

**Policies & Procurement Committee  
Sept 10, 2009 Draft Meeting**

**Draft Minutes**

Members Present:            Raymond O'Brien, Committee Chairman  
                                 Theodore Martland, Vice-Chairman  
                                 Dave Damer

CRRA Staff Present:        Tom Kirk, President  
                                 Peter Egan, Director of Environmental Affairs (present by telephone)  
                                 Tom Gaffey, Director of Recycling and Enforcement  
                                 Laurie Hunt, Director of Legal Services  
                                 Rich Kowalski, Operations Engineer  
                                 Mike Tracey, Director of Operations  
                                 Moira Kenney, Secretary to the Board/Paralegal

Members of the Public:     John Pizzimenti, USA Hauling

Chairman O'Brien called the meeting to order at 9:30 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 JULY 9, 2009, POLICIES & PROCUREMENT COMMITTEE MEETING**

Chairman O'Brien requested a motion to accept the minutes of the July 9, 2009, Policies & Procurement Committee meeting. The motion was made by Vice-Chairman Martland and seconded by Director Damer.

The minutes were approved unanimously by roll call.

2.     **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE PURCHASE OF A RUBBER-TIRED WHEEL LOADER FOR THE MID CONNECTICUT RESOURCE RECOVERY FACILITY**

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

**RESOLVED:** That the President is hereby authorized to execute an agreement for the purchase of a Rubber-Tired Wheel Loader from Tyler Equipment Corporation to be used at the Mid-Connecticut Resource Recovery Facility substantially as presented and discussed at this meeting.

Mr. Tracey said replacing this particular wheel-loader is in the budget. He said management and is recommending the low bid, Tyler Equipment Corporation. Mr. Tracey said that efforts to maintain CRRA equipment in a more efficient and cost effective manner by management has resulted in the inclusion of a three year preventative maintenance service plan.

Mr. Tracey said that in the past MDC has maintained all of CRRA's equipment and that this three year plan is part of management's efforts to keep such work in house to ensure better control and cost. Director Damer asked Mr. Tracey if he knew if this added to the purchase price. Mr. Tracey replied that the purchase price was \$190,000 and the difference in the maintenance costs is about \$24,000.

Director Damer said the actual cost of the new equipment was even less of a gap between refurbishing the old at \$165,000 and buying new at \$190,000 and the equipment for equipment basis is very close. Vice-Chairman O'Brien asked that this information be included in the write-up.

Director Damer asked Mr. Tracey how long the wheel loaders generally operate for. Mr. Kowalski replied that the wheel loaders in question lasted for approximately 13 years.

Director Damer asked Mr. Tracey what was expected after the three year maintenance contract is up. Mr. Kowalski replied that management plans to continue on with a similar program in which the actual OEM will maintain the machine as opposed to having MDC perform the maintenance. He explained the units are computer controlled and can be logged in from satellite and monitored.

Vice-Chairman Martland asked why it is so costly to rehab the old unit. Mr. Kowalski explained that the old machine will be completely stripped down to the framework, the engine is rebuilt and all internals are completely rebuilt.

Chairman O'Brien asked that the statement which notes two of the vendors did not meet the technical criteria in reference to machine size in capacity be quantified for the benefit of the public.

Director Damer asked if the fact that the loader is unique (as it is a Volvo) will have an effect on the keeping of spare parts for inventory. Mr. Kowalski said the preventative maintenance contract and the OEM will hold all parts and be available to management on an on-call basis.

Chairman O'Brien asked that the write-up be revised to include the PM parts and on call service and what that costs. He asked if the others included a PM program and suggested that the table in the write-up be split to show both prices. Mr. Kowalski said that unfortunately when the bid was supplied the machine price was not broken out with the exception of the Volvo bid. Chairman O'Brien asked that the write-up notes that this includes \$24,000 of preventative maintenance over a three year period.

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

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE PURCHASE OF A NEW JET FUEL TANK FOR THE JET TURBINE FACILITY**

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 the President is hereby authorized to execute an agreement with Northeast Generation Services Company, Inc. to purchase a new Jet Fuel Tank for the Mid-Connecticut Jet Turbine Facility, substantially as presented and discussed at this meeting.

Chairman O'Brien said that just because CRRA currently has a huge tank does not mean that it needs to be replaced with another huge tank without stating what the fuel usage is.

Mr. Quelle said management is trying to get exact confirmation on the sizing of the tank. He said because the jet has blackstar capabilities there is a minimum amount of fuel required to be in the tank to handle a possible blackstar situation which management believes is about 48 hours operation with units of full peak load which burn at 4,000 gallons an hour or about 750,000 - 800,000 gallons for 48 hours. Mr. Quelle explained that is full out and that a blackstar situation may not necessarily need that much fuel.

Chairman O'Brien asked what capacity there is to replace fuel on a daily basis. Mr. Quelle said they have not run this summer and when they do need fuel it is trucked in. Chairman O'Brien asked if there is a rail siding to bring fuel in. Mr. Quelle said that CRRA does not have rail siding capabilities he said there are old rails and that once upon a time the fuel was barged in from the Connecticut River but it is no longer cost effective due to the small number of units currently used.

Chairman Pace said that he is concerned that this money is coming out of the reserve, the level of which was reviewed a few years ago to accomplish certain things. Mr. Quelle said that certain work, such as the controls upgrade of the jets, has been put off. Chairman O'Brien asked that this information be stated in the write-up.

Director Damer asked if there is any way that the jet fuel tank can receive refuels by barge. Mr. Tracey said that the problem is the existing tank. He explained the existing tank has 5 million gallons of capacity but can presently only be filled to 3 million. He said the recommended tank for replacement is substantially smaller at 800,000 gallons.

Mr. Quelle said the option of refurbishing the tank is discussed in option one of the write-up and is actually more expensive than building a new tank with a protective secondary containment. Mr. Quelle explained one of the big issues with the tank is the required secondary containment area which presently is only the PBF site. He said that if the tank was to rupture the entire site would be contaminated. Mr. Quelle said the proposal recommended by management is for a new smaller tank with a steel and or concrete surrounding secondary containment.

Chairman O'Brien asked what would be done with the existing tank. Mr. Quelle said that the existing tank would be taken down and dismantled at a cost of \$20,000 at the most. Chairman O'Brien asked if taking the additional property for the storage tank would effect CRRA's ability to sell off the land. Mr. Tracey answered no.

Vice-Chairman Martland asked if the CT DEP had to be approached in order for management to relocate the storage tank. Mr. Egan said that by reducing the tank to less than 1 million gallons the restrictions will be a less onerous spill prevention regulatory program. He explained management

would update its spill prevention countermeasure plan and NGS would no longer need to have a facility response plan in place because the storage would be less than 1 million gallons. Mr. Egan said that the CT DEP would not be involved in this.

Director Damer asked if anything is needed from the siting council such as a declaratory ruling that this isn't the modification of a facility. Mr. Egan said that he did not know, and would look into Director Damer's inquiry. Director Damer said that the siting council has jurisdiction over power generating facilities and it generally needs to provide a certificate for modification or a declaratory ruling.

Chairman O'Brien asked what the reserve status is presently at. Mr. Tracey said that a reserve analysis was done and will be presented after Mr. Bolduc has reviewed the results.

Chairman O'Brien reiterated that prior to Board approval the following is needed; the reserve status (and a revision of the resolution which allows for the Board's approval of reductions to the reserve if necessary), a clear indication of the work which will be postponed, and what the fuel use requirements are under CRRA's contracts for blackstar capability as well as any money received for blackstar capabilities.

Mr. Quell said that amount of fuel required to be kept in the tank is presently unknown and is part of the ongoing investigation being done by NGS with Convex Iysel to get some type of value on what CRRA should have.

Director Damer asked who owns the fuel in the tank. Mr. Quelle said that the fuel in the tank is owned by Select Energy which covers the inventory cost.

Chairman O'Brien asked if we get revenue from that capability. Mr. Quelle explained that CRRA receives a split from the revenue. He said that CRRA receives a capacity payment and a black star credit for having the jets there. Mr. Quelle said blackstar is the main issue which will determine the size of the tank.

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

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE DELIVERY OF COVER SOILS TO THE HARTFORD LANDFILL**

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

**RESOLVED:** That the President is hereby authorized to enter into a contract with Pace Construction Corporation for delivery of soil to be used as cover material at the Hartford Landfill, and as approved by the Connecticut Department of Environmental Protection, substantially as discussed and presented at this meeting.

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

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE MUNICIPAL GOVERNMENT LIAISON SERVICES AGREEMENT**

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 the President of CRRA is hereby authorized to execute the Municipal Government Liaison Services Agreement with Brown Rudnick LLP, substantially as presented and discussed at this meeting.

Mr. Kirk said that although Mr. Ritter is an attorney he also specializes in public relations. He explained Mr. Ritter is a former speaker of the house and has been used by CRRA for several years for his expertise. Mr. Kirk said that Mr. Ritter's connections enable CRA to get meetings with certain people very quickly.

Mr. Kirk cited an example of Mr. Ritter's assistance. He explained Mr. Ritter was instrumental in identifying an outlet for a gasification process that CRRA may be using in the future to save money on disposal costs. Mr. Nonnenmacher added that as CRRA moves forward with keeping project member towns on board through 2010 that Mr. Ritter's connections within municipalities and his experience at level of state government will be invaluable as CRRA tries to establish a customer base beyond 2012.

Mr. Nonnenmacher said that this arrangement has been established and used for the past three years and that Mr. Ritter has provided useful assistance whenever he has been called on.

Chairman O'Brien noted that Mr. Ritter had done substantial work on the Franklin landfill which is now a dead issue. He said that he does not see anything in the write-up which describes the services which will cost CRRA ratepayers \$84,000 for Mr. Ritter's assistance.

Director Damer asked if this agreement was negotiated when CRRA was still planning on moving forward with the Franklin landfill. Mr. Kirk said that the answer was yes, but that Mr. Ritter had been identified for assistance years before Franklin. He explained that there will be other items due to the lack of a landfill that Mr. Ritter's assistance will be needed for.

Mr. Nonnenmacher said that the write-up does refer to developing post 2012 for the Mid-CT cities and towns. He said Mr. Ritter can facilitate meetings and contacts with decision makers and keep lines of communication open.

Mr. Kirk said that with the Franklin landfill option over management will return to the legislature to ask for assistance in identifying other options. He said that Mr. Ritter will be valuable in moving that initiative along.

Mr. Egan said that Mr. Ritter was instrumental in encouraging the City of Hartford to come to terms with the settlement over the Hartford landfill three years ago. He explained Mr. Ritter (being careful not to lobby) was also instrumental in discussion with Mayor Perez in obtaining the \$13 million in bond money from the legislature for closure activities.

Chairman O'Brien asked that the write-up be changed to reflect what services management currently expects to use Mr. Ritter for going forward in 2010. Chairman O'Brien asked why the contract is not co-terminus with the fiscal year. Mr. Kirk said that it was most likely due to when the agreement was negotiated and can be easily changed.

Director Damer asked if Mr. Ritter can be approached and asked if the end of the Franklin landfill work could possibly achieve a reduction in costs.

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

6. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING THE EDUCATION POLICY**

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

**WHEREAS** the Connecticut Resources Recovery Authority's mission is to implement the state Solid Waste Management Plan; and

**WHEREAS** the state Solid Waste Management Plan's goal is to dramatically increase recycling; and

**WHEREAS** the state Solid Waste Management Plan emphasizes the importance of education in leading the state to that recycling goal; and

**WHEREAS** the Connecticut Resources Recovery Authority's programs and facilities are uniquely positioned to provide the state with the education called for in the state Solid Waste Management Plan; therefore be it

**RESOLVED:** That the Board declares that recycling education is a part of its core mission and hereby adopts the Connecticut Resources Recovery Authority Education Policy substantially as presented and discussed at this meeting.

Mr. Nonnenmacher said that at the July meeting when the Board was discussing approval of a budget for the garbage museum there was discussion concerning whether the education functions of both museums are part of CRRA's core mission. He said as the resolution states it is CRRA's job to implement the State's Solid Waste Management Plan which uses the word education (or some version) at least 300 times. Mr. Nonnenmacher said clearly education is one of the corner stones of how the State of Connecticut will attempt to reach its goal of increasing recycling to 50% of the State's Solid Waste by 2024.

Mr. Nonnenmacher said that CRRA's education centers are the only large scale providers of education on recycling in the State. He said that the CT DEP has a website and publishes a quarterly newsletter on pollution prevention which contains a small section on recycling. Mr. Nonnenmacher said that when staff is available they may do a presentation but that their efforts don't come close to the number of participations that the museums reach, or approach the level of hands on interactive person to person education.

Mr. Nonnenmacher gave an example of the level of effectiveness of the CRRA education programs. He explained that an education pilot program was performed for the City of Bridgeport the prior year at the Beardsley school. Mr. Nonnenmacher said that after the program the City reported that recycling tons had gone up about 25%.

Mr. Nonnenmacher said that the same teachers and schools come back year after year not only for the affordable experience but also for the worthwhile knowledge. He said there are positive comments from adult groups, business groups as well. Mr. Nonnenmacher said that invariably adult groups say "I didn't know that" which demonstrates the need for education that is necessary for the State to achieve the recycling goals.

Mr. Nonnenmacher said that the need is there to educate people of all ages to achieve that goal and that responsibility is CRRA's. He said that based on that this policy the resolution proposes that CRRA adopt education as part of its core mission and in keeping with that that the education programs be funded out of the CRRA general fund versus the current set up of individual projects.

Director Damer said that although he supports that garbage museum and its efforts to educate he has some difficulty with the concept that the funding come from the general fund which is supported only by member towns when this the recycling effort is a State goal. He asked if management has ideas on working with the legislature or other areas to securer funding.

Mr. Nonnenmacher said that efforts have been made in the past and management will continue to try and get special funding from the CT DEP. He said that quite frankly the CT DEP is unwilling to provide this necessary funding despite their setting of a grand and lofty recycling goal without any plan and or provision of the necessary funding to achieve those goals.

Mr. Nonnenmacher said that the CT DEP has one person who targets education but in a limited and sporadic manner. He suggested that perhaps CT DEP does not feel the need to provide this resource as CRRA already does.

Chairman O'Brien said that the museums can be funded from recycling revenues and that the escheats are another area that management should pursue. Mr. Nonnenmacher noted in fact that CRRA's program increased escheats as encouragement for the public to use curbside recycling is given. He said that in a way this encourages people to not bring the cans to bottling facilities and the more deposits are present for the general fund.

Chairman O'Brien said that the message in the write-up is good; however the resolution is not ready for the full Board. Ms. Hunt said that she does not believe that this policy needs to be noticed as it is a budgeting and internal matter. Mr. Nonnenmacher said that he would make the necessary changes for the Board meeting.

Chairman O'Brien asked that two whereas be added to the resolution stating that whereas the SWMP has an ambitious recycling goal and where as CRRA has done a job of recycling education historically proven at the two education centers therefore be it resolved that without that recycling education is necessary to reach that goal and that we believe that CRRA is charged with that duty by the legislation requiring it to support the SWPM.

Director Damer noted that the third line of the policy contains a typo which stated “gone evolved”.

The motion previously made and seconded was approved unanimously by roll call with the understating that the requested changes would be made for the full Board.

7. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ADOPTING AN AMENDMENT TO SECTION 5.11 OF THE PROCUREMENT POLICY**

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 the Board of Directors hereby adopts the following revision to the Authority’s Procurement Policy, amending and restating in its entirety Section 5.11 of the Policy, Market Driven Purchases and Sales:

***5.11 Market Driven Purchases and Sales***

Recognizing CRRA operates in an industry that has market driven goods and commodities services, CRRA needs to purchase and sell certain goods or commodities services in a short time-period in order to maximize optimize prices and/or revenue to CRRA. Examples of such market driven goods and commodities services include, but are not limited to, the following: the acquisition of cover soil for landfills,; and the sale of glass, plastic, paper, cardboard, newspaper, and metals; and the procurement of waste export and diversion services from time to time due to excess deliveries and/or unscheduled outages. CRRA may utilize an expedited purchase or sale procedure for market driven goods and commodities services but CRRA must strive to get the most price quotes as are practicable without jeopardizing the prices or revenue to CRRA. Recognizing the intent of these Policies And Procedures is to have a Competitive Process for all goods and commodities services, this section should be limited in its use and used only when absolutely necessary. When CRRA determines such a market driven purchase or sale is necessary, CRRA shall utilize the provisions of this section but report to the Board the market driven transaction as soon as is practicable and obtain Board approval if such approval is necessary.

Chairman O’Brien asked Ms. Hunt if the changes to this policy needed to be publically noticed. Ms. Hunt said that is correct and it has been noticed for the September Board meeting. She said that she believes that the policy change is legal but she has been unable to garner outside counsels’ approval without current legal funding.

Ms. Hunt said that the policy currently reads as “market driven goods” and that this change adds “services”.

Chairman O’Brien said that these changes are consistent with the discussion in July where the Policy and Procurement Committee members did not believe that the emergency resolution before them constituted as a true emergency. He reiterated that he did not want to see emergency procedures used to circumvent the requirement that purchases over \$50,000 are approved before management performs them. Chairman O’Brien said that this offers clarification on this procedure.

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

8 **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING ESTABLISHING A SPECIAL COMMITTEE TO STUDY OPTIONS FOR MUNICIPAL SOLID WASTE DISPOSAL FOLLOWING THE EXPIRATION OF THE MID-CONNECTICUT PROJECT**

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

**RESOLVED:** That a Special Committee is hereby formed and charged to study options for the disposal of solid waste from the Mid-Connecticut Project municipalities post Project, and report thereon to this Board; and

**FURTHER RESOLVED:** That the Special Committee consist of the five representatives of the Mid-Connecticut Project contracting municipalities designated by the Mid-Connecticut Project Municipal Advisory Committee (MAC representatives from Windsor Locks, Canton, Hartford, East Hartford, and Barkhamsted), and the Authority's President; Director of Operations; Environmental Affairs & Development Director; Development, Environmental Compliance & IT Manager; and Senior Operations Analyst.

Vice-Chairman Martland said that he is extremely opposed to this resolution. He said that specifically the towns within this resolution do not accurately represent the 70 towns within CRRA's service area represented especially Barkhamstead as they initiated a suit against CRRA. He said that he thinks the representing towns should represent a better distribution.

Mr. Kirk said that management had raised those very points to the MAC committee themselves particularly the need for geographical distribution. He said that the Committee took these comments into account and in response removed one of the original five towns (all CROG towns) and added Barkhamstead. Mr. Kirk said ultimately these choices are that of the MAC group. He said it serves as an advisory role.

Chairman O'Brien asked if the CRRA Board is obligated to accept the MAC Committees' choice. Ms. Hunt explained that five committee members that represent the towns are jointly designated by the member municipalities. Mr. Kirk said that in the absence of the MAC group CRRA has intended to ask for volunteers and if more than five were given ask for volunteers. Mr. Kirk said that the MAC group choose these towns and pointed out the statutory requirements are that there is a committee however, that committee powers and responsibilities are less critical than other projects as the future plans of the Mid-CT project are a task of the CRRA Board and the seventy towns.

The Committee discussed the issue at length and how to best communicate to the seventy communities that it is the Committee's feeling that the chosen towns are not a good selection.

Mr. Nonnenmacher said that prior to the meeting where the MAC Committee would make its selections management spread the word of the future options committee to the various COG members of the State. He said that management was disappointed in the lack of interest by the towns in serving on this Committee.

Chairman O'Brien suggested that one representative serve from each of the transfer stations. The Committee undertook a substantial discussion on choosing more representative Special Committee members.

Chairman O'Brien suggested this resolution be forward without recommendation to the full Board for discussion.

Ms. Hunt noted that the Special Committee must be set up by the October 29, 2009, Board meeting.

Director Damer asked if management knows if the Towns outside of the selection of the MAC Committee have difficulties with the chosen Towns. Mr. Kirk said that it looks quite similar to the active group within the CROG which was responded with by adding Barkhamstead. Mr. Kirk said that this Committee's powers are very limited.

Mr. Nonnenmacher said that Essex, Torrington, and Ellington are all governed by Mayors or First Selectman's whose terms expire in November. He said there is a chance that new faces may be interacting with CRRA as a result.

The Committee agreed unanimously by roll call to forward the motion without recommendation to the full Board.

## **DISCUSSION MATTERS**

### **CONTRACTS OVER \$50,000**

Mr. Tracey said that presently the procurement policies allow for management to use the DSS contracts in place but are not clear concerning the purchase of goods and services regarding the award of DSS contracts valued over \$50,000.00. He explained management is seeking the ability to award a contract to a DAS vendor if it is over \$50,000 without the requirement of the competitive process with the caveat that it also be brought to the Board for approval.

Chairman O'Brien said that he was not in favor of recommending management's request. He said that it has been his personal experience that going out for bid for State contracts brings in the best price. Chairman O'Brien said that CRRA can accept the DAS established price.

Vice-Chairman Martland asked how management would be able to check for whether a good price is being offered without a comparison which a competitive bid provides for.

Director Damer asked Mr. Tracey if a comparison has been established between the bids CRRA has received and the price it may have gotten had it used the DAS contract. Mr. Kowlaski replied that he does have one example that he can cite. He explained that management is seeking forklifts for the waste processing facility and has received a few budgetary quotes such as \$25,000 for a forklift. Mr. Kowlaski said that the DAS price (what is called the government rate) is \$21,000. He explained that had this been bid out the vendor would have bid the \$25,000 number and would not have been obligated to provide the State negotiated rate.

Director Damer asked if CRRA would have the option to accept the DAS rate. Mr. Egan said that CRRA could certainly do this. Ms. Hunt agreed and explained that the way the policy works under exceptions to the competitive process states procurements under DAS, DEP and any other governmental agency agreement. She said that the implication is that CRRA could accept that in place of any other competitive process.

Director Damer asked if this was true regardless of whether CRRA is above or below \$50,000. Ms. Hunt said that this is correct and that Board approval is still required for over \$50,000. Ms. Hunt said that the problem stems from the part of the policy which concerns over and under \$50,000 and that the under \$50,000 portion specifically says that a DAS contract can be done but that the over \$50,000 portion does not specifically address that. Ms. Hunt said that the co-overwriter of the policy Paul Doyle, believes that this was an oversight. Mr. Doyle explained that Bud (who was the other co-writer) felt that a DES or DOT approved contract meant that the competitive process had already taken place and was therefore adequate.

Chairman O'Brien said that he believes that is adequate to meet the statutory requirements however the State bid price is not always the best price available in the market and that depends on the pressure for that commodity whether it be service or equipment. Chairman O'Brien said that he would like to see a change to the bid process but to be sure that the policy provides clear authority that subsequent to a bid that the DES price is the best price and can be accepted by rejecting the other bids.

Vice-Chairman Martland said that to support the last comment when the economy changed the market prices are a lot lower.

Mr. Kirk said that he does not believe that the DES list has ever come in higher than the bid price. Chairman O'Brien said that supporting data would be helpful. Mr. Kirk said that CRRA rarely uses DAS and very rarely for over \$50,000. Mr. Kirk said that Board always has the option to ask for bids. Chairman O'Brien said that if management can document that DAS is typically the best price that's one thing but that he does not want to approve a policy which circumvents the bid process. Director Damer said that at the same time the Committee needs the authority to accept the DAS price.

Director Damer said that it sounds to him that the Board would be reluctant to approve DAS contract for over \$50,000 unless it has seen competitive bids with which to compare the price to. Mr. Kirk asked Mr. Tracey to research if there is history of instances of over \$50,000 to provide more information for the full Board. He asked that the notice of a change to the procedure be done. Ms. Hunt said that the notice will have to be done in November.

### **BEEKEEPING AT THE SHELTON LANDFILL**

Mr. Egan asked if CRRA should go out and publically solicit requests for interest in the beekeeping industry to identify folks who may want to undertake beekeeping at the Shelton landfill post-closure or is the CRRA Board comfortable sole sourcing the activity to a company which has reached out independently to offer such services. Mr. Egan said that a few months ago two men who bee keep as a hobby (but plan on turning this hobby into a business) approached CRRA and asked if they could set up some beehives knowing that at some point revenue may be earned in the future. He said that the CT DEP's permission would be needed and that wildflowers and certain vegetation would be planted with CRRA and CT DEP's permission.

Mr. Egan said that he would be happy to offer them permission although public solicitation may or may not find that there is other outside interest in other beekeeping circles. Chairman O'Brien asked if it is legal to provide the parties permission without soliciting a public bid and if so how long of a commitment would be involved. After substantial discussion concerning offering the possibility to outside parties, the fact that the landfill is a public asset, the cost of the advertising for public interest, insurance, the opinion of Director Lauretti (in which whose City the landfill resides) the Committee agreed that the those factors be further investigated prior to bringing this item to the Board. Director Damer suggested that the agreement be limited to three years. Mr. Kirk asked Mr. Egan to find out if it is routine that bee keepers pay a fee to hosts of the bee hives.

### **ADDITION OF A DISCUSSION ITEM TO THE AGENDA CONCERNING PRESSURE PARTS FOR THE BOILER**

Chairman O'Brien requested a motion add a discussion item concerning pressure parts for the boiler to the agenda.

The motion to add the item to the agenda for discussion was made by Director Damer, seconded by Vice-Chairman Martland and approved unanimously by roll call.

Mr. Tracey said that a cost benefit analysis has been done. He explained that this item had been discussed at the August 27, 2009 special meeting. He said that the write-up concerning pressure parts for the boilers which was discussed with Covanta concerns a \$18 million project for which CRRA was going to purchase the parts with Covanta providing the labor. Mr. Tracey said that the prior week Covanta had indicated that it was dropping its contribution to the labor portion from \$900,000 to \$300,000 which is why Mr. Tracey has not had the time to prepare a write-up.

Mr. Tracey said that management looked from a cost benefit standpoint at the scope of the project. He said that what is required is the \$1.3 million cost of replacing the side walls of the boilers for which CRRA will contribute \$1 million with Covanta providing for the \$300,000 labor cost. Mr. Tracey said that the cost benefit analysis found that the pay back is in two years.

Vice-Chairman Martland asked if the wear is from the corrosion on the boilers. Mr. Kirk said this is correct. He said that originally Covanta had indicated that it would be paying for the labor and that it is now saying that it will only be contributing \$300,000. Mr. Kirk said that he had asked Mr. Tracey to put together the cost benefit analysis to determine if the new proposed deal makes sense economically, which is does based on the payback. Mr. Kirk said that the performance passing grade for Covanta is pitifully low. He said when the plant capacity was expanded in the nineties the performance requirements were not similarly stepped up and even with a terrible performance throughput and production are easily reached and Covanta is well within the limits of their requirements. Mr. Kirk said that Covanta has said that it will continue to patch up the plant as they go and achieve their performance requirements making it very difficult for CRRA to argue that it is owed more because of industry standards.

Mr. Kirk said that management has reached the conclusion that it is CRRA's responsibility to the towns to improve the availability of the boilers, throughput and therefore production of electricity even with only three years left on the project. Mr. Kirk said that management has estimated that the improvement to the side walls will result in a 50% reduction in unscheduled down time with the \$1.8 cost. Mr. Kirk said that regardless of who owns the plant in 2013 it will still benefit CRRA.

Vice-Chairman Martland asked if the side wall deterioration will continue to be a problem. Mr. Kirk said that is correct and that this is maintenance issue. Director Damer asked if Covanta's \$300,000 proposal is what it expects to avoid in maintenance. He said if it is more than that than Covanta needs to be told it has to at least contribute what they expect to save on costs. Mr. Tracey said that Covanta said the \$300,000 is what it can afford in a proposed budget for the next year.

Chairman O'Brien said that if these repairs will help Covanta to avoid costs for three years its contribution should not be based on the next year's budget. Mr. Kirk said that Covanta is aware that CRRA will make out on this and most likely through in as little of a contribution as they expect to be able to.

Chairman O'Brien asked if Covanta is interested in running this facility post 2012. Mr. Kirk replied yes. Chairman O'Brien asked if Covanta expects this type of performance will count in its favor. Mr. Kirk said that this fact has been made very clear to Covanta. Chairman O'Brien said that CRRA has an obligation to maintain the plant to the best of its abilities. He suggested preparing a compelling case as to why CRRA should proceed with these repairs and to attempt to secure a better contribution from Covanta given its benefits from the repairs.

## **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 Damer 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 11:08 a.m. and concluded at 11:27 a.m. Chairman O'Brien noted that no votes were taken.

The meeting was reconvened at 11:27 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.

## **10. REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING PROJECTED LEGAL EXPENDITURES**

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

**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 2010 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 2010:

<u>Firm:</u>	<u>Amount:</u>
Halloran & Sage	\$885,000

**Further RESOLVED:** That the President be authorized to expend up to \$300,000 from the Landfill Development Reserve Account for payment for legal fees incurred in fiscal year 2010 in connection with the Authority's development of a new ash landfill in the State of Connecticut

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

**11. INFORMATIONAL**

Chairman O'Brien said that there were no comments on the informational section of the package and noted that the Committee had thoroughly reviewed the material.

**ADJOURNMENT**

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

The meeting was adjourned at 11:28 a.m.

Respectfully submitted,

Moira Kenney  
Secretary to the Board/Paralegal