

**Policies & Procurement Committee
January 11, 2007 Meeting**

Draft Minutes

Members Present: Raymond O'Brien, Committee Chairman
Mark Cooper
Michael Jarjura (Present beginning at 9:55 a.m.)
Theodore Martland

CRRA Staff Present: Tom Kirk, President
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Public Affairs Coordinator
Kristen Greig, Secretary to the Board/Paralegal

Chairman O'Brien called the meeting to order at 9:35 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. Noting that there were no members of the public present for comment, Chairman O'Brien stated that the regular meeting would commence.

1. APPROVAL OF MINUTES OF THE OCTOBER 12, 2006 COMMITTEE MEETING

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

The minutes were approved unanimously.

2. REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EXTENSION OF THE ELLINGTON LANDFILL GAS SYSTEM O&M CONTRACT

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

RESOLVED: That the President is hereby authorized to extend by one year the contract term with SCS-Field Services for operation and maintenance of the Ellington Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

Director Cooper seconded the motion.

Mr. Egan explained that CRRA went out to bid three years ago for operation of the Ellington Landfill gas system. The bid was structured in such a way that the original term of the

contract would be three years with options to extend for two additional three-year terms. Mr. Egan stated that the first three-year term ends on June 30th and it is management's recommendation that the contract be extended for one year. Mr. Egan noted that the price is favorable and the contractor has been performing the services satisfactorily for three years. Due to the complexities of the system, it takes a new operator approximately six months to become acclimated with the system and its nuances. Mr. Egan stated that CRRA staff has developed a good working relationship and have come to an understanding of how the contractor will effectively manage the system and their time.

Vice-Chairman Martland asked if any electricity was generated from the gas system. Mr. Egan responded in the negative and explained that the gas quality is not high enough to make generation economically feasible.

Mr. Kirk emphasized the impact that this contractor's performance could have with regard to the public's perception and the credibility of CRRA. Mr. Kirk said that these gas systems need to be maintained perfectly to avoid any actual or perceived effects on the surrounding communities.

Chairman O'Brien stated that while he agrees with the reasons given for extending the contract, those reasons do not seem to be sufficient justification for not bidding this work out. Chairman O'Brien said that he would expect this work to be bid out after this one-year extension. A brief discussion ensued regarding the difference between professional/technical services and operations services. Mr. Egan stated that the options to extend in this contract were included with the consent of the former Chairman of the Committee with the understanding that these are not considered professional/technical services. For future reference and clarification, Chairman O'Brien requested a memo from legal counsel that distinguishes how these types of services differ from professional/technical services.

Vice-Chairman Martland agreed that the work should be re-bid at the conclusion of this one-year term and that the bid be structured in way that encourages more bidders.

The motion previously made and seconded was approved unanimously.

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EXTENSION OF THE SHELTON LANDFILL GAS SYSTEM O&M CONTRACT**

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

RESOLVED: That the President is hereby authorized to extend by one year the contract term with SCS-Field Services for operation and maintenance of the Shelton Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

Vice-Chairman Martland seconded the motion.

Chairman O'Brien pointed out that this item was essentially the same as the previous item, but the services are related to the Shelton Landfill.

Vice-Chairman Martland asked if the landfill is twice as large as the Ellington landfill. Mr. Egan responded in the affirmative and said that because of the size, the routine costs are higher than they are for Ellington.

Mr. Egan informed the Committee that he reviewed this information with Mayor Lauretti and the Mayor was in agreement with management's recommendation.

The motion previously made and seconded was approved unanimously.

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING REQUEST FOR SERVICES FOR PUBLIC RELATIONS SERVICES ASSOCIATED WITH LANDFILL SITING INITIATIVE**

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

RESOLVED: That the President is hereby authorized to approve a Request for Services with Cubitt Jacobs & Prosek Communications for services associated with a landfill siting initiative, substantially as presented and discussed at this meeting.

Vice-Chairman Martland seconded the motion.

Mr. Nonnenmacher explained that this contractor would be employed to assist CRRA with the challenging task of managing public relations and handling local issues that arise in the course of siting a landfill. Mr. Nonnenmacher noted that public relations services were bid out in 2005 and Cubitt Jacobs & Prosek Communications was awarded one of the three-year agreements. Mr. Nonnenmacher stated that one of the reasons this firm was awarded a contract was their substantial amount of experience and expertise with the types of issues CRRA will face with the landfill siting initiative, specifically the power grid expansion in southwestern Connecticut.

Mr. Nonnenmacher pointed out that dollar value for the proposed Request for Services ("RFS") is greater than the amount budgeted, but because the estimated costs were based on worst-case scenarios, the amount will be adjusted to the budgeted amount prior to going before the Board for approval.

Chairman O'Brien stated that he assumed that the funds would be expended over the course of two fiscal years. Mr. Nonnenmacher agreed and said that he doubts that all of the services put forth in the RFS would be completed prior to June 30th. Chairman O'Brien asked that funds be included in the Mid-Connecticut Project budget for the upcoming fiscal year.

Chairman O'Brien asked if CRRA has received any communication from other clients of the firm regarding how effective the firm has been in helping them meet their objectives. Mr. Nonnenmacher responded that he had a conversation with a client and that company was very

happy with the services provided. Chairman O'Brien requested that CRRA obtain a memo from them to that effect.

The motion previously made and seconded was approved unanimously.

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

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

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 2007 projected legal fees; and

WHEREAS, CRRA has incurred greater than anticipated legal expenses in connection with matters related to the Bridgeport Project contract renewal efforts, general counsel matters, and bond counsel matters;

NOW THEREFORE, it is RESOLVED: That the following additional amounts be authorized for payment of projected legal fees and costs to be incurred through June 30, 2007:

<u>Firm:</u>	<u>Amount:</u>
Halloran Sage	\$900,000
Sidley Austin	\$30,000

Director Jarjura seconded the motion.

Attorney Hunt explained that 2/3 of the projected increase for Halloran & Sage is for the Bridgeport arbitration. The figure does not budget for activities beyond the arbitration because that need will be determined by the outcome of the arbitration. Attorney Hunt said that if CRRA prevails in the arbitration, additional funds would be needed to proceed with future planning activities.

Attorney Hunt stated that CRRA has already incurred more expenses than anticipated; not for Halloran & Sage as an entity, but for this particular matter. Therefore, a portion of the additional funds will be used to pay outstanding invoices and it is anticipated that the remainder of the funds will be expended during the course of the arbitration. Attorney Hunt explained that the effort being put into the arbitration is massive with two partners and one associate working full-time. Attorney Hunt noted that some of the expenses are not strictly legal as there are costs for consultants, witnesses, travel, among others.

Chairman O'Brien asked if the funds come from the General Fund budget. Attorney Hunt responded that expenses related to the Bridgeport arbitration are paid from the Bridgeport Project budget. Chairman O'Brien asked if the Bridgeport Solid Waste Advisory Board ("SWAB") is aware of these costs. Attorney Hunt stated that the figures were discussed with the Bridgeport Project Future Options Committee, and while not happy about the costs, they have accepted that they are necessary. Mr. Kirk noted that SWAB has also reviewed the legal costs as part of the budget review.

Attorney Hunt pointed out that, with regard to the last sentence of the memo, a subsequent discussion with CRRA's controller clarified that the \$300,000 increase related to the General Fund and the Mid-Connecticut Project will be funded from surplus, but the Bridgeport portion of the increase will come from the Bridgeport Project Operating Account. Chairman O'Brien encouraged management to ensure that SWAB is fully aware of these expenses.

Chairman O'Brien said that he would like Halloran & Sage to make certain they are submitting invoices in a timely matter. Attorney Hunt responded that, for the most part, invoices are timely, but when a single invoice for one month's services is \$186,000, advance planning is difficult. Chairman O'Brien suggested that Halloran & Sage provide an estimate at the end of each month to allow management time to bring these issues to the Board so they can make changes to their budget, if necessary.

Attorney Hunt noted that the estimate from Halloran & Sage includes the completion of the arbitration and any post-arbitration briefs requested by the arbitrators. There was a brief discussion regarding the history of the Bridgeport plant and its operators.

The motion previously made and seconded was approved unanimously.

6. INFORMATIONAL

Chairman O'Brien requested that some written documentation be provided for the discussion regarding personal and professional services.

Mr. Egan provided the Committee with a brief update regarding the status of the re-bid of the three-year engineering services. Mr. Egan stated that the current agreements expire on June 30th and a new Request for Qualifications will be issued soon. Mr. Egan added that management's recommendations would be brought to the Board for consideration in May. Mr. Egan noted that the contracts for solid waste consultants would be consolidated into the Request for Qualifications for all of the other engineering services.

Chairman O'Brien requested a motion to acknowledge receipt of the informational materials. The motion made by Vice-Chairman Martland and seconded by Director Cooper was approved unanimously.

7. EXECUTIVE SESSION

Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation with appropriate staff. The motion made by Director Cooper seconded by Vice-

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

Mr. Kirk
Mr. Egan
Attorney Hunt
Mr. Nonnenmacher

The Executive Session commenced at 10:20 a.m. and concluded at 10:45 a.m. Chairman O'Brien noted that no votes were taken.

8. RELOCATION OF FUTURE MEETINGS

The Committee agreed that future meetings would be held in the Mayor's Conference Room in Waterbury and Chairman O'Brien requested that the Secretary of the State be notified of the change.

9. ADJOURNMENT

With no other business to discuss, Chairman O'Brien requested a motion to adjourn the meeting. The motion made by Vice-Chairman Martland and seconded by Director Cooper was passed unanimously.

The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal