systems and Internet Use Policy. A motion was made by R. Mosca, seconded by D. Nestler and unanimously approved to adopt a Computer, Telephone, Electronic Information/Communication Systems and Internet Use Policy as presented.

A Payroll Policy was presented to establish the payroll period of the employees of the Agency. A motion was made by R. Mosca, seconded by D. Nestler and unanimously approved to adopt the Payroll Policy as presented.

A Holiday Compensation Policy was presented to govern holiday compensation paid to the employees of the Agency. Chairman E. Mills noted how the Agency recognizes the day after Thanksgiving as a holiday in lieu of Election Day. A motion was made by D. Nestler, seconded

by R. Mosca and unanimously approved to adopt the Holiday Compensation Policy as presented.

Audit Committee

The Audit Committee did not meet since the last board meeting; however, R. Mosca reported that the firm Toski and Company has begun to work on the audit that is specific to internal controls and plans to return back after the books are closed on December 31st to do the annual financial statements and the annual audit.

Finance Committee

R. Mosca spoke about cash flow and how the Finance Committee is adopting a project to study more on the Agency's cash flow. The Committee plans to discuss this issue with Toski and Company as they complete their annual audit. They will find out what their experience has been with other Agencies and if they have similar issues. The Finance Committee will continue to work with both Toski and the County on the subject of cash flow.

- 7. Public Comment** – S. Goldberg inquired about the completion of the Local Solid Waste Management Plan and wanted to know the reason why the Agency is planning to do an RFP to bring in a third company since the Agency had a consultant to do a draft plan and the Legislature hired a firm to comment on that draft plan. In addition, those comments were sent over to the Agency to review. Chairman E. Mills explained how the NYSDEC sent back 231 comments from the submitted draft plan and how the Legislature's consultant did not specifically address all those comments that were made by the NYSDEC. The Plan remains an open issue and because of the Agency's procurement process it is necessary to conduct an RFP to select a new consultant to address those unanswered comments in anticipation of completing an acceptable Solid Waste Management Plan. Also, there are two permits that are tied into the Solid Waste Management Plan. The Title V Air Permit, which has been approved, and the Part 360 Permit which remains open, but stays in effect until renewed. The Agency submitted the completed renewal application for the Part 360 Permit on time, two weeks ahead of the deadline.

- 8. Executive Session** – At 6:05 pm, a motion was made by E. Kinkade, seconded by D. Nestler and unanimously approved to move into Executive Session to discuss a contractual issue with a vendor.

The meeting resumed back to public session at 7:25 pm.

A Resolution was presented authorizing the Executive Director to execute the Revised Demand Charge and Natural Gas Usage Limits change orders with Covanta. There will be some further language modifications. J. Nelson noted that the Executive Director is authorized to document the changes that were discussed and to work on the change orders with Agency

counsel and the Agency engineer. A motion to approve the Resolution as presented was made by D. Nestler, seconded by R. Mosca and unanimously approved. Chairman E. Mills requested that the final version of the change orders presented to Covanta be circulated to all Board members before execution.

With no further business to discuss a motion was made by D. Nestler, seconded by R. Mosca and unanimously approved to adjourn the meeting at 7:30 pm.

Respectfully submitted,

William J. Calogero
Executive Director