

**Policies & Procurement Committee
November 6, 2008, Meeting**

Draft Minutes

Members Present: Raymond O'Brien, Committee Chairman
Theodore Martland, Vice-Chairman (present by telephone)
Dave Damer
James Miron (present by telephone)

CRRA Staff Present: Tom Kirk, President
Dave Bodendorf, Senior Environmental Engineer
Peter Egan, Director of Environmental Affairs
Laurie Hunt, Director of Legal Services
Trevor Nichols, Senior Operations Analyst
Paul Nonnenmacher, Director of Public Affairs
John Romano, Project Manager
Mike Tracey, Director of Operations
Steve Yates, Air Compliance Manager
Moirra Kenney, Secretary to the Board/Paralegal

Chairman O'Brien called the meeting to order at 9:46 a.m. and noted that a quorum was present.

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 OCT 10, 2008, POLICIES & PROCUREMENT COMMITTEE MEETING**

Chairman O'Brien requested a motion to accept the minutes of the Oct. 10, 2008, Policies & Procurement Committee meeting. The motion was made by Director Martland and seconded by Director Damer

The minutes were approved as amended unanimously by roll call. Director Damer abstained as he was not present at the meeting.

2. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING CONVEYANCE OF THE MILFORD TRANSFER STATION FROM CRRA TO THE CITY OF MILFORD**

Chairman O'Brien requested a motion on the above-referenced item. Vice-Chairman Martland made the motion, which was seconded by Director Damer.

RESOLVED: That upon expiration of both the ground lease agreement and the municipal services agreement between CRRA and the City of Milford, Connecticut, which ground lease agreement is associated with the CRRA Solid Waste Transfer Station located at 831 Oronoque Road in Milford, Connecticut, and which ground lease agreement and municipal services agreement both expire on December 31, 2008, the transfer station shall be conveyed from CRRA to the City of Milford for \$1.00.

Mr. Kirk said the resolution details an asset of the Bridgeport Project that the SWAB Board has determined should go back to Milford for \$1.00. He explained returning the asset to Milford relieves the burden if Milford had to purchase the station as the remaining project towns transfer stations were returned without cost. Mr. Kirk said if CRRA were to sell the stations and gain income any profit would arguably need to be divided equally between the 18 member towns. He said this resolution presents a solution developed and approved by the member towns SWAB Committee and the City of Milford and is recommended by management.

Director Martland said that he was in support of the resolution and feels it is prudent and wise to make it fair relative to the other member towns.

Director Damer asked why the Milford agreement was different from that of the other member towns. Mr. Egan said there was lengthy discussion concerning the origins of the agreement between the SWAB President Steve Edwards, Ed Boman, and Ernie Lorimer (who serves as general counsel for the SWAB Board). He explained there is no clear recollection or documentation as to why Milford had a different deal.

Director O'Brien said that this is unfortunate. He said he feels the resolution is prudent, wise, and makes sense. He asked Mr. Egan to add a reference to the discussion held by the SWAB Board concerning the lack of institutional memory concerning the agreement.

The motion previously made and seconded was approved unanimously by roll call.

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A CHANGE ORDER WITH E.T.&L. COPORATION**

Chairman O'Brien requested a motion on the above-referenced item. Director Damer made the following motion:

RESOLVED: That the President is hereby authorized to execute a change order with E. T. & L. Corporation to install aluminized corrugated metal pipe instead of galvanized corrugated metal pipe within the side slope diversion channels of the Phase 1 Ash Area at the Hartford Landfill, substantially as presented and discussed at this meeting.

The motion was seconded by Vice-Chairman Martland.

Mr. Kirk said the resolution addresses the third change order concerning the ash closure area of the Hartford Landfill. He explained the third change order brings the total amount spent on change

orders over the \$50,000 limit which subsequently requires Board approval over that amount. He said the specific issues can be addresses by Dave Bodendorf.

Director Damer asked if the approval concerns only the third change or a review of the two prior as well. Mr. Kirk said that the first two have been approved internally.

Director O'Brien asked if the change on the galvanized is a new change. Mr. Bodendorf said that the changes were made after the contract was executed. Director O'Brien asked that the information (that the change was made by the CT DEP after the contract was bid and executed) be included in the resolution to indicate that is was not incorrectly bid. Director Martland agreed.

Mr. Bodendorf said that there have been a number of sub-changes from management in the first two change orders some of which both reduced and increased the contract price. He explained the contract is substantially complete and currently looks good.

Director Damer asked if this change is a \$50,000 net increase including all savings and increases. Mr. Bodendorf said the \$54,000 total includes the combined change orders for one, two, and three.

