

**Executive Committee Meeting
October 20, 2005**

Minutes

Members Present: Michael Pace, Committee Chair
Stephen Cassano (Present beginning at 11:50 a.m.)
Benson Cohn
Andrew Sullivan

Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Floyd Gent, Director of Operations
Laurie Hunt, Director of Legal Services
Kristen Greig, Secretary to the Board/Paralegal

Also Present: Alan Curto, Esq. of Halloran & Sage

Chairman Pace called the meeting to order at 11:05 a.m.

1. Approval of Minutes of the July 21, 2005 Steering Committee Meeting

Chairman Pace requested a motion to accept the minutes of the July 21, 2005 Steering Committee meeting. The motion was made by Director Cohn and seconded by Director Sullivan.

The minutes were approved unanimously.

2. President's Report

Mr. Kirk explained that management continues to meet with MDC and said that there would be further discussion in Executive Session on that matter.

Regarding the Hartford Landfill, Mr. Kirk informed the Committee that CRRA had a very productive meeting with members of the North End community. Mr. Kirk explained that CRRA's environmental attorneys were also present and the intent of the meeting was to communicate CRRA's plans for the Hartford Landfill with community leaders and representatives. Mr. Kirk stated that CRRA is inviting their continued participation in the decisions to be made on post-closure use of the landfill. Mr. Kirk noted that explaining CRRA's intentions on preparing for the final closure was critical to that meeting, which includes grading the landfill to a three-to-one slope on all four sides. Mr. Kirk stated that would require a permit modification from DEP and said that there were no adverse reactions on the part of the community representatives. Mr. Kirk emphasized that neither the footprint nor the height of the landfill would be changing as a result of this modification. Mr. Kirk stated that it was CRRA's hope that the meeting would show DEP that there is not an environmental justice issue with the proposed change.

Mr. Kirk said that the representatives from the community asked when the landfill would be closed and CRRA responded that the closure would take place in or around mid-2008. Mr. Kirk stated that CRRA explained operations at the landfill would end around that timeframe, but the actual closure, including installing an impermeable cap, could take a year or more. Mr. Kirk said that although the permit does not require an impermeable cover, CRRA believes that an impermeable cover is the best available option and the only issue to be resolved is how that will be funded. Mr. Kirk said that the group was informed of CRRA's discussions with the City of Hartford. Mr. Kirk said that he was optimistic that the state would also be involved in the closure because of its history with the closure of dozens of landfills throughout the State.

Director Cohn asked if CRRA had been in touch with the State on this matter. Mr. Kirk said that CRRA has been attempting to meet with various individuals, but the challenge has been getting people to agree to meet because it is not an expenditure that will take place this year. It was agreed that the sooner the issue could be put on the radar, the more effective the effort would be.

Chairman Pace asked what the estimated closure cost was. Mr. Egan responded that the estimate for closure and monitoring was \$12 million. Chairman Pace asked what CRRA had in reserves for that purpose. Mr. Egan said that CRRA has approximately \$8 million. Chairman Pace suggested working with Hartford to figure out what CRRA could contribute, what Hartford could contribute, and what assistance the state could provide. A detailed discussion followed regarding options for funding the closure and monitoring.

Mr. Kirk thoroughly explained CRRA's outreach efforts to the leadership at Hartford, the Governor, and other agencies including DEP. Chairman Pace stated that he would like to meet with Mayor Perez to discuss this matter.

Mr. Kirk noted that CRRA is in a time crunch to resolve these issues and to have the proposed modifications approved. Mr. Egan added that CRRA has already completed an investigation, which concluded that the dike stability would not be compromised by taking advantage of the steeper three-to-one slope. Mr. Egan stated that CRRA has also asked several contractors to give prices for assembling a revised closure plan. Mr. Egan said that it was anticipated that the revised closure plan would go to DEP for approval in March. Director Sullivan asked how much longer the proposed revision would allow the landfill to be in operation. Mr. Egan responded that the revision would allow about two more years and said the revision would also provide about 250,000 cubic yards of additional airspace for process residue, which represents approximately \$14 - \$15 million of avoided costs over two fiscal years. Mr. Egan said that CRRA would offer to begin closing the west slope of the landfill prior to 2008 to provide a more immediate benefit to the community from a visual standpoint.

Regarding the Solid Waste Management Plan, Mr. Kirk informed the Committee that CRRA continues to work very closely with DEP and noted that the DEP has been very receptive to input from the stakeholder groups. Mr. Kirk said that the contractor seems to recognize CRRA's role as the organization that will be implementing the plan. Director Sullivan asked if the current plan was being revised or if a whole new plan was being drafted. Mr. Egan responded that, essentially, a new plan was being developed.

3. Review of Procurement for Mid-Connecticut Transfer Station Services

Mr. Kirk explained that management's concern regarding the above-captioned matter was that, because of decisions made by prior administrations, there could be a reduced number of vendors for transportation work. Mr. Kirk said that it was management's inclination that if CRRA could supply the trucks there could be a broader participation from companies that would have no problem supplying drivers, but would have capital restraints that would prevent them from being able to supply vehicles. Mr. Kirk said that CRRA wants to create a Request for Proposals that would be as inclusive as possible and ensure that there is more than one vendor that has the capability of providing the services. Mr. Kirk noted that CRRA is planning on splitting the services into a minimum of four different transportation and operation components that must be bid separately.

To give the Committee an idea of how much capital bidders would need to be able bid on the different components, Mr. Gent gave a breakdown of the costs of purchasing the vehicles and trailers for the different transfer stations.

Director Cohn asked what the term of the contract would be. Mr. Gent responded that CRRA was looking to do a five-year contract because of the significant capital investment required by the contractors. Director Sullivan asked if some vendors already have equipment that could be utilized for these services. Mr. Gent responded that CRRA needs a contractor that will get the waste out in a timely fashion, so unless vendors have equipment that was not being fully utilized, it is likely that the vendor would have to purchase equipment specifically to meet the demands of these services.

Chairman Pace stated that he supports encouraging small businesses, but CRRA had to be careful that contractors' vehicles are in good repair. Director Sullivan noted that CRRA should also require and monitor insurance. Mr. Gent stated that CRRA could ask for two prices in the bid: one if CRRA provided the equipment and one if the equipment was to be provided by the vendor. Director Cohn noted that the current contractor could have an overwhelming advantage because they already own the equipment needed to perform the services and said that the bid has to be structured carefully to encourage competition. Mr. Kirk said that is CRRA's intent.

There was a brief discussion regarding how the high price of fuel could impact the prices in the proposals.

4. Review of Mid-Connecticut Project Waste Processing Facility Replacement Contractor Procurement Process and Business Structure

Mr. Gent explained that CRRA has issued a new Request for Proposals (RFP) for a contractor for the Mid-Connecticut Waste Processing Facility (WPF) and referred the Committee to the bid schedule in the package. Mr. Gent stated that the RFP is structured to divide the WPF into three programs including waste flow management, operations, and maintenance on a "time-and-materials basis." Mr. Gent gave a thorough explanation of the process that would ensue if a new vendor was selected from the proposals.

Mr. Gent informed the Committee that the potential bidders were Covanta, Wheelabrator, PPM, EAC and Casella. Mr. Gent stated that CRRA was hoping for a broader response, but was

still hoping to receive two or three proposals. Director Sullivan asked if MDC would be submitting a proposal. Mr. Gent responded that MDC had informed him that they would not be submitting a proposal, but noted that MDC has been attending the pre-bid meetings.

Mr. Gent added that the contractors are very concerned about the condition of the facility, which gives CRRA some concern that they may not bid. Mr. Gent said that CRRA was considering doing an addendum to dedicate a certain dollar amount to do necessary repairs so a premium would not be added into the fixed price. Mr. Gent said that CRRA was taking certain actions now to show a good faith effort to improve the condition of the facility and the proposed contract would allow certain remedies to ensure a new vendor properly maintains the facility.

5. Procedural Review

Mr. Kirk explained that this issue was raised at the last Board meeting in choosing Board members to serve on the Special Committee for the Bridgeport Project. Mr. Kirk said that CRRA does not have an internal procedure for dealing with conflicts of interest or the appearance of conflicts of interest. Mr. Kirk said that, for the protection of the organization and staff, management thinks a procedure is necessary that would allow an independent third party to examine a potential conflict of interest and determine if a Board member should recuse himself from a discussion. Mr. Kirk stated that the very nature of the composition of the Board creates potential conflicts and gave several examples of future events that could put Board members in difficult situations. Mr. Kirk said that it would be difficult for Board members that are mayors or first selectmen to make a decision that is best for seventy other member towns when that decision may not be the best decision for his town. Mr. Kirk said that a procedure involving a disinterested third party would give a Board member confidence that he is protected in such situations.

Ms. Hunt noted that the current Ethics Policy calls for management to report violations by staff or Board members to the State Ethics Commission. Mr. Kirk said that, if a violation occurs, it should be reported, but management does not want to be in the awkward position of making a judgment on a potential conflict when there has not been any violation. Mr. Kirk said that, currently, the organization is depending on each individual Director to judge whether or not he has a conflict of interest.

Director Sullivan stated that if a Director finds himself in a conflict, either perceived or actual, it is incumbent on that Director to address the issue upfront. Director Sullivan added that if fellow Board members do not see a conflict with another Director's participation, then the Director should be able to vote on the matter. Director Sullivan said that if CRRA relied on a third party, it is possible that the third party would have to be at every Board meeting in case a potential conflict arose.

Director Cohn noted that the CRRA Ethics Policy should undergo a review to address issues of conflicts of interest as well as a modernization to reflect changes in the Ethics Commission.

Chairman Pace suggested having the Executive Committee review any potential conflicts rather than a third party and requested that the Policies & Procurement Committee review and update the CRRA Ethics Policy.

Director Cassano noted that this matter is important because, in many cases, the person involved does not see a conflict and sometimes the appearance of a conflict can be just as dangerous as an actual conflict. Director Cassano said that, with the scrutiny surrounding this organization, the appearance of conflict is a real issue and with the important issues on CRRA's horizon, conflicts should be identified before they are on the table for a vote. Mr. Kirk asked what action the Committee recommended in the case where a Board member does not recognize or does not agree that there is a conflict. The Committee agreed that the Chairman or Executive Committee would have to make that decision.

Consensus of the Committee was reached for having the Policies & Procurement Committee review the CRRA Ethics policy and recommend changes to the full Board.

6. Discussion regarding Identification of Corporate Owners & Officers of Companies with which CRRA does Business

Mr. Kirk noted that Attorney Curto was available to answer any questions or address any concerns that the Committee might have. Mr. Kirk stated that there are some concerns about collateral issues that would be raised if CRRA were to investigate who owns the companies with which CRRA does business.

Attorney Curto said that if the Committee was interested in identifying owners of companies, there are a couple of ways that could be accomplished such as asking the company for a list of owners or including specific questions in bid documents. Attorney Curto said that the challenge is deciding what to do with that information once it is acquired.

Chairman Pace said that he is not looking to exclude companies with this information, but he would like to know who CRRA is dealing with. Mr. Kirk agreed that CRRA recognizes the value in knowing who it does business with, but also recognizes the challenges that go along with the information once it is available. Mr. Kirk gave the example that if CRRA finds out that someone that is under investigation or has been convicted of a felony owns that company, CRRA now has to decide what to do with that information. Director Cohn stated that the Policies & Procurement Committee was concerned that requesting such information could have the appearance of a political test.

Mr. Kirk said that when work is bid out, CRRA reviews a company's past performance and qualifications to make sure they are the best available contractor for the job. Mr. Kirk recognized that if a contractor gets in trouble after a contract is awarded, there is the potential that CRRA's association with that company could be brought up, but said he does not think it is possible to prospectively protect the organization from situations such as that.

The Committee agreed that CRRA's legal counsel would review the CRRA bid documents and Procedures and consider additions that could address the Committee's concerns. Those changes, if any, would be provided to the Policies & Procurement Committee for consideration.

7. **Executive Session**

Chairman Pace requested a motion to go into Executive Session to discuss pending litigation, real estate acquisition, and trade secrets/feasibility analysis. The motion made by Director Sullivan and seconded by Director Cassano was approved unanimously. Chairman Pace requested that the following people remain during executive session, in addition to the Committee members:

Tom Kirk
Jim Bolduc
Peter Egan
Floyd Gent
Laurie Hunt

The executive session commenced at 11:52 a.m. and concluded at 1:15 p.m. Chairman Pace noted that no votes were taken in executive session.

Adjournment

Chairman Pace requested a motion to adjourn. The motion to adjourn made by Director Cassano and seconded by Director Cohn was approved unanimously. The meeting was adjourned at 1:15 p.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal