

**Policies & Procurement Committee
May 5, 2011 Meeting
Draft Minutes**

Members Present: Dave Damer, Committee Chairman
Dot Kelly (present by telephone)
Nicholas Mullane (present by telephone)

CRRRA Staff Present: Peter Egan, Director of Operations and Environmental Affairs
Laurie Hunt, Director of Legal Services
Moira Benacquista, Secretary to the Board/Paralegal

Members of the Public Present: Jim Sandler, Esq. of Sandler & Mara.

Chairman Damer called the meeting to order at 9:30 a.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 APRIL 14, 2011 POLICIES & PROCUREMENT COMMITTEE MEETING

Chairman Damer requested a motion to accept the minutes of the Apr. 14, 2011, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Mullane and seconded by Director Kelly.

The motion to approve the minutes was approved unanimously by roll call.

2. ADDITION OF AN ITEM FOR DISCUSSION CONCERNING PAVING THE TIP FLOOR AT THE WASTE PROCESSING FACILITY

Chairman Damer requested a motion to add an item to the agenda concerning discussion on paving the tip floor at the waste processing facility. Director Mullane made the motion which was seconded by Chairman Damer.

The motion to add an item to the agenda for discussion was approved unanimously by roll call.

3. DISCUSSION CONCERNING PAVING THE TIP FLOOR AT THE WASTE PROCESSING FACILITY

Mr. Egan said management has to periodically maintain the tip floor at the waste processing facilities due to wear and tear from moving trash across the floor and the impact from front end loaders. He said the floor is concrete with reinforcement bars covered with a three inch sacrificial layer of asphalt. Mr. Egan said once or twice a year management re-layers area where the asphalt has worn down. He said management would like to get this done as soon as possible.

Mr. Egan said management will receive bids from paving companies this Monday from two contractors on the State Department of Administrative Services' list. He said paving costs may be more than \$50,000, in which case approval for the work will be sought from the full Board.

Chairman Damer asked how thick the sacrificial layer is. Mr. Egan replied 2-3 inches. Chairman Damer asked how often the sacrificial layer is replaced. Mr. Egan said some areas are replaced every six months and other areas every year to a year and a half. Chairman Damer asked if management has explored putting down another layer of concrete as the sacrificial layer, as that may last longer.

Mr. Egan said the answer is yes, however he does not have the analysis information before him. Director Mullane said that a concrete layer over the existing concrete may create a separation between the first layer and the second layer. He said bituminous asphalt is easier to handle and replace than cement. Director Mullane said a three inch layer of cement would require support in the form of mesh or bars which could stick out over time. He said it is not uncommon on a wear floor to put down asphalt as it is cheaper and easier to put down and to patch and does the job of protecting the cement floor. Chairman Damer agreed. Director Mullane said asphalt is only \$80 a ton and is easier to pave and roll than cement. He said patching layers of cement causes seams however, asphalt will not.

Director Mullane asked how big of an area is being repaved. Mr. Egan replied that management will not have a final number until the areas which were previously inspected are reviewed again. He said the pricing which is being obtained is by the ton. Mr. Egan said there are some areas where more than three inches will be needed. Director Mullane said the material usually runs \$80-\$85 alone and the value for a good vendor to put the asphalt down is typically around \$160-\$260 to put it down.

Director Mullane said he understands that management wants to get this done right away. He said once the tip floor has holes and chunks missing the loader will exacerbate the problem quickly. Director Kelly said she appreciated the education the discussion had just provided her.

Chairman Damer said the Committee was in support of this discussion item and would support it being brought to the full Board.

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING LEGAL SERVICES AGREEMENT WITH COHN BIRNBAUM & SHEA**

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

RESOLVED: That the President is hereby authorized to enter into a contract with Cohn Birnbaum & Shea for legal services, substantially as discussed and presented at this meeting.

Ms. Hunt said Cohn Birnbaum & Shea (hereinafter referred to as "Cohn") has been in the CRRA legal stables for many years and unfortunately missed the RFP process this year. She said Cohn is in the middle of two matters which are ongoing for CRRA including the South Meadows remediation. Ms. Hunt said although there is not a lot of work left to be done on the South Meadows matter there remains work the firm is needed for. She said in addition the Wallingford Transfer Act issues were handled by Cohn and work on this matter will continue for several years as well.

Ms. Hunt said management is recommending a separate contract for those two matters only for Cohn. She said they will not be in the CRRA stables for the next three years, and will not handle any other matters. Chairman Damer said this agreement has no dollars attached to it. Ms. Hunt agreed. She said Cohn's projected costs are the lowest of the listed firms.

Director Kelly said she would not like to see CRRA spending money in excess of the shared costs with Covanta concerning the Wallingford Transfer Act. Mr. Egan said the work which will be done by Cohn's attorney involves the review of quarterly reports from Covanta's consultant which under the transfer act must be monitored quarterly in order to achieve certification that the site has met the required RSR's from the CT DEP. Mr. Egan explained it is important to have legal support if there are questions which arise concerning the settlement agreement Cohn's attorneys worked on with Covanta. He said decisions on additional investigations may need to be made and management would like Cohn's assistance.

Director Kelly asked if there is a specialist at CRRA who reviews the quarterly reports. Mr. Egan responded that Environmental Engineer, Mr. Shepard is CRRA's specialist. Director Kelly said she has been pleased with CRRA's internal quality expertise.

Director Mullane asked what the Connecticut Transfer Act Matters are. Mr. Egan replied that the Connecticut Transfer Act requires the buyer and the seller to investigate and then clean-up any property according to remediation standards regulations if it was historically subjected to specific uses such as hazardous waste generation above a certain quantity. He said one party member has to take legal responsibility to do whatever is necessary to investigate and clean the site according to those standards.

Director Kelly said that she was disappointed that Cohn did not participate in the bid process and her personal feelings are that the firms' charges for resolving these matters should be very low. Chairman Damer said the projected costs for Cohn are the lowest of the firms within CRRA' stables and two thirds of those costs are for the South Meadows Remediation.

Chairman Damer said Cohn is engaged as a contractor with special capabilities because of their specific knowledge on these matters under an exception to the procurement process. He said Cohn is not part of the stable of lawyers and is only available for these specific matters.

Director Kelly asked if there is another process by which a law firm CRRA may want to engage can go through in the next three years. Ms. Hunt said an additional bid could be done. She said CRRA is required to go out to bid at least once every three years and are not prohibited from going out more than that. Director Mullane asked if the Committee should interview this firm as well. Chairman Damer said he did not see the need. He said this is similar to how management recommended staying with the incumbent firms for bond counsel without going through the interview process. Chairman Damer said the Committee could still meet with Cohn to discuss the issues they will be working on for CRRA. Director Kelly agreed. She said she would like to meet with Cohn, and suggested they may have additional capabilities. Ms. Hunt said that she would suggest that Cohn meet with the Committee before or after one of the Policies & Procurement Committee meetings.

The motion was approved unanimously by roll call.

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION FOR THE CITY OF WATERBURY RELOADING AREA WASTE TRANSPORTATION AND DISPOSAL SERVICES**

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

RESOLVED: That the Board of Directors hereby authorizes the President to enter into an agreement with CWPM, LLC for City of Waterbury Reloading Area Waste transportation and Disposal Services, substantially as presented and discussed at this meeting.

Mr. Egan said CRRA has a municipal services agreement with the City of Waterbury. He said Waterbury signed up late during the project and as enticement to urge them to join the project it was offered transportation to move their bulky non-processible waste from a residential drop-off transfer station in the City of Waterbury up to the Hartford landfill. Mr. Egan said a private hauler is engaged by CRRA to undertake that transportation.

Mr. Egan said this had been bid out several times in the last 15 years and this is the last time a two year term will have to be bid out at which point the Waterbury municipal service agreement expires. He said CRRA publically solicited for two potential hauler services. Mr. Egan said CWPM was the only bidder and also currently does the work of moving the containers of non-processible waste in Waterbury to the waste processing facility where the material is shredded. He said alternatively the City of Waterbury's contract allows for CWPM to take that waste to an alternative location in which case CRRA pays for transportation to that alternative location.

Mr. Egan said this is a two year contract which provides management with the ability to terminate before the end of the two year term if Waterbury or CRRA decided to end the agreement sooner. Director Mullane asked what size truck CWPM is using. Mr. Egan replied a 20-30 yard roll off container. Director Mullane asked how many miles this truck is traveling. Mr. Egan replied that Waterbury to Hartford is about thirty-five miles.

Director Kelly said she did not know about this agreement. She said CRRA is moving towards agreements which are the same for each community with the new MSA's. Director Kelly asked if another Mid-Conn community was throwing away its non-processible waste would CRRA have a responsibility to dispose of it and who would be responsible for the cost. Mr. Egan replied that this is the only municipality with an arrangement to haul the non-processible waste into the Hartford area. He said this agreement is a line item in the Mid-Connecticut budget and is budgeted for.

Mr. Egan said there are four towns which receive a subsidy as part of agreements which were made in the early nineties; Simsbury, Canton, Granby, and East Granby. He explained there were originally plans to site transfer stations in those towns and when that did not occur CRRA agreed to subsidize those towns. Mr. Egan said through the terms of the existing MSA's those towns receive a subsidy of about \$5-\$8 a ton. Mr. Kirk said the new MSA's will not contain these provisions.

Director Kelly asked if management should be doing this two year agreement with CWPM for Waterbury. She asked that the plan going forward be clarified. Mr. Egan said CRRA is contractually responsible for servicing the City of Waterbury in this regard for twenty-four more months. He said CRRA has a contract with Waterbury which expires June 30, 2013, unlike the other MSA's. Mr. Egan

said CRRA has to service Waterbury unless they terminate the contract early or amend the contract. He said under this contract with CWPM management can tell Waterbury to cease services with sixty days' notice. Mr. Egan said in the event that a new municipal service agreement with the City of Waterbury is created the town can agree to terminate early and sign one of the new MSA's Nov. 16th.

Director Kelly said it is likely that Waterbury would want to continue with the existing contract. Mr. Kirk said management does not expect that Waterbury will be interested in ending this contract early. He said it is likely CRRA will be providing this service until the contract ends. Mr. Kirk said the new MSA's do not contain any special provisions or special deals.

Director Mullane asked what non-processible items are included in this deal. Mr. Egan replied the items include non-processible waste which cannot be delivered with regular MSW which CRRA defines as non-processible. He said it has to come in on a separate load and is shredded in the mobile shredder prior to then going through the plant, or material which cannot be accepted at the plant which historically was accepted at the landfill in which case that material goes to another disposal facility. Mr. Egan said that material includes construction and demolition debris.

Director Kelly asked what happens to that material in Director Mullane's town if it gets in the waste stream. He replied that he does not let that material get in the waste stream. Director Mullane said for example a sofa is broken down in a specific area and the broken down pieces are then sent off to the incinerator. He said North Stonington does not have the volume that Waterbury has and his town of 5,000 has a control area.

Director Mullane said residents pay an extra cost for the handling and disposal his town must take care of. He asked if Waterbury residents pay an additional charge as well. Mr. Kirk said he does not recall if Waterbury charges for that waste. He suspects the answer is no, as the Mayor's bigger concern is bulky waste ending up on dead end roads and in parking lots. Director Mullane said he can see why the Mayor has that concern as his country roads often end up covered in bulky waste in the middle of the night.

Chairman Damer asked why there were seven notices of interest forms to deliver this bulky waste but only one bid. He asked if there was any feedback. Mr. Egan replied no.

Director Mullane asked if Waterbury pays CRRA for providing this service. Mr. Egan said Waterbury does pay the disposal fee. Chairman Damer asked for that to be made clear in the write-up for the Board. Director Mullane said it looks like \$245 a load but he does not know what the debit and credit indicate. Mr. Kirk said he believes the credit is the disposal fee that Waterbury pays CRRA. Chairman Damer said Waterbury pays \$85 a ton for anything that comes in to the WPF. He said anything that goes to the contractor volume reduction facilities are paid by CRRA and reimbursed by Waterbury. Director Mullane said that was fair. He said as long as they are keeping it in the waste stream and it is being properly processed and controlled that is better than it being dropped off somewhere. Mr. Egan said he would provide additional clarification at the Board meeting. Mr. Egan said 69 towns subsidize the hauling for this agreement.