Director Martland asked if the change will result in a longer lasting metal pipe. Mr. Bodendorf said that he believes that the answer is yes. He said the galvanized pipe has a life expectancy of about 50 years versus the CT DEP's instructed use of an aluminized corrugated metal pipe which has a life expectancy of about 70 years. Mr. Bodendorf said that the CT DEP is no longer permitting the use of galvanized pipe as the zinc coating can contaminate the storm water.

The motion previously made and seconded was approved unanimously by roll call.

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING AN EMERGENCY PROCURMENT ASSOCIATED WITH HARTOFRD LANDFILL OPERATIONS**

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

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

The motion was seconded by Director Damer.

Director O'Brien said that this resolution was clearly an emergency and therefore presented properly to the Committee. Mr. Kirk said the resolution is for a modest amount of funds. He explained as the landfill progresses towards final closure and CRAA's contractor demobilizes there are accountability and performance issues. Mr. Kirk said management said these issues are better addressed by doing the job internally versus attempting to fix the contractor problem.

Mr. Bodendorf said that MDC has had issues with its staff. He explained MDC is aware that the project is coming to a close and as a result people are opting to move into different positions at the

MDC, and combined with injuries and sick time MDC is having difficulty staffing the site properly. He explained he observed these issues have resulted in the site not being operated properly in compliance with the permits and regulations and as a result those issues needed to be fixed on short notice.

Mr. Bodendorf said that with the knowledge that CRRA will begin to need less staff as the landfill wraps up many of MDC's employees are looking to bid into positions at MDC.

Director O'Brien said that this is a prudent and necessary decision.

Director Miron said if this emergency purchase was necessitated by the failure of MDC to adhere to their contract if management was addressing their accountability. Mr. Kirk agreed that MDC should be held accountable. However, he said management recommends internally to not immediately address the accountability issue with two months left in the contract for the Landfill given the cost history of similar issues with MDC.

Mr. Kirk said the issues will be included with other documentation presented to CRRA's arbitrator in an attempt to get MDC to perform to their contract. He explained CRRA is responsible for MDC's costs in addition to its own and that the total costs involved in a complaint exceed the alternative of having management fix the problem internally.

Director O'Brien asked if the offset which is gained by the close of the MDC contract can be shown in the resolution.

Director Martland asked how long the final membrane cap is expected to last. Mr. Bodendorf said that the cap should last well beyond the thirty year post-closure care period. He explained that membranes installed in the past are still performing adequately. Mr. Bodendorf said the same type of material is beneath the ash area of the Hartford landfill and there is no indication of the material degrading.

Director Damer said that he agrees with the necessity of the resolution. He said he is concerned that documentation be contained stating that the costs associated with holding MDC accountable would be comparable to the costs associated with performing the work internally. He said there should be a paper trail indicating the efforts of management to get MDC to perform the work for future arbitration concerns.

Mr. Egan said that management has an extensive file on the MDC containing e-mails and letters going back eight years. He said it has been a chronic issue over the years and that MDC should not be running the landfill. Mr. Egan said the issue flows entirely from the one sided contract with the MDC. He said the problems with performance have been chronic and that MDC's management has never adequately corrected the problem. Mr. Egan said the landfill is closing in six weeks and MDC will no longer be running that landfill.

Mr. Egan said that when this issue was raised with MDC COO Scott Gellison he was responsive and met with Mr. Bodendorf on the day the issue arose. He said Mr. Gellison said that MDC would not be able to provide any additional personnel for three weeks. He explained the problem was an issue of non compliance with environmental rules which needed to be dealt with immediately.

The motion previously made and seconded was approved unanimously by roll call.

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING AN AIR EMISSIONS TESTING CONTRACT**

Chairman O'Brien requested a motion on the above-referenced item. Director Damer made the following motion:

RESOLVED: That the President is hereby authorized to enter into a contract with TRC Environmental Corporation for performance of the annual air emissions testing at the Mid-Connecticut Resource Recovery Facility for calendar years 2009, 2010, and 2011, substantially as discussed and presented at this meeting.

The motion was seconded by Vice-Chairman Martland.

Mr. Kirk said this issue is the annual stack testing by TRC. He noted the cost is reimbursable thanks to the collection of a \$1.50 per ton dioxin tax, and that a small percentage of that tax is reimbursed to pay for that tax. Mr. Kirk said that the parameters tested for are listed quite clearly in the package.

Director Miron asked what the testing consists of. Mr. Yates explained the testing consists of approximately a week long program where a stack test group comes in and extracts samples of the flu gas. Mr. Yates said that the testing measures amounts of acid gases such as hydrogen chloride and metals such as, cadmium, lead and mercury. He said one of the units is tested each year for dioxin/furans and that they use the calibrated continuous emissions monitoring system and record values for nitrogen oxide, carbon monoxides, sulfur dioxide, as well as doing a visual test for fugitive ash emissions. Mr. Yates said that they test for sulphuric acid as well as for ammonia slip which is the byproduct of the SNCR NOx control used at Mid-Connecticut.

Director Miron asked if there is a guarantee that these tests are done properly and at full capacity. He asked if TRC is held responsible if the State does the same tests and that the results are wrong. Mr. Yates explained that one or more employees from the CT DEP stack test group are actually on hand while the tests are performed. He explained the tests must be done at greater than 90% of unit load. Mr. Yates said that management likes to run the test at 110% because that test establishes limits, for the following year such as the steam load.

Director Martland asked if the test varies depending on which percentage it is run at. Mr. Yates replied that this was correct. He said if the facility is not run at full capacity that the emissions would be reduced. Mr. Kirk said that the relationship was not necessarily proportionate which is why it is important that the tests are run at the typical operating load, which is 90% and up.

Director O'Brien asked what DSCM meant. Mr. Egan explained that DSCM stands for dry standard cubic meters. He said that regarding the reimbursement that CRRA receives from CT DEP that there is a contract in effect for two years which was approved by the Board the prior fall. Mr. Egan explained this three year contract with TRC will provide for reimbursement for 2009 and then hopefully CT DEP will come forward and say that they will contract for another 2-3 year term. Mr. Egan explained CT DEP may not do this and this cost is carried in the budget as a cost to the power

block facility and on the revenue side a reimbursement provided that in the year of that budget that there is a contract in place with CT DEP.

Director Damer asked who the current two year contract was held with and what the cost of that contract is. Mr. Egan replied that the two year contract is with CT DEP for reimbursement and that the current contract is with CK Environmental for three years. Mr. Yates said that the contract was in the same ball park, however the contract price was signed prior to the CT DEP requesting sulphric acid and ammonia slip testing and that a subsequent quote was provided in addition to additional charges associated with Covanta asking for diagnostic testing. Mr. Yates said last year when there was a failure that CT EP does not refund for failures but Covanta reimbursed that cost. Mr. Yates said that this time due to the associated costs they were not the lowest qualified bidder.

The motion previously made and seconded was approved unanimously by roll call.

6. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THREE YEAR PUBLIC REALTIONS SERVICE AGREEMENTS**

Chairman O'Brien requested a motion on the above-referenced item. Director Miron made the following motion:

RESOLVED: That the President is hereby authorized to execute, deliver, and perform on behalf of this Authority, Public Relations Services Agreements as were substantially set forth in the Request for Qualifications dated September 17, 2008, for a period of three years commencing on January 1, 2009, and terminating on December 31, 2011, with the public relations firms listed below. All firms will provide services "on call."

Strategic Persuasion Group LLC

Pita Communications LLC

Connecticut Economic Resource Center, Inc.

The motion was seconded by Vice-Chairman Martland.

Mr. Kirk said that these are on-call arrangements as required by CRRA's policies and procedures. Mr. Kirk said that these contractors have been used in the past. He said that Strategic Persuasion Group is an individual that CRRA has used in the past who has recently struck out on his own. He explained the firms are all "on call" and are there are no actual dollar amounts. Mr. Kirk said that most recently the firms were used for recycling initiatives and organization of public meetings.

Director Martland asked if the firms had an hourly rate. Mr. Nonnenmacher replied that the firms work by the hour on an RFS basis. He said that their hourly rates and billing information were included in their responses to CRRA's RFQ. He said that he will include that information in the resolution for presentation to the Board. Director Miron asked that the hourly rates and the compensation schedules be included in the resolution.

Director Damer asked what the bases for the evaluations of the firms interviewed were and suggested that that information be included as well. Mr. Nonnenmacher explained that the evaluation

process is difficult. He said that based on his experience and understanding of CRRA's needs at present and over the three-year life of this contract the qualifications, references and work samples were used to select firms that were then brought in for interviews. Mr. Nonnenmacher said that management has been so satisfied with Pita Communications and Strategic Persuasion Group that there seemed no reason to change from them. He said the Connecticut Economic Resource Center was brought on due to its expertise in consumer research and branding issues and in issues that are focused specifically in Connecticut. Mr. Nonnenmacher said there were firms which were weeded out specifically because their prices were too high.

Director Damer asked out of the 22 firms which responded how many were interviewed. Mr. Nonnenmacher said that seven firms were interviewed from the first list. He explained the firms from the second list in which he would have been interested had already been interviewed. Director Damer said that information on the selection process of the first seven firms on the list along with the basis for selection should be included in the resolution.

Director O'Brien asked if there was an expectation that more than \$50,000 will be spent on the fiscal year on any of these issues. Mr. Nonnenmacher said that there is a possibility that Pita Communications and Strategic Persuasion group may exceed that figure. He explained in the Phillip D. Bag campaign that figure was topped in two years. Mr. Nonnenmacher said that the total cost associated with the public relations and public awareness campaign developed in conjunction with the Franklin initiative is about \$120,00-\$130,000 which has been spread out over two years. He explained many of the pieces with the program are being driven by environmental testing timing.

Director O'Brien asked that a table showing by project what CRRA has been spending on this type of effort over the last two or three fiscal years as well as what is anticipated for the next two or three years be included in the resolution. Mr. Kirk said that predicting future spending will be difficult but that the areas where spending may take place can certainly be identified. He said that the Franklin landfill and single-stream recycling are two such focus areas. Mr. Kirk said this information will be included in the supplemental package.

Mr. Nonnenmacher said he will compare the budgeted figures to the annual expenditures out of the general fund and for the four projects. He said that Phillip D. Bag has temporarily been retired as single-stream recycling spreads and becomes more popular. He said a new education process for single-stream recycling may develop.

The motion previously made and seconded was approved unanimously by roll call.

7. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE PURCHASE OF ONE (1) RUBBER TIRE WHEEL LOADER AT THE MID-CONN WPF**

Chairman O'Brien requested a motion on the above-referenced item. Director Damer made the following motion:

RESOLVED: That the President is hereby authorized to execute an agreement for one (1) new Rubber Tire Wheel Loader from H.O. Penn Machinery Co. to be used at the Mid-Connecticut Waste Processing Facility substantially as presented and discussed at this meeting.

The motion was seconded by Vice-Chairman Martland.

Mr. Romano said that after the purchase of a new tire loader an older unit will be retired. He said back in 2007 CRRA went out to bid for four new rubber tire loaders and as a result four have been retired. He said it became evident that there was additional work which needed to be done on the loaders and that one loader in particular was failing rapidly and continued to do so. He explained the new loader was in the budget along with the costs of retiring another.

Mr. Romano said management went out to bid for this loader. He said three bids went out and one came back in. He explained the low bidder is not being recommended. Mr. Romano said that Tyler equipment proposed a Volvo unit and did not meet with management's requirements. He said they provide units for the waste industry but not the RFD units which are more hazardous.

Mr. Romano said that Caterpillar loaders have worked well for CRRA in the past. He said that management feels confident that the units coming in the majority of the fleet are Caterpillar and it helps on the maintenance side as additional equipment is not necessary for one different piece of equipment.

Director O'Brien said that it was a good write-up and that it was important to note that the fuel costs offset the differential in the bid price excluding and deficiencies in submittal. Director Martland asked if this is independent data. Mr. Romano said that the data on the Caterpillar loaders comes right from the MDC who maintains the equipment, and that the Volvo unit information came directly from the manufacturer.

Director Miron asked for a better description of the machine. Mr. Romano explained a tire loader is also referred to as a pay loader and/or a bucket loader. Mr. Kirk said that they are used in the RDF hall.

Director Damer said that the MPV analysis is excellent. Mr. Kirk said that MDC is effective at rolling stock maintenance. He said CRRA paid for their fleet of maintenance bays and shops. Mr. Romano added that because the equipment is maintained so well when several of the used loaders were sold off management received a remarkable price in comparison to what the industry had said they were valued at.

The motion previously made and seconded was approved unanimously by roll call.

8. INFORMATIONAL

Director Martland asked why the cost for legal ads was so high. Mr. Egan explained the purchase order which is in place is to cover a period of time and that multiple ads are published under that purchase order. He said that the ads are typically hundreds of dollars for several days.

Director Damer asked if these are not to exceed costs. Mr. Nonnenmacher said that he is correct that the purchase order sets a dollar limit and any increase must go through the entire approval process.

Director O'Brien asked if the work on the Wallingford Project by Brown Rudnick was done. Ms. Hunt said that he was correct and that as far Brown Rudnick was concerned their portion of the work was done.

He asked Ms. Hunt for an update concerning the One-Chane matter. Ms. Hunt explained that the amount approved by the Board is likely insufficient for the anticipated legal costs. Ms. Hunt said there may be some flexibility in the Board approved total.

9. EXECUTIVE SESSION

Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation, real estate acquisition matters, and RFP responses. The motion made by Director Savitsky and 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:

Tom Kirk
Laurie Hunt, Esq.

The Executive Session commenced at 11:25 a.m. and concluded at 11:40 a.m. Chairman O'Brien noted that no votes were taken.

The meeting was reconvened at 11:41 a.m., the door was opened, and the Board secretary and all members of the public were invited back in for the continuation of public session.

ADJOURNMENT

Chairman O'Brien requested a motion to adjourn the meeting. The motion made by Director Savitsky and seconded by Vice-Chairman Martland was approved unanimously by roll call.

The meeting was adjourned at 11:41 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal