

DUTCHESS COUNTY RESOURCE RECOVERY AGENCY

DECEMBER 19, 2013 – 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, K. Williams, Secretary; Board Members, T. E. LeGrand and W. Nussbickel; Agency Staff, W. J. Calogero, D. Walsh and C. Tamney; Agency Counsel, J. Nelson; D. Leibnitz, HDR; L. Carille, Dutchess County Deputy Commissioner, Division of Solid Waste Management and M. Cavaliere, Covanta Hudson Valley Renewable Energy LLC.

- 1. Regular Session** – Chairman J. Small called the meeting to order at 5:05 pm.
- 2. Minutes** – Chairman J. Small presented the minutes of the September 19, 2013 board meeting. A motion to approve the September 19, 2013 board meeting minutes was made by W. Nussbickel, seconded by R. Mosca and unanimously approved. Chairman J. Small presented the minutes of the November 21, 2013 board meeting. A motion to approve the November 21, 2013 board meeting minutes was made by K. Williams, seconded by T. E. LeGrand and unanimously approved.
- 3. Operating Report** – D. Walsh reported that the budget for incoming waste for the month of November was set at 9,480 tons and the Facility received a total of 13,000 tons, 3,500 tons over budget. The year-to-date incoming tonnage is close to 13,000 tons over budget.
- 4. Engineer Report** – D. Leibnitz reported that from November 20, 2013 until December 17, 2013 the Facility availability for Unit Nos. 1, 2 and the turbine/generator has been 99.9%, 98.4% and 100% respectively. The only downtime recorded on Unit 1 was the start of repairs to the residue bomb-bay chute just before midnight on December 17th and eleven hours to repair a damper in the Unit No. 2 baghouse.

In November, the Facility processed 13,162 tons of MSW with an average availability of 99.8% on the boilers and 100% availability on the turbine/generator. The pit contained approximately 2700 tons of MSW at noon on the 18th. In a recent spot check the Facility was producing approximately 46,000 pph of steam and generating 3.3 MW running on Unit 2 only.

The Agency and Covanta recently signed a letter agreement settling the loss of electrical revenue during the turbine/generator outage at \$682,559.01 pursuant to provisions of Section 7.6 of the Service Agreement. The total of \$682,559.01 represents the exact amount withheld by the Agency from the service fee invoices of June through September 2013.

HDR has reviewed the recent reports on the turbine/generator repairs from Lufkin, AGT, Elliot and the Wood Group. The report from Lufkin does not contain a detailed analysis of the cause of failure but it is noted that, in Lufkin's opinion, the failure was caused by uneven spray

distribution of lubricating oil. HDR spoke with the Lufkin representative and was told that this created a temperature differential and uneven metal expansion between opposite sides of the gear that failed. According to Lufkin, the primary purpose of the oil is temperature control and it is noted in photographs taken after the incident that some of the oil spray nozzles were clogged.

In November the Facility was generating at an efficiency of between 333 and 354 kWh per ton of MSW. This improved performance can be attributed to the high boiler availability, high BTU waste and more efficient operation of the air cooled condenser due to the recent cold weather.

There have been no additional discussions with the NYSDEC related to the draft Part 360 solid waste management permit conditions.

The Agency has received red-line mark-ups of the new Preferred Service Agreement from two proposers. Additional information has been requested from the other two proposers. A follow-up meeting with Covanta was held the first week of December and additional clarifications are expected.

5. **Agency Financial Report** – C. Tamney presented the payables in the amount of \$1,417,462.11. A motion to approve the bills as presented in the amount of \$1,417,462.11 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.
6. **Committee Reports** – There were no committee reports.
7. **Public Comment** – There was no public comment.
8. **Executive Session** – At 5:25 pm a motion was made by K. Williams, seconded by T. E. LeGrand and unanimously approved to move into Executive Session for discussions relating to contractual matters.
9. **Regular Session** – A motion was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved to resume back to public session at 6:14 pm.

Resolution No. 782 First Extension of Contract for Ash Transportation and Re-Use

The Agency's Executive Director is authorized to give notice of and to execute a one-year extension of the transportation and beneficial reuse contract with Panichi Holding Corp. and Capital Regional Landfills Inc. from July 1, 2014 through June 30, 2015. A motion to approve Resolution No. 782 was made by T. E. LeGrand, seconded by K. Williams and unanimously approved.

Resolution No. 783 Second Extension of Metals Contract

The Agency's Executive Director is authorized to exercise the Agency's second option to extend the contract with Upstate Shredding, for a one-year period from March 1, 2014 through

February 28, 2015. A motion to approve Resolution No. 783 was made by T. E. LeGrand, seconded by W. Nussbickel and unanimously approved.

Resolution No. 784 SEQR Typing – New Facility Operator Contract

The Agency Board members have discussed the potential contract terms among themselves and with the Executive Director, Agency Counsel, and Agency Engineer at their meeting on December 19, 2013, and having considered the facts and the terms of the applicable regulations and the language of the DEC SEQR Handbook, have concluded under 6 NYCRR 617.5(c)(20) that the new operator contract will involve “routine or continuing Agency administration and management, not including new programs or a major reordering of priorities that may effect the environment”, and that the execution of such a new Service Agreement is a Type II Action requiring no SEQR review. A motion to approve Resolution No. 784 was made by T. E. LeGrand, seconded by R. Mosca and unanimously approved.

With no further business to discuss, a motion at 6:20 pm to adjourn the meeting was made by W. Nussbickel, seconded by R. Mosca and unanimously approved.

Respectfully submitted,

William J. Calogero
Executive Director