

**Policies & Procurement Committee**  
**June 16, 2011 Meeting**  
**Draft Minutes**

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

CRRA Staff Present: Tom Kirk, President  
Peter Egan, Director of Environmental Affairs  
Laurie Hunt, Director of Legal Services  
Katha Kerr, Operations Analyst  
Rich Quelle, Senior Engineer  
Virginia Raymond, Senior Operations Analyst  
Steven Yates, Air Compliance Manager  
Moira Benacquista, Secretary to the Board/Paralegal

Members of the Public Present: John Pizzimenti of USA Hauling.

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 MAY 5, 2011 POLICIES & PROCUREMENT COMMITTEE MEETING**

Chairman Damer requested a motion to accept the minutes of the May 5, 2011, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Kelly and seconded by Chairman Damer.

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

2. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING COOPERATIVE SERVICES AGREEMENT BETWEEN CRRA AND THE USDA ANIMAL AND PLANT HEALTH INSPECTION SERVICES/WILDLIFE SERVICES FOR BIRD CONTROL**

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 with the United States Department of Agriculture Animal and Plant Health Inspection Services, for the control of nuisance birds at the Mid Connecticut Processing Facility, substantially as presented and discussed at this meeting.

Mr. Egan said the full report will be included in the Supplemental Board package for July 7, 2011. Chairman Damer said the reports are well done and comprehensive. He said the one page write-up will need to be changed to reflect the newly scheduled Board date. Chairman Damer asked if he

was correct in saying this item is outside of the procurement guidelines. Mr. Egan said that was correct. He said this purchase is awarded outside of the competitive process due to the special capabilities of the Federal Government.

The motion was approved unanimously by roll call.

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A REQUEST FOR SERVICES FOR MID-CONNECTICUT ELECTRIC SALES CONSULTING SERVICES**

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

**RESOLVED:** That the President hereby authorizes to enter into a request for Services with Power Advisory, LLC for Mid-Connecticut Electric Sales Consulting Services, substantially in the form presented and discussed at this meeting.

Mr. Kirk said management wanted to get started on this item as soon as possible due to time constraints. He said management does not expect to incur substantial expenses initially. Chairman Damer said the RFQ process has been undertaken. He noted that management's recommendation is for the low bidder.

Director Kelly said that she is interested in this process and in the consultant. She asked that the Policies & Procurement Committee be kept closely apprised of this process. Chairman Damer agreed, he requested a monthly status report.

Director Kelly asked who the primary contact person from CRRA would be during discussions with Power Advisory, LLC. Mr. Egan replied that Ms. Raymond would be CRRA's representative. Ms. Raymond said that she had participated in the 2007 procurement when CRRA last went out to bid. She said that Mr. Dalton of Power Advisory was involved in the prior procurement and is up to speed with CRRA.

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

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ANNUAL STACK TESTING FACILITY FOR CALENDAR YEARS 2012, 2013, AND 2014.**

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 CK Environmental, Inc. for performance of the annual air emissions testing at the Mid-Connecticut Resource Recovery Facility for calendar years 2012, 2013, and 2014, substantially as discussed and presented at this meeting.

Chairman Damer said he understands that TRC provided this testing for the past three years, however prior to those three years the testing was done by CK Environmental, Inc. management's current recommendation. Director Kelly said that the write-up was excellent, Chairman Damer agreed.

Chairman Damer said that CRRA has reasonable belief that the \$159,600 testing costs will be reimbursed to CRRA through the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEP"). Mr. Yates said that was correct. He said that although management does not have the next contract in hand there has been no negative indication that this program will be discontinued.

Chairman Damer said although management has budgeted for testing dioxin/furan emissions in all three of those calendar years there is some hope that the cost may be lower as those boilers were at less than 50% of those emissions in the last tests. Mr. Yates said that was correct. He said he had been cautious in the cost estimate so he would not have to return to the Committee for funds, in the unlikely event that the dioxin/furan emissions do go higher than 50% of the allowed limit.

Chairman Damer noted that out of three competitive bids the lower two are about \$20,000 apart and the winning bid is about \$4,400 less than the winning bid from three year ago. Mr. Yates said that was correct and noteworthy. He said the bids were aggressive, particularly the winning bid.

Director Kelly asked if there are any changes in testing and environmental performance which management can report on. Mr. Yates said in the past management has considered Unit 11 to be problematic as it has created delays. He said this year there were no such issues from Unit 11 and in fact Unit 12 became the issue. Mr. Yates credited the operations groups' project to install the overfire air system on Unit 11 as being directly responsible for that improvement. He said he would urge the rapid installation of the same system on the other boilers as well.

The motion previously made and seconded was approved unanimously.

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING INSTALLATION OF A NEW OVERFIRE AIR SYSTEM ON UNIT 12 AT 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 direct Covanta Mid-Conn, Inc. to install a new overfire air system manufactured by Jansen Combustion and Boiler Technologies, Inc. on Unit 12 at the Mid-Connecticut Power Block Facility, substantially as presented and discussed at this meeting.

Chairman Damer said this was a good write-up. Mr. Egan said Mr. Quelle and Ms. Kerr, a new employee at CRRA, developed the costs benefit analysis. He said this resolution and proposal are similar to the resolution brought to the CRRA Board last September when management proposed installation of this system in Unit 11. Mr. Egan said that proposal was the outcome of a two year process in which CRRA engaged Covanta to analyze the boilers, in particular Unit 11. He said the write-up is self-explanatory and CRRA expects to see a pay back in less than one year, as well as a reduction in carbon monoxide emissions, which has already occurred in Unit 11. Mr. Egan said Unit

11's efficiency has increased by approximately 8-10% and its capacity or utilization rate has also improved. He explained since the upgrade there has essentially been no down time and the unit has not had to be throttled back due to CO emissions limit issues. Mr. Egan said management expects to experience the same changes with Unit 12 when it is upgraded.

Mr. Egan said this activity is expected to be undertaken next winter; however management is beginning to meet with Covanta immediately to discuss the outage plan for the next winter. He said he does not expect approval from the full Board until July; however management would like the Committee's approval.

Chairman Damer said this resolution looks good. He said this process not only improves combustion, which helps the operation and makes the cost benefit analysis pretty straight forward, but it also reduces emissions. Chairman Damer said the evaluation under boiler number 11 concludes that this process does not trigger any air permitting compliance, something the CT DEP also agreed on.

Chairman Damer said the write-up refers to this project as a \$1.5 million cost not-to-exceed. He asked if this is in fact a cost not-to-exceed or is it a firm cost and under what circumstances would CRRA not be spending that amount. Mr. Egan said he included the words not-to-exceed as that was what was contained in the September write-up. He said management has not sat down with Covanta and discussed a final and firm price and he will remove this as that estimate has not been finalized. Mr. Egan said the Unit 11 installation costs actually came in under this number. Mr. Egan said if management encounters some issue or matter during the fabrication or installation process management can use \$50,000 above the contract in accordance with the policies and procedures.

Mr. Quelle said some of the variables which drive the costs are not so much the installation and purchase of the new air system, but the many extraneous pieces that accompany this installation such as modifying platforms due to relocating the air system. He said management knows the demolition costs and learned quite a bit from the installation of Unit 11 which he feels will keep costs around that number. Mr. Quelle said moving lighting and modifying platforms are costs which cannot be predicted and will be learned as the installation process is undertaken.

Mr. Kirk asked if the 200 horsepower fan which is being removed will be kept as a spare. Mr. Quelle replied yes.

Mr. Egan said in the cost benefit analysis CRRA is conservatively assuming only 3.3 cents per kwh. He said if this installation takes place in March for the three months after that CRRA will receive a blended rate of 5.5-6 cents, after which power is likely to be worth more than 3.3 cents.

Mr. Quelle said the urea injection system usage doubled with the new overfire air system, an annual cost or consumption of urea of about \$78,000. He said what CRRA makes by eliminating the 200 horsepower motor is essentially a wash by the operating costs with the increased urea usage. Mr. Quelle said the urea usage is due to a much more concentrated fireball in the furnaces which required the nozzles to be re-angled.

Director Kelly asked if the urea is for Nox reduction. Mr. Quelle replied yes. Chairman Damer asked if Nox emission has been trimmed in Unit 11 with the new overfire air system. Mr. Quelle replied no. He said the Nox limits are still operating around where they were prior to the installation

with the doubling of the usage of the urea. Mr. Kirk said an increase of urea may lead to a Nox reduction.

Director Kelly asked if management had any news on the Connecticut Clean Energy fund and solar installation at the landfill. Mr. Egan said that Mr. Bodendorf received a response indicating CRRA was rejected concerning the application for grant money for some renewable energy. He said Mr. Bodendorf was asked to reach back out for that fund after the budget was settled, which has since occurred. Mr. Egan informed Director Kelly that he would have Mr. Bodendorf send a summary of this situation to her directly. Director Kelly said she wants to inform the CRRA Board that she will be attending a Clean Energy Fund Board meeting and would like to speak to this issue during their public comment. Mr. Egan said he did not object to her updating the Clean Energy Fund Board. Chairman Damer agreed with her suggestion.

The motion previously made and seconded was approved unanimously.

### **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 Kelly and seconded by Chairman Damer was approved unanimously by roll call.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Moira Benacquista  
Secretary to the Board/Paralegal