Executive Committee Feb. 11, 2010, Meeting

Draft Minutes

Members Present: Michael Pace, Chairman Ray O'Brien, Vice-Chairman Michael Jarjura (present until 3:00 p.m.)

CRRA Board Member Present: Alan Desmarais

CRRA Staff Present: Moira Kenney, Secretary to the Board/Paralegal

CRCOG Members Present: John Adams, First Selectman of Granby, CT; Richard Barlow, First Selectman of Canton, CT; Marilyn Cruz-Aponte, Assistant to the Public Works Director of Hartford, CT; Melody Currey, Mayor of East Hartford, CT; Steven Wawruck, First Selectman of Windsor Locks, CT.

1. PRELIMINARY DISCUSSION

Mayor Currey said that the purpose of this meeting is to talk about moving forward with governance of CRRA. She said that CRCOG firmly believes that CRRA should be in the hands of the Chief Elected Officials (hereinafter referred to as "CEO's") and not CRRA. Mayor Currey said that at present about fifty towns out of the seventy Mid-Connecticut Project towns are looking at creating a Regional Authority. She said the group agreed to approach this by going through the General Assembly and requesting that the governance of CRRA be turned over to the CEO's and the communities as opposed to gubernatorial and legislative appointments. Mayor Currey said that the model ordinance that CRCOG is considering is on the web page. She said she would like to come to an agreement with the CRRA Board of Directors.

Director Jarjura said that during his tenure on the CRRA Board of Directors he has found that there is a real benefit to having experts serving on the Board from a variety of fields such as finance or engineering. He said that those Board members which serve as experts are often invaluable for certain aspects of the Board's duties. Director Jarjura said that if there is some way to preserve that aspect of the Board he would encourage that as it would be a loss to not have their expertise.

Ms. Cruz-Aponte said that she has worked in the solid waste area for many years in the Bristol area. She said that facility was comprised of all CEO's and a balance was struck when the CEO's began to understand the significance of solid waste issues dollar wise.

Ms. Cruz-Aponte said that the Bristol Facility is the model the CRCOG group is looking toward. She said the fact that CEO's have to respond to voters and legislators locally develops the concern for solid waste issues as well as the impact on the budget.

Director Jarjura said that a certain number of CEO's is necessary to represent the various sizes and geographical make-up of the member towns and are on the CRRA Board. He said that

his concern representing the City of Waterbury is at that end of the day he has to have some confidence and certainty that the tonnage from Waterbury is picked up and brought to the most cost effective location. Director Jarjura said that Waterbury is currently part of the Mid-Connecticut Project and has the second largest tonnage in the Project. He said he receives constant calls from the private sector interested in Waterbury's tonnage. Director Jarjura explained that he informs those callers that he is part of a consortium of towns committed to bringing their waste to the Project and the City is satisfied with this.

Director Jarjura said that he sits on the CRRA Board because he was asked to by the Legislature. He said as long as that Board is representing Waterbury's and the project member towns' best interest that seat could be filled by another representative. Director Jarjura said a possible problem the CRCOG members may run into in their efforts to restructure the CRRA Board is that the State owns that plant and equipment.

2. CALL OF EXECUTIVE COMMITTEE MEETING TO ORDER

Chairman Pace called the meeting to order at 2:00 p.m. and noted that a quorum was present.

Chairman Pace said that the agenda for this meeting is to discuss the CRRA governance and structure with the CRCOG representatives present.

3. PLEDGE OF ALLEGIANCE

Chairman Pace requested that everyone stand for the Pledge of Allegiance, whereupon the Pledge of Allegiance was recited.

4. **DISCUSSION**

Chairman Pace said that initially a group of people from the municipalities got together to see what their future options are, a step which CRRA is always supportive of. He said this concern became an issue of governance more recently. Chairman Pace said that he has served on the CRRA Board of Director for eight years and also held a position as President of CRRA for six months all unpaid.

Chairman Pace said that the legislature has appointed the CRRA Board and can certainly change to another structure if they care to. He said that the Legislature chose to appoint CEO's and took the size of the municipalities into consideration to ensure it was not dominated by any inside parties. Chairman Pace said that small towns such as Old Saybrook were selected and that Governor Rowland, Governor Rell, and Kevin Sullivan among others had asked that he take over the CRRA Board which was a bipartisan selection.

First Selectman Barlow said that the CRRA Board ad-hoc members do not vote on the full Board issues but only on those which relate to their specific project. He said the Mid-Conn representatives and Wallingford ad-hoc members can not vote on the overarching CRRA budget but only on the impact of the budget on their Project. He said that he feels this is a governance issue.

Director Jarjura said that the ad-hoc members vote on their budget. He said the CRRA budget is built from the various Project budgets so the ad-hocs do influence the overarching CRRA budget. Director Jarjura said because Mid-Conn is by far the largest project the Mid-Conn ad-hocs vote on almost all CRRA non-project items. He said that they sit in on all the meetings and advise the CRRA Board.

Chairman Pace said that he thinks the overall wisdom of the legislature has seen that there is representation on the CRRA Board from both sides of the government. He said he believes the best interest of the State of Connecticut in Solid Waste Management is being represented. Chairman Pace said that he feels the CRCOG's local ordinance needs refining and definition and appears to be designed as a weighted average which benefits certain few towns over others.

Chairman Pace said that everyone on the CRRA Board represents all member towns and receives one vote as opposed to a weighted vote. He said that he also feels that the legislators intended to serve the best interest of the State of Connecticut as opposed to certain towns. Chairman Pace said the Legislature has a right to do as they wish. He said he does not believe it is in the best interest of the State of Connecticut or of the seventy towns to change into the system which the CRCOG group has developed at present.

Chairman Pace said meeting and discussing governance issues is certainly possible, however walking in as a group together to approach the Legislature for a major change is not going to happen. He said that he is aware that there have been efforts to remove him as Chairman. Chairman Pace clarified he was not referring directly to the representatives before him. He asked what the current Board of CRRA has done that would make CRCOG think that their proposal of an alternative governance structure would be better. Chairman Pace said that it certainly would not be the paying off of debt or better contracts for energy which the current Board has done. Chairman Pace said the current Board faithfully provides representation to of all the member towns and in the States' best interest.

Mayor Currey said that studies have found that when people feel they can't be replaced or that their job can not be done better it is perhaps time to look at that governance structure because one has lost sight of the representation. She said that she feels that CRRA's efforts to reach out to the municipalities has been a pat on the head to say we recognize you can sit at the table, however CRCOG is asking to sit at the table.

Chairman Pace said what a few CRCOG towns are asking for is to take over the table and push everyone else aside while patting them on the head.

Mayor Currey said no. She said the way the CRCOG group has it set up there is no one group which will take over.

Chairman Pace asked how many votes the City of Hartford would have in the CRCOG model. Mayor Currey replied five. Chairman Pace asked how many votes would Old Saybrook have? She replied one. Chairman Pace asked how many votes Avon would have? First Selectman Barlow replied two. Chairman Pace said that Avon does not send any garbage to CRRA. He explained that Avon utilizes private subscription haulers in a residential service

subscription. Chairman Pace said if CRCOG is going to propose a model they should be aware the model that they are presenting has major flaws.

Mayor Currey said that the decision making on the CRCOG model has equals at the table, all Mayors and First Selectman. Ms. Cruz-Aponte said some of the technical capabilities come from elected officials who will sometimes select a finance director or public works director however, over all the decision making is done by the municipal officials.

Ms. Cruz-Aponte asked how many members of the CRRA Board are municipal officials. Vice-Chairman O'Brien said that there are eleven full Directors; presently three are not municipal officials.

Director Desmarais said that he is the Finance Director of Manchester, CT but he is not sitting on the Board as the Town of Manchester, he is sitting on the Board as someone who has knowledge of public finance with a duty to all member towns. He said that Director Damer sits on the Board as someone with experience in the field of the power industry and similarly has a duty to all member towns.

Ms. Cruz-Aponte asked if there are eleven total people on the CRRA Board of Directors. She asked how far the CRRA Board is from being entirely comprised of full CEO representation. Ms. Cruz-Aponte asked why the CRRA Board can't become totally comprised of CEO's.

Director Desmarais said that Bristol may be a great project; however it has a contract with Covanta to operate the plant. He asked what kinds of decision the Bristol Board makes concerning electricity. Ms. Cruz-Aponte said that the Bristol Board takes votes and makes votes based on recommendation of the staff.

Director Desmarais asked if the Bristol Board makes decision on how the trash will run through the plant. Ms. Cruz-Aponte replied no. Director Desmarais said the Bristol Plant has a completely different operational structure from CRRA.

Chairman Pace pointed out the Bristol plant charges about \$33.00 a ton for recyclables. Ms. Cruz-Aponte acknowledged that and said that Bristol has a different model and structure than CRRA.

Director Desmarais said that the CRRA Board decides who will buy the electricity made at the plant and at what price, in addition to deciding how the waste will flow through the plant and how it will be processed. Director Desmarais said that those types of decisions are not negotiated with an operator and are strictly a Board decision at CRRA. He explained the point he is trying to make is that there are people on the Board which represent different areas of expertise such as the power industry. Director Desmarais said that it is important to take the plant's history into account. He explained at one point it had to borrow to build, a point in which the expertise in a financial management was crucial. Director Desmarais said that he also brings his experience in governmental financing and budgeting to the table.

Ms. Cruz-Aponte explained that BRRFOC often has conflict with its vendor Covanta.

Chairman Pace asked why she assumed the CRRA Board does not deal with similar situations. He said that CRRA had a longstanding conflict with Wheelabrator at the Bridgeport Project to try and secure the Bridgeport plant. Chairman Pace said that quite honestly the CRRA Board was disappointed in the lack of cohesion and future outlook of the CEO's in that area. Chairman Pace said that the Wallingford Plant represents another area where the CRRA Board could have bought the plant and saved the towns in the project significant dollars. He said that unfortunately one town wanted to take advantage of pilot dollars and now all the towns pay \$65.00 a ton versus the \$55.00 a ton price secured by CRRA.

Chairman Pace said that the CRRA model at Bridgeport and Wallingford has been changed from owner and contracting for operation to owning capacity. He said that the Mid-Conn plant will move forward through ownership, a vendor relationship with the CRRA Board will continue as a contractor is needed. Chairman Pace said the true expertise in running energy generation is CRRA professional management and staff which are necessary to assure towns the best prices, service and operation. He said this is not a political pressure decision.

First Selectman Barlow said the question of vendors is way at the end of the process. He asked why Chairman Pace would feel threatened by the CRCOG model where he as a customer would have more active voice in the management of a facility that has a major impact on his budget. Chairman Pace replied that he is not threatened at all but concerned over the proposed model of a weighed vote which is a problem because smaller towns now have a much less active voice.

Director Desmarais said he believes that the towns need to be engaged more, something the current CRRA Board understands. Director Desmarais said that the current CRRA Board is not far from the model proposed by this CRCOG group however the question is whether to throw out the current model or try and revise the current structure. Director Desmarais said that throwing out the current CRRA Board structure would create difficulties with existing bonds, and numerous other CRRA responsibilities and liabilities.

First Selectman Adams asked why a Board of CEO's would not recognize that they need certain expertise and go outside and to get that expertise or search for it within their own municipalities. Director Desmarais said that he did not say that wouldn't happen.

First Selectman Wawruck said that he is hearing that the CRRA Board is saying that they have the advisory capacity on its Board. He asked why the Municipal Advisory Committee couldn't become the advisors with CEO's on the Board. He explained with a flip flop the CRRA Board would truly be a board of CEO's with a stake in the game with an advisory Board to come forward with expertise.

Director Desmarais said that there are a number of people who said that they would give up their seats.

Vice-Chairman O'Brien said that he is very confused. He said with the exception of First Selectman Barlow one or two times, in eight years, ninety-six meetings in total, no town official ever attended a meeting. Vice-Chairman O'Brien asked where was all this current concern over how the Board was acting? Vice-Chairman O'Brien said that he has not heard what the current Board has done which is so disagreeable to the towns. He said that he has a duty and responsibility to represent the Towns of Connecticut despite his own town not even being a part of this particular project.

Vice-Chairman O'Brien said that he has not heard what a new Board would do to improve on the performance of the current Board. He said that the opportunity for the member towns to attend meetings has not been utilized in the eight years since he has been on the Board. Vice-Chairman O'Brien said that solid waste management is not on the radar for many CEO's. Vice-Chairman O'Brien said that during the Wallingford and SouthWest Plant discussions the CEO's did not get involved and sent their Directors' of Public Works to the SouthWest Board meetings. He explained as the project was winding down the CEO's did not really know what was going on and didn't understand however CRRA was able to provide for the towns' disposal needs regardless.

First Selectman Barlow said that he did not think that the CRRA Board represented his best interest when the CRRA Board pulled out of the Franklin Project. Vice-Chairman O'Brien said that was a tough vote to make. Director Jarjura said that the CRRA Board did not