

Policies & Procurement Committee
Jan. 13, 2011 Meeting
Draft Minutes

Members Present: Dave Damer, Committee Chairman
Dot Kelly

CRRA Staff Present: Tom Kirk, President
Gary Bonafilia, Operations Engineer
Peter Egan, Director of Environmental Affairs
Laurie Hunt, Director of Legal Services
Richard Quelle, Senior Engineer
Maira Benacquista, Secretary to the Board/Paralegal

Members of the Public Present: John Pizzimenti of USA Hauling, Jim Sandler, Esq., Sandler & Mara

Chairman Damer called the meeting to order at 1:00 p.m. and noted that a quorum was present.

Chairman Damer noted there were no members of the public present which cared to speak during public comment, and so the regular meeting would commence.

1. **APPROVAL OF MINUTES OF THE DEC. 2, 2010, POLICIES & PROCUREMENT COMMITTEE MEETING**

Chairman Damer requested a motion to accept the minutes of the Dec. 2, 2010, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Kelly and seconded by Chairman Damer.

Director Kelly asked for a clarification to be made to first paragraph of page two. She requested that the last sentence be changed to state "Director Kelly said she knows the timing of the CT DEP programs can often be an issue however, this may impact Eco-International as it may be paid for by the CT DEP program".

Director Kelly clarified in the next paragraph there is a typo which state "four cents a ton" when it should state "four cents a pound".

The minutes were approved as amended and discussed unanimously by roll call.

2. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A CONTRACT WITH CLEAN HARBORS ENVIRONMENTAL SERVICES, INC. FOR THE DELIVERY OF CONTOURING AND COVER SOIL TO THE HARTFORD LANDFILL**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the President is hereby authorized to enter into a contract with Clean Harbors Environmental Services, Inc. for delivery of soil to be used as contouring and cover

material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Mr. Egan said this particular soil is located at the Sikorsky site in Stratford, CT. He said this soil can only be accepted by a limited amount of disposal facilities as it has a particular regulatory status and as a result CRRA was able to secure a higher than normal price \$80.00 a ton, taking the 800 tons of soil in for about \$63,000 of revenue.

Director Kelly asked if CRRA has specifications for the type of soil it can accept due to regulations by the Connecticut Department of Environmental Protection (hereinafter referred to as "CT DEP"). Mr. Egan said CRRA has its own specifications which were set for comfort and protection. He explained the standards are from a chemical regulatory standpoint as well as physical matrix standpoint to ensure the soil will support structurally what it will be used for. Mr. Egan said that the CT DEP requires all special waste to go through an approval process at a cost of around \$500. He said management approached the CT DEP several years ago to request authority to approve soil streams without first obtaining CT DEP approval. Mr. Egan said CT DEP agreed to allow CRRA to send a letter to the CT DEP after examining the soil in accordance with its waste acceptance plan and the CT DEP then issues a quick approval while preserving the \$500 approval cost.

Chairman Damer asked if the CT DEP has approved CRRA's overall waste acceptance plan. Mr. Egan replied yes. He said management provides a write-up and a summary to make comparing the raw material and data easier. Chairman Damer said this material is contouring material which will be placed under the eventual impermeable cap.

The motion was approved unanimously by roll call.

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A CONTRACT WITH ENVIRONMENTAL SERVICES, INC. FOR THE DELIVERY OF CONTOURING AND COVER SOIL TO THE HARTFORD LANDFILL**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the President is hereby authorized to enter into a contract with Environmental Service Incorporated for delivery of soil to be used as contouring and cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

Mr. Egan said this resolution details the acceptance of more tons than the prior resolution and the cover soil is contaminated with petroleum hydrocarbons. He said there are more disposal outlets on a regional basis which accept these soils, the market for which is in the \$15.00 a ton range. Mr. Egan said the soil came from Goodwin College in December.

Chairman Damer said although this soil commands less of a price per ton it is important to remember that CRRA does not have to go out and actively seek and pay for this fill. Mr. Egan said he was correct as historically MDC purchased the cover soil for about \$6-\$8 dollars a ton.

Director Kelly said Goodwin College is a non-profit University. She said she does not like seeing the differential mark-up that Goodwin pays the intermediary service provider. Mr. Egan said Goodwin College could certainly come directly to CRRA. He said management does not know what Environmental Services, Inc. is charging Goodwin College. Mr. Egan said CRRA needs to compete within the marketplace for the best costs possible.

The motion was approved unanimously by roll call.

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A PURCHASE AND INSTALLATION OF A NEW INSTRUMENT AIR COMPRESSOR AND ASSOCIATED EQUIPMENT FOR THE MID-CT POWER BLOCK FACILITY**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the President is hereby authorized to execute an agreement for the purchase and installation of a new instrument air compressor and associated equipment for the Mid-Connecticut Power Block Facility with Air Compressor Engineering Co., Inc., substantially as presented and discussed at this meeting.

Mr. Egan introduced Operations Engineer Gary Bonafilia to the Committee. Mr. Bonafilia said one of his first assignments at CRRA concerned issues at the power block facility. He said the reciprocating air compressor systems are from 1986 and have had a high degree of maintenance as over the years more instrument air demand has been added to the processors. Mr. Bonafilia said the original air compressors are all being run at 100% capacity 600 standard cubic feet a minute each. He said one of the compressors does cycle and runs 70% of the time during the day and is maxed out.

Mr. Bonafilia said should one of these air compressors be lost CRRA runs a high risk of losing one or more of the processes in the plant. Mr. Bonafilia explained as a result Covanta has been temporarily using a bypass valve to use an air compressor which is designed for wet air in case of emergencies. He said the problem with this is that plant air compressor is down for service and is stripped down. Mr. Bonafilia cautioned should an additional air compressor go down CRRA could potentially lose one or even two boilers as the pneumatic system could not be maintained.

Mr. Bonafilia said the new air compressor being recommended has more than 900 SCFM, standard cubic feet a minute, has a variable speed motor and will not need to cycle on and off constantly. He said in addition the compressor will have a new heat of compression dryer which will take the exhaust temperature off of the compressor and bring air down to 100 degrees Fahrenheit and no air will be used for regeneration for the compression towers, which currently occurs. Mr. Bonafilia said this particular compressor is at least 40-45% more efficient than the current model.

Director Kelly asked if the new compressor will be used as the main compressor. Mr. Bonafilia replied yes, he said the two which are presently on site will serve as back-ups with the intent of eventual replacement in the future. Director Kelly asked what water Mr. Bonafilia was referring to. He said there is currently a closed loop system and the water is used for that system.

Chairman Damer asked if this new compressor is sized to handle additional pneumatic devices. Mr. Bonafilia said the compressor is sized over what is currently needed providing capability for expansion. He said management came up with what they believe is about 130% capacity. Mr. Kirk said this is the first of what will likely be many upgrades and wholesale replacements for auxiliary equipment at the plant. He said CRRA is moving to a realm where it receives more than 3 cents for power and consumption is more expensive than it was. He explained management would rather sell it to the grid for 6 cents rather than consuming it at the plant. He said this translates into less power consumed and more power sold.

Chairman Damer asked if this is the first major variable speed motor. Mr. Quelle said there are some smaller motors however this is most likely the highest horsepower.

Director Kelly asked if there are any programs which may provide CRRA with financial assistance as this is energy efficient. Mr. Quelle said management is looking into this possibility. Director Kelly asked to be kept apprised of these inquiries. Mr. Quelle said a compressor system was replaced at the PBF and the estimated cost due to the antiquated units was over \$800,000. He said this resolution will be upgraded, unlike the PBF replacement, and will be done while the old units are still running with a \$500,000 savings as no temporary hook-ups are needed to complete the upgrade. Mr. Quelle said in addition five years will be added to the life of the system.

Chairman Damer said he was concerned as this upgrade is going to be funded from the EGF reserve and not a specific budget item in this fiscal year. Mr. Egan explained there was another item which there was not sufficient time and room to complete and as a result management is forgoing that item and spending half of that increment of funds. Chairman Damer asked that the resolution be made clear concerning the budget status.

The motion was approved unanimously by roll call.

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EMERGENCY PROCUREMENTS FOR REPAIRS FOR A FAILED 1250 HP SECONDARY SHREDDER MOTOR**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the CRRA Board of Directors ratifies the Emergency Procurement as substantially presented and discussed at this meeting.

Mr. Kirk said management has moved ahead with the emergency purchase of a shredder motor. He said CRRA currently does not have a spare shredder motor on the bench which is precarious especially considering the poor reliability of this motor. Mr. Kirk said management is hoping this repair with its ten week turn around and other potential replacement motors will be sufficient until the custom built motor is ready.

Mr. Kirk said the 1250 horsepower motor has been a great addition to the plant adding 25% in capacity. He said however the reliability issues, cleaning, and the frame are problematic. Mr. Egan said management has begun a long term initiative towards solving this issue with the purchase of a new 1250 horsepower motor however, it is still about 2-3 months away from delivery. He explained if

that motor performs as management expects it is likely a second motor will be purchased with the current motors serving as backup.

Chairman Damer asked management if they expect better reliability from rebuilding the current 1250 horsepower motor to 1000 horsepower. Mr. Quelle replied yes, as CRRA is defaulting to Siemens Motors, which is the original equipment manufacturer. He said the 1250 hp motor was custom and the inherent design flaw which causes these motors to tend to fail is the rotor. Mr. Quelle said the rotor on the 1250 secondary shredder motor had detrimentally failed leaving management no option other than to build a new motor inside the frame from scratch.

Chairman Damer asked if he was correct that the new 1250 hp motor will be received in several months and there is also one original which was upgraded from 1000 hp to 1250 hp. Mr. Quelle said that was correct. Mr. Kirk said if the new motor works as planned eventually management would convert the last 1250 hp to a spare. Chairman Damer asked how long this rebuild will take. Mr. Quelle replied eight weeks.

Mr. Quelle said management is planning to take the spare 1250 hp down for examination and inspection this weekend during outages for peace of mind that it will continue to run for the next few months.

Chairman Damer pointed out a small typo in the memo. He asked that management clarify the “cost falling into the fiscal year 2011 budget.” Mr. Egan said although this item was not budgeted for there are adequate reserves in the facility modification reserve to cover this expense.

The motion was approved unanimously by roll call.

6. EXECUTIVE SESSION

Chairman Damer requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, and feasibility estimates and evaluations. The motion made by Director Kelly and seconded by Chairman Damer was approved unanimously. Chairman Damer requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Laurie Hunt, Esq.
Peter Egan

The Executive Session commenced at 1:40 p.m. and concluded at 2:47 p.m. Chairman Damer noted that no votes were taken.

The meeting was reconvened at 2:47 p.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

7. REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENTS

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the President is hereby authorized to enter into Tier 1 Short-Term, Tier 1 long-Term, Tier 2 and Tier 3 municipal solid waste management services agreements (“MSAS”) for the provision of acceptable solid waste and acceptable recyclables services with Connecticut municipalities, substantially as presented and discussed at this meeting.

The motion was approved unanimously by roll call.

8. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE AUTHORIZATION OF A CHANGE ORDER FOR THE ASH LOADOUT BUILDING CONSTRUCTION PROJECT AT THE POWER BLOCK FACILITY**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

RESOLVED: That the President is hereby authorized to execute a change order to the Contract between CRRA and Merritt Contractors, Inc. for construction activities involving the Ash Loadout Building at the Mid-Connecticut Project Power Block facility, substantially as presented and discussed at this meeting.

The motion was approved unanimously by roll call.

9. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES**

Chairman Damer requested a motion on the above-referenced item. Director Kelly made the motion, which was seconded by Chairman Damer.

WHEREAS, CRRA has entered into Legal Service Agreements with various law firms to perform legal services; and

WHEREAS, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2011 projected legal fees; and

WHEREAS, CRRA expects to incur greater than authorized legal expenses for General Counsel services;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for projected legal fees and costs to be incurred during fiscal year 2011:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$400,000

The motion was approved unanimously by roll call.

10. INFORMATIONAL

Chairman Damer said that the informational section had been thoroughly reviewed by the Committee.

ADJOURNMENT

Chairman Damer requested a motion to adjourn the meeting. The motion made by Director Kelly and seconded by Chairman Damer was approved unanimously by roll call.

The meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal