

**Policies & Procurement Committee  
July 13, 2006 Regular Meeting**

**Draft Minutes**

Members Present: Raymond O'Brien, Committee Chairman  
Benson Cohn  
Theodore Martland

CRRA Staff Present: Tom Kirk, President  
Robert Constable, Controller (Present by video conference)  
Peter Egan, Director of Environmental Affairs & Development  
Tom Gaffey, Enforcement/Recycling Director  
Floyd Gent, Director of Operations  
Laurie Hunt, Director of Legal Services  
Michael Tracey, Operations Manager, Construction Management  
Kristen Greig, Secretary to the Board/Paralegal

Chairman O'Brien called the meeting to order at 9:30 a.m. and noted that there was a quorum.

Chairman O'Brien requested that everyone stand for the Pledge of Allegiance whereupon the Pledge was recited and a moment of silence was observed.

**1. Approval of Minutes of the June 8, 2006 Committee Meeting**

Chairman O'Brien requested a motion to accept the minutes of the June 8, 2006 Policies & Procurement Committee meeting. The motion was made by Vice-Chairman Martland and seconded by Director Cohn.

The motion previously made and seconded was approved. Vice-Chairman Martland abstained.

**2. Approval of Minutes of the June 12, 2006 Committee Meeting**

Chairman O'Brien requested a motion to accept the minutes of the June 12, 2006 Emergency Policies & Procurement Committee meeting. The motion was made by Vice-Chairman Martland and seconded by Director Cohn.

The motion previously made and seconded was approved. Vice-Chairman Martland abstained.

**3. Review and Recommend for Board Approval Resolution Regarding Addendum to Amended Regional Recycling, Access and Scale Use Agreement**

Chairman O'Brien requested a motion regarding the above-captioned matter. Vice-Chairman Martland made the following motion:

**RESOLVED:** That the President is hereby authorized to execute an addendum to the AMENDED REGIONAL RECYCLING ACCESS AND SCALE USE AGREEMENT with Murphy Road Recycling, LLC and Murphy Road Realty, LLC, substantially as presented at this meeting.

Director Cohn seconded the motion.

Mr. Gent informed the Committee that this item and the next item are both related to a delay in construction of the recycling center. Mr. Gent stated that the original schedule called for the permit application to be submitted to DEP by December of 2005, which deadline was met. Mr. Gent explained that after the application was submitted to and deemed complete by the DEP, CRRA had six months to secure a permit before being subject to liquidated damages.

Mr. Gent stated that CRRA received a Notice of Tentative Determination from DEP in the end of March, whereupon concerned parties were given 30 days to intervene before the permit was issued. Mr. Gent said that at the end of that 30-day period, the Connecticut Coalition for Environmental Justice filed a petition intervening in the process. Mr. Gent informed the Committee that the intervention could potentially delay the issuance of a permit until late 2006 or early 2007.

Mr. Gent explained that CRRA currently has a contract with Murphy Road Recycling for transloading services that currently expires in February of 2007 and because the construction of the new facility will not be complete by that time, the contract will have to be extended. Mr. Gent said that the extension requires that the price be renegotiated and said that the new price will increase by \$1.00 per ton in the first year and increase with CPI after the first year. Mr. Gent noted that CRRA does not anticipate needing the services beyond spring of 2007.

Mr. Gent gave a brief overview of what services are provided under the agreement and explained that the services will be necessary until the new facility is finished. Mr. Kirk noted that this extension would not be necessary if there was not a delay in the construction due to the intervention. Vice-Chairman Martland pointed out that the intervention by the Connecticut Coalition of Environmental Justice is costing both CRRA and the towns money. Mr. Gent stated that there will also be lost opportunity to bring in more recyclables.

Chairman O'Brien asked if the \$9.00 price per ton would start in February. Mr. Gent responded in the affirmative. Chairman O'Brien asked if the CPI increase after the first year was the full amount of CPI or a fraction of CPI. Mr. Gent stated that the increase would be the full amount of CPI.

The motion previously made and seconded was approved unanimously.

**4. Review and Recommend for Board Approval Resolution Regarding First Amendment to Agreement for Design, Retrofit, and Operation/Maintenance Services for the Mid-Connecticut Regional Recycling Facility**

Chairman O'Brien requested a motion regarding the above-captioned matter. Vice-Chairman Martland made the following motion:

**RESOLVED:** That the President is hereby authorized to execute an amendment to the Agreement for Design, Retrofit and Operation/Maintenance Services for the Mid-Connecticut Regional Recycling Facility with Casella Waste Systems, Inc. and FCR, Inc. substantially as presented and discussed at this meeting.

Director Cohn seconded the motion.

Mr. Gent stated that because of the previously mentioned delay in construction, CRRA is proposing bifurcating the construction into two phases. The first phase would consist of building modifications and installation of a container line. Mr. Gent noted that CRRA already has a permit for a container line, but will be upgrading antiquated equipment that has reached the end of its useful life.

Mr. Egan explained that it is DEP's current position that permit modifications are only necessary when there will be a significant change to the type of waste being managed or there will be an impact on traffic flow or emissions to the environment. Mr. Egan said that replacing old equipment with state-of-the-art equipment does not rise to the level of requiring a modification to a permit. Mr. Egan added that DEP has allowed several facilities in the state to do similar upgrades without going through a permit modification process.

Mr. Egan referred to the letter to DEP included in the package, which stresses that the permit modification that CRRA has applied for is to add paper processing to the facility, not for the upgrades to the existing facility and equipment. Mr. Egan said that there is no reason that the upgrades for the equipment under the existing permit cannot be done before the permit for the paper processing is issued. Chairman O'Brien asked if a response to the letter had been received from DEP. Mr. Egan responded in the negative, but said that DEP has assured him that a letter is forthcoming.

Mr. Gent explained that this resolution would amend the contract to allow for the construction to be bifurcated into the two phases, with the first phase beginning on August 1<sup>st</sup>. The building modifications and container line are scheduled to be completed in six months and Murphy Road Recycling will continue to provide transloading services while the second phase is in process.

Chairman O'Brien stated that if CRRA has not received a response from DEP before the Board meeting, he would like the resolution to state that the resolution is contingent upon DEP's acknowledgment that a permit modification is not necessary for the proposed modifications and upgrades.

Vice-Chairman Martland asked if all of these delays are due to the intervention by the Connecticut Coalition of Environmental Justice. Mr. Egan explained that the intervention requires a hearing at the DEP's Office of Adjudications and said there were a number of administrative steps that would take place between now and the date of the hearing, which is September 5<sup>th</sup>. A brief discussion was held regarding the procedure of the hearing.

Chairman O'Brien stated that as discouraging as it is to be held up by this public hearing, it is the right of the public to ask for the hearing. Chairman O'Brien said that perhaps CRRA did

not do enough outreach to groups that CRRA could reasonably expect to intervene before submitting the application. Mr. Kirk said that CRRA did some outreach before submitting the application, but may have underestimated the interest of the groups because it was thought that there would be support for increasing recycling.

Mr. Gent noted that local permits from Planning & Zoning have already been issued so the only component remaining is the solid waste permit from the DEP.

There was a brief discussion regarding how the towns have been notified of the additional materials that are now acceptable for recycling and how that information could be better disseminated to the public.

Chairman O'Brien asked where funds for the \$101,000 for the liquidated damages payment would come from. Mr. Constable responded that because CRRA will still be under the old contract, the recycling revenues would be higher than budgeted and the damages would be an operating expense that would be offset by the higher recycling revenues. Therefore, there should not be an impact on the FY07 budget. Chairman O'Brien said that should be included in the summary.

The motion previously made and seconded was approved unanimously.

**5. Review and Recommend for Board Approval Resolution Regarding FY 2007 Projected Development Expenditures for the Wallingford Project**

Chairman O'Brien requested a motion regarding the above-captioned matter. Vice-Chairman Martland made the following motion:

**WHEREAS**, the CRRA Board of Directors ("Board") and Wallingford Policy Board ("Policy Board") have approved the FY 2007 Operating and Capital Budgets; and

**WHEREAS**, CRRA acting as agent for the Policy Board will be performing certain future options development tasks including permitting of a regional transfer station;

**WHEREAS**, The Policy Board approved on July 11, 2006 the projected development expenditures to be funded from the Future Planning Reserve;

**WHEREAS**, CRRA considers a transfer station as an alternative but not in addition to the existing plant but acknowledges that planning is necessary now if it is to be a viable option;

**WHEREAS**, CRRA now seeks Board authorization for projected development expenditures during FY 2007;

**NOW THEREFORE, it is RESOLVED:** That the CRRA be authorized to use up to \$464,100 from the Future Planning Reserve to pay for projected out-of-pocket costs and fees to be incurred during fiscal year 2007 as substantially presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of CRRA's Procurement Policy.

**BE IT FURTHER RESOLVED:** That CRRA commits to the Policy Board the continued operation of the existing waste to energy facility serving the five Project municipalities by extending the existing project agreements or the construction and operation of a transfer station serving the five Project municipalities and committing that only one of the two facilities will operate in the five town region.

Director Cohn seconded the motion.

Mr. Gent stated that CRRA management met with the Wallingford Policy Board and the Policy Board requested that CRRA commit to having only one waste facility in Wallingford. Mr. Gent explained that CRRA has been working with the Wallingford Policy Board on studying future options and said that two options have been recommended. First, negotiations with Covanta for a contract extension should be continued and second, the siting and permitting of transfer station should be pursued. Mr. Gent explained that if the Wallingford facility were closed, the towns in the Wallingford Project would need a regional transfer station to utilize any other options. Mr. Gent said that it was important to the Mayor that only one of the two options be exercised so there would only be one waste facility in Wallingford.

There was a lengthy discussion regarding the economic viability of continuing to operate the Wallingford facility at current electricity prices and potential future uses of the facility.

Chairman O'Brien asked what the relationship is between this resolution and the next item on the agenda. Mr. Gent stated that this resolution would authorize the budget for the project, and the next resolution authorizes the selection of the contractor for the work on the transfer station.

The motion previously made and seconded was approved unanimously.

**6. Review and Recommend for Board Approval Resolution Regarding the Environmental Permitting and Design Engineering for Developing a Transfer Station on the Former Barberino Property – Wallingford Project**

Chairman O'Brien requested a motion regarding the above-captioned matter. Director Cohn made the following motion:

**RESOLVED:** That the President is hereby authorized to execute a Request for Services with URS Corporation for the Engineering and Permitting of a Transfer Station in Wallingford, substantially as presented and discussed at this meeting.

Vice-Chairman Martland seconded the motion.

Mr. Tracey informed the Committee that URS was selected to do the design and permitting of the transfer station. Mr. Tracey stated that URS is in CRRA's stable of firms that were selected through a Request for Qualifications process and said the firm was used for an initial feasibility study to determine whether the subject property could be used as a transfer station.

Mr. Tracey said that URS has a very unique qualification in that they have a very strong railroad engineering component in their organization and they are an on-call engineering contractor for the Connecticut Department of Transportation. As opposed to some of the other consultants on CRRA's on-call list, URS is a multi-disciplined engineering firm and they have the resources to do the environmental permitting for the project. Mr. Tracey added that URS has been used for a number of other projects, CRRA has been very satisfied with their work, and their prices are reasonable compared with some of the other engineering firms. Mr. Tracey stated that another consideration was that the firm has a large local presence in Connecticut.

Chairman O'Brien stated that he would like to see the reasons why URS was selected in the summary and said that providing the Committee with such information on contracts allows an opportunity for the Committee to address their questions before the contract is brought to the Board. Vice-Chairman Martland agreed and said that if CRRA is not choosing the low bidder, the reasons should be well documented.

The motion previously made and seconded was approved unanimously.

## **7. Review and Recommend for Board Approval Resolution Regarding Ratification of Emergency Procurement Contracts**

Chairman O'Brien requested a motion regarding the above-captioned matter. Director Cohn made the following motion:

**RESOLVED:** That the Authority Board of Directors ratifies the Emergency purchases as substantially presented and discussed at this meeting.

Vice-Chairman Martland seconded the motion.

Chairman O'Brien commended management for performing the audit and bringing this to the Committee. Mr. Constable explained that a review of the procurement system and compliance with the Procurement Policy uncovered past emergency procurements that require ratification from the Board. Chairman O'Brien asked if the procedure is adequate and was just not followed or if modifications to the procedures are necessary. Mr. Constable stated that there is no dollar limit for this type of procurement so all emergency purchases, even of a small dollar value, must be ratified. Mr. Constable stated that the Committee might want to consider an increase to the dollar limit so small purchases do not have to be ratified. Chairman O'Brien said that management should make a recommendation after research into what an appropriate limit would be is done. Vice-Chairman Martland stated that CRRA should be cautious to consider aggregate amounts paid to one vendor if changes are to be made.

The motion previously made and seconded was approved unanimously.

## **8. Executive Session**

Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation and real estate acquisition. The motion was made by Director Cohn and seconded by Vice-Chairman Martland. The motion previously made and seconded was approved

unanimously. Chairman O'Brien requested that the following people remain for the Executive Session, in addition to the Committee members:

Mr. Kirk  
Attorney Hunt

The Executive Session commenced at 10:45 a.m. and concluded at 11:05 a.m.

The meeting reconvened at 11:05 a.m. and Chairman O'Brien noted that no votes were taken during Executive Session.

### **ADJOURNMENT**

Chairman O'Brien requested a motion to adjourn the meeting. The motion made by Vice-Chairman Martland and seconded by Director Cohn was passed unanimously.

The meeting was adjourned at 11:05 a.m.

Respectfully submitted,

Kristen B. Greig  
Secretary to the Board/Paralegal