Director Mullane said with an organization as big as CRRA there will be some towns which may have alternative agreements with management. Director Mullane said to be able to achieve the goal of controlling solid waste and recycling to its maximum there may be some different agreements which is fine is those agreements are transparent and understood.

After some discussion the Committee agreed that a balance sheet showing any costs CRRA may be paying will be added to the write-up for the full Board. The Committee agreed to recommend this motion be brought to the full Board for a more detailed explanation.

The motion previously made and seconded was approved by roll call. Director Kelly abstained.

6. **ADDITION OF AN ITEM TO THE AGENDA CONCERNING A RESOLUTION REGARDING AN AGREEMENT FOR OPERATION, MAINTENANCE AND TRANSPORTATION SERVICES FOR THE STRATFORD INTERMEDIATE PROCESSING CENTER**

Chairman Damer requested a motion to add the above referenced item to the agenda. Director Mullane made the motion, which was seconded by Director Kelly.

The motion to add an item to the agenda was approved unanimously.

7. **ADDITION OF AN ITEM TO THE AGENDA CONCERNING A RESOLUTION REGARDING AN AGREEMENT FOR OPERATION, MAINTENANCE AND TRANSPORTATION SERVICES FOR THE STRATFORD INTERMEDIATE PROCESSING CENTER**

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

RESOLVED: That the Board of Directors hereby authorizes the President to enter into an agreement with the Southwest Connecticut Regional Recycling Operating Committee (SWEROC) for the operation of the Stratford Intermediate Processing Center as an Acceptable Recyclables transfer station and for the transportation and disposal of Acceptable Recyclables substantially as presented and discussed at this meeting.

Mr. Egan said this resolution concerns a contract between CRRA and the Southwest Connecticut Regional Recycling Operating Committee (hereinafter referred to as "SWEROC") which is a group of Southwestern towns whose recyclables go to the Stratford processing facility center. He said when the recycling facility was constructed in the early 1990's SWEROC signed a contract for CRRA to provide recycling services to these towns.

Mr. Egan said a recycling facility was designed, constructed and permitted and a second contract was signed between CRRA, the recycling operator, Fairfield County Recycling (hereinafter referred to as "FCR"), and SWEROC, a three party signatory contract which essentially governed FCR operating the recycling center, the role of SWEROC and CRRA's obligation which is going to terminate June 30, 2011. He said FCR is going to exit the facility and the recycling project.

Mr. Egan said CRRA and SWEROC still operate under that 1990 agreement which governs the relationship between the two organizations, the obligations for payment, and the delivery minimum amounts of recyclables. He said beginning July 1, 2011, a new operator will come in and run the recycling facility and the activity will change from processing to trans-loading the recyclables that will

be delivered up to the Hartford IPC where it will be processed and baled and sold to the commodities markets.

Mr. Egan said CRRA needs to contract with an operator to run the facility beginning July 1, 2011, a bidding process CRRA has gone through. He said CRRA also needs to put a new contract in place between CRRA and SWEROC. Mr. Egan explained CRRA will contract with a new operator and CRRA and SWEROC will sign a separate contract which essentially governs operation and maintenance obligations for CRRA and for SWEROC. He said the contract the Committee is reviewing is for these actions, has no dollar value, and essentially replaces the contract which was between FCR, CRRA and SWEROC.

Director Kelly asked if the SWEROC towns are agreeable to this contract. Mr. Egan replied yes. He said management met with SWEROC yesterday and is still working on refining the terms which are expected to be finalized next week. Mr. Egan said the consensus of SWEROC is to get this contract in place. Chairman Damer said discussions on the current volumes of the Stratford facility have been held multiple times by the Committee and the full Board. He asked what happens to this contract if the facility reaches a period where single stream provides for the capital improvements needed to make Stratford a standalone single stream facility. Mr. Egan said the contract can be amended and is for a minimum of one year after which either side can decide to exit with 75 days' notice. Chairman Damer asked that this be made clear for the full Board.

Director Mullane said he was pleased that CRRA and SWEROC are moving forward with some kind of agreement. Chairman Damer agreed. He said hopefully the volume of the single stream will eventually provide for the capital improvements for a standalone single stream facility.

The motion previously made and seconded was approved unanimously.

8. EXECUTIVE SESSION

Chairman Damer requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, security matters, and feasibility estimates and evaluations. The motion made by Director Mullane and seconded by Director Kelly 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 10:30 a.m. and concluded at 12:00 p.m. Chairman Damer noted that no votes were taken.

The meeting was reconvened at 12:00 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.

9. **ADDITION OF AN ITEM TO THE AGENDA CONCERNING A RESOLUTION REGARDING AN AGREEMENT FOR OPERATION, MAINTENANCE AND TRANSPORTATION SERVICES FOR THE STRATFORD INTERMEDIATE PROCESSING CENTER**

Chairman Damer requested a motion to add the above referenced item to the agenda. Director Mullane made the motion, which was seconded by Director Kelly.

The motion to add an item to the agenda was approved unanimously.

10. **RESOLUTION REGARDING AN AGREEMENT FOR OPERATION, MAINTENANCE AND TRANSPORTATION SERVICES FOR THE STRATFORD INTERMEDIATE PROCESSING CENTER**

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

RESOLVED: That the President is hereby authorized to enter into an agreement with City Carting, Inc. for Operation, Maintenance and Transportation Services for the Stratford Intermediate Processing Center, substantially in the form presented and discussed at this meeting.

Chairman Damer said there is ample support for this recommendation contained in the write-up.

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

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

Chairman Damer requested a motion on the above-referenced item which was amended from the resolution contained in the package to provide for \$400,000 worth of expenditures. Director Mullane made the motion, which was seconded by Director Kelly.

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:

Firm:

Amount:

Halloran & Sage

\$400,000

Chairman Damer noted this resolution was amended to \$400,000 worth of projected legal expenditures by the Committee.

The motion was approved unanimously by roll call.

12. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING FY'12 PROJECTED LEGAL EXPENDITURES**

Chairman Damer requested a motion on the above-referenced item which was revised from the original resolution in the package to state within the second whereas "CRRA now seeks Board authorization for projected legal expenditures during the first year of the term of set agreements". Director Kelly made the motion, which was seconded by Director Mullane.

WHEREAS, CRRA has negotiated three-year Legal Service Agreements with various law firms for the provision of legal services from July 1, 2011 through June 30, 2014; and

WHEREAS, CRRA now seeks Board authorization for projected legal expenditures during the first year of the term of set agreements;

NOW THEREFORE, it is RESOLVED: That the following amounts be authorized for projected legal fees to be incurred during fiscal year 2012:

Firm:	Amount:
Brown Rudnick	150,000
Cohn Birnbaum & Shea	45,000
Day Pitney	60,000
Halloran & Sage	1,075,000
Hinckley, Allen & Snyder	400,000
Kainen, Escalera & McHale	350,000
McCarter & English	85,000
McElroy, Deutsch, Mulvaney & Carpenter	165,000
Pullman & Comley	100,000
Sidley Austin	100,000
Willinger, Willinger & Bucci	50,000

Further RESOLVED: That the President be authorized to expend up to \$20,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2011 in connection with the Authority's suspension of its efforts to develop a new ash landfill in the State of Connecticut;

Further RESOLVED: That the President be authorized to expend up to \$85,000 from the Post Litigation Reserve Account for payment of legal expenses incurred in fiscal year 2012 in connection with the Enron Global litigation continuing under the aegis of the Attorney General; and

Further RESOLVED: That the President be authorized to expend up to \$15,000 from the Wallingford Project Closure Reserve Account for payment of legal fees incurred in fiscal year 2012 in connection with continuing Wallingford Project obligations; and

Further RESOLVED: That the President be authorized to expend up to \$1,025,000 from the Mid-Connecticut Litigation Reserve Account for payment of litigation-related legal fees and expenses incurred in fiscal year 2012.

Director Mullane clarified that these amounts are estimates and are not firm quotes. Chairman Damer said these amounts are the maximum which may be spent by these firms.

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

INFORMATION SECTION

Chairman Damer noted that the Information Section of the package had been thoroughly reviewed and the Committee did not have any comments.

ADJOURNMENT

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

The meeting was adjourned at 12:00 p.m.

Respectfully submitted,

Moira Benacquista
Secretary to the Board/Paralegal

