

**Policies & Procurement Committee
May 15, 2008, Meeting**

Draft Minutes

Members Present: Raymond O'Brien, Committee Chairman
Theodore Martland, Vice-Chairman
Linda Savitsky

CRRA Staff Present: Tom Kirk, President
David Bodendorf, Senior Environmental Engineer
Peter Egan, Director of Environmental Affairs
Laurie Hunt, Director of Legal Services
Chris Shepard, Environmental Engineer
Virginia Raymond, Senior Analyst
Mike Tracey, Director of Operations
Moira Kenney, Secretary to the Board/Paralegal

Chairman O'Brien called the meeting to order at 9:35 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 APRIL 10, 2008, POLICIES & PROCUREMENT COMMITTEE MEETING**

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

The minutes were approved unanimously by roll call.

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

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

RESOLVED: That the President is hereby authorized to enter into a contract with SCS Field Services to provide operation and maintenance services for the Shelton Landfill Gas Collection and Control System, substantially as discussed and presented at this meeting.

The motion was seconded by Vice-Chairman Martland.

Vice-Chairman Martland asked if there had been any recent changes at the Shelton landfill. Mr. Kirk stated there was a gas blowout in 1999. He explained it was a very disturbing incident for the community. Mr. Kirk said the city of Shelton is currently pleased with the handling of the Shelton landfill. Mr. Kirk stated there was a gentleman interested in turning a portion of the Shelton landfill into a recreational area, an option which he will be exploring further with Mr. Egan.

Chairman O'Brien asked that the summary page include that this item is budgeted and to also identify the source of funds, which he believes is the post-closure reserve. He explained he would like an update on the status of projections for the post closure reserve for the May Board meeting.

Mr. Egan said the source of funds for the first six months of the project is the Bridgeport operating budget. He explained after the Bridgeport Project terminates the remaining six months will use funds from the Shelton post-closure reserve. Chairman O'Brien asked that it be made clear that the balance of the remaining four years of the contract would also be funded from the Shelton post closure reserve. Mr. Egan said that he would provide the information in narrative form.

Chairman O'Brien said he wished anyone observing the document to understand management is not authorizing expenditures of funds they do not have or cannot obtain after December of this year.

Director Savitsky asked what the status is for the RFP for the ability to terminate early. Mr. Egan said management received three bids about a month ago. He explained management decided to interview two of the three firms. Mr. Egan explained the first interview would be done this Monday, and in addition to CRRA staff that Ed Boman, Steve Edwards and Ernie Lorimer, counsel to the SWEROC Board, will be at the interviews. Mr. Egan stated a list of questions has been assembled for the interviews. He said that both of the two finalists are proposing insurance policies as a guaranteed mechanism that the landfill will be managed correctly.

Director Savitsky asked when this item will be brought before the committee. Mr. Egan said the contract will require a fair amount of legal work and is very complex. Mr. Egan explained management wants to ensure that CRRA is thoroughly protected. He said that some of the liabilities will be continually managed by CRRA and a prospective company will propose to manage a portion of the liabilities themselves.

Chairman O'Brien asked that some comment on why LEA's proposal is four times greater than the other submitted bids be included for proposal to the Board.

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

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING EMPLOYMENT OF HRP ASSOCIATES, INC., FOR ENVIRONMENTAL CONSULTING SERVICES IN SUPPORT OF THE SOUTH MEADOW STATION SITE REMEDIATION**

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

RESOLVED: That the President of CRRA be authorized to execute a Request for Services with HRP Associates, Inc., for environmental consulting services in support of the South Meadows Station site remediation, substantially as presented and discussed at this meeting.

The motion was seconded by Director Savitsky

Chairman O'Brien requested that the budget status be included in the write-up in the financial page that precedes the discussion.

Vice-Chairman Martland asked for an update on the South Meadows Station site. Mr. Egan said the in field remediation activities are about 85 percent complete. He said that over the next 12 months he expected the last significant project, which is remediation of a final area, to be completed by TRC. Mr. Egan said there will likely be one more year of work involving placing environmental land-use restrictions on the land records. Mr. Egan explained there will be an increased amount of activity that occurs after TRC completes this final area.

Mr. Egan said management is also in the process of transferring part of parcel three to CRRA from CL&P that should be completed in the next two to three months. Mr. Egan explained the process has been slowed by the discovery of contaminants in one of the switch yards owned by Connecticut Light and Power (hereinafter referred to as CL&P). He explained the process which decides which parties are responsible for the contaminants is being tended to, after which the parcel should be transferred by the end of the year. Mr. Egan said infield remediation activities should take one more year, followed by with one more year for closure of the transfer.

Chairman O'Brien asked if the Connecticut DEP had signed off on that responsibility. Mr. Shepard said the DEP had delegated the oversight to a licensed environmental professional who is under contract by TRC. Mr. Shepard said ultimately when that licensed environmental professional makes its final verification it is subject to the DEP audit. Mr. Shepard explained there was a very good chance it will be subject to the audit.

Chairman O'Brien asked if that would override the current owner's responsibility. Mr. Shepard replied at this point the remediation is being completed under the state transfer requirements.

Mr. Egan said when this was transferred to CRRA in 2001 \$26 million of the funds from the CL&P buyout was used to remediate the site. He explained under the transfer act a party has to take responsibility to complete the remediation. Mr. Egan said that party is TRC environmental and the remediation is backed up with an insurance policy which TRC is responsible for remediating in order to comply with the Connecticut remediation standards regulations. Mr. Egan explained the remediation requirements cover the parcel which is not a part of that original transfer.

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

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ENGINEERING SERVICES TO SUPPORT DEVELOPMENT OF AN ASH RESIDUE LANDFILL**

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

RESOLVED: That the President is hereby authorized to enter into Request for Services with TRC Environmental Corporation, in fiscal year 2009, to provide engineering and environmental consulting support associated with development of an ash residue landfill, substantially as discussed and presented at this meeting.

The motion was seconded by Director Savitsky.

Mr. Egan said management is not seeking authorization to spend new monies. He explained the Board had already approved the expenditure of these funds. He explained the approval is to seek authority to utilize the funds in the next fiscal year.

Chairman O'Brien asked that the summary state clearly that these funds have been budgeted and previously approved by the Board.

Vice-Chairman Martland asked how long the development would take. Mr. Kirk explained it would take at least until 2010. Vice-Chairman Martland asked when we would know if the property was available for use. Mr. Egan replied that management should have an idea regarding any potential conflicts by next winter. Mr. Egan stated that deliveries should begin around November of 2011.

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

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING MID-CONNECTICUT PROJECT NON-MEMBER WASTE DELIVERY AGREEMENT**

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

RESOLVED: That the President is hereby authorized to enter into agreements with private waste transportation haulers for the delivery of Acceptable Municipal Solid Waste generated within the boundaries of non-member CRRA project municipalities substantially in accordance with the terms and conditions discussed at this meeting.

The motion previously made and seconded by Vice-Chairman Martland was approved unanimously by roll call.

Mr. Tracey said this is an opportunity for haulers who bring in member waste to bring in waste to the plant. He explained the benefit to these haulers is that there is a permanent in-state home for their waste.

Chairman O'Brien asked if this is a spot waste agreement. Ms. Raymond clarified that it is not technically a spot waste agreement because the waste is from nonmember towns. She explained it is not a permanent CRRA project contract. Mr. Kirk suggested changing the wording to "not contract"

versus “spot waste agreement”. Chairman O'Brien asked for some limits on the maximum they can bring in without supplemental permission. Mr. Tracey agreed to make the requested changes. Ms. Raymond explained each individual contract is also capped at a number deemed appropriate by management.

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

6. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING INSPECTION AND MAINTENANCE SERVICES FOR THE ASH LEACHATE COLLECTION AND TREATMENT SYSTEM AT THE HARTFORD LANDFILL**

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

RESOLVED: That the President is hereby authorized to enter into a contract with Knapp Engineering, PC, to provide inspection and maintenance services for the Hartford Landfill Ash Leachate Collection and treatment System, substantially as discussed and presented at this meeting.

The motion was seconded by Director Savitsky.

Mr. Bodendorf said the Hartford landfill has a double-lined ash area and reviewed the monitoring process with the committee.

Mr. Bodendorf said the contractor being recommended by management was the only bidder. He explained that they have been doing the work for the last seven years and have proven themselves responsible.

The committee discussed the various safety issues concerning the landfill at length.

Mr. Egan explained this is a routine service, which at less than \$50,000 a year does not require board approval. Mr. Egan explained management is seeking approval in the amount that more than \$50,000 a year is spent for this maintenance.

Chairman O'Brien asked that the write-up make it clear that the \$87,000 is over a three-year period. He also asked that the source of funds be made clear. Chairman O'Brien asked if the source of funds was directly out of the operating budget.

Mr. Egan replied that the landfill is not in its post-closure phase yet any operational activities continue to come out of the operating budget.

Mr. Kirk asked if it was correct to assume the funds will eventually be coming from the post closure reserve after the Connecticut DEP certifies closure. Mr. Egan replied in the affirmative.

Chairman O'Brien asked if there were any other treatments besides the ph adjustment performed at the landfill. Mr. Bodendorf said that the answer was no. He explained the ph of the ash is

typically around 6 and is brought up with caustic materials if necessary to meet Connecticut DEP standards.

The motion previously made and seconded by Vice-Chairman Martland was approved unanimously by roll call.

7. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING NON-PROCESSIBLE WASTE TRANSPORTATION AND DISPOSABLE SERVICES FOR THE CITY OF WATERBURY**

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

RESOLVED: That the Board of Directors, in accordance with the Connecticut Resources Recovery Authority's Procurement Policy, hereby approves the contract with CWPM, LLC, for Non-Processible Waste Transportation and Disposal Services substantially as presented and discussed at this meeting.

The motion was seconded by Vice-Chairman Martland

Chairman O'Brien asked if CRRA is responsible for paying for the disposal charges discussed in the write-up. Ms. Raymond replied that it will be made clear in the summary for the Board that Waterbury still pays for the disposal costs.

The motion previously made and seconded by Vice-Chairman Martland was approved unanimously by roll call.

8. **EXECUTIVE SESSION**

Chairman O'Brien requested a motion to enter into Executive Session to discuss pending litigation. The motion made by Vice-Chairman Martland and seconded by Director Savitsky 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.
Mike Tracey

The Executive Session commenced at 10:27 a.m. and concluded at 11:15 a.m. Chairman O'Brien noted that no votes were taken.

9. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING AUTHORIZATION FOR PAYMENT OF PROJECTED LEGAL EXPENSES**

Chairman O'Brien requested a motion on the above-referenced 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 2008 projected legal fees; and

WHEREAS, CRRA expects to incur greater than anticipated legal expenses in connection with Mid-Connecticut Project matters;

NOW THEREFORE, it is RESOLVED: That the following additional amount be authorized for payment of legal fees and costs be incurred through June 30, 2008:

<u>Firm:</u>	<u>Amount:</u>
McCarter English	\$100,000

The motion was seconded by Director Savitsky.

Chairman O'Brien stated Ms. Hunt will be refining the number prior to the Board meeting. He stated the request was both timely and appropriate.

The motion previously made and seconded by Vice-Chairman Martland was approved unanimously by roll call.

10. REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING AUTHORIZATION TO PAY FY 2009 PROJECTED LEGAL EXPENDITURES

Chairman O'Brien requested a motion to forward the following resolution to the Board with no endorsement from the committee. Director Savitsky made the motion.

WHEREAS, CRRA has negotiated three-year Legal Service Agreements with various law firms for the provision of legal services from July 1, 2008 through June 30, 2011; and

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

NOW THEREFORE, it is RESOLVED: That the following amounts be authorized for projected legal fees to be incurred during fiscal year 2009:

<u>Firm:</u>	<u>Amount:</u>
Berchem Moses & Devlin	\$110,000

Brown Rudnick	\$700,000
Cohn Birnbaum & Shea	\$75,000
Halloran & Sage	\$1,710,000
Heneghan Kennedy & Doyle	\$75,000
Kainene, Escalera & McHale	\$50,000
McCarter & English	\$825,000
Perakos & Zitser	\$100,000
Pepe & Hazard	\$625,000
Pullman & Comley	\$300,000
Sidley Austin	\$265,000
Tyler Cooper	\$125,000

FURTHER RESOLVED; That the President be authorized to expend up to \$500,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2009 in connection with the Authority's development of a new ash landfill in the State of Connecticut.

FURTHER RESOLVED; That the President be authorized to expend up to \$465,000 from the Post Litigation Reserve Account for payment of legal expenses incurred in the fiscal year 2009 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 \$60,000 from the Wallingford Future Use Fund for payment of legal fees incurred in fiscal year 2009 in connection with the Authority's analysis of exercise of its Wallingford Resource Recovery purchase option.

The motion was seconded by Vice-Chairman Martland.

Chairman O'Brien said he requested that the executive summary state the amounts specified in the resolution and that the resolution itself include a clear statement that the funds so requested are in the fiscal year 2009 approved budgets.

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

11. EXECUTIVE SESSION

Chairman O'Brien requested a motion to enter into Executive Session again to discuss pending litigation with the understanding that the meeting will adjourn upon conclusion. The motion made by

Vice-Chairman Martland and seconded by Director Savitsky was approved unanimously. Chairman O'Brien requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Dave Bodendorf
Peter Egan
Laurie Hunt, Esq.
Mike Tracey

The Executive Session commenced at 11:18 a.m. and concluded at 11:40 a.m. Chairman O'Brien noted that no votes were taken.

12. 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 11:40 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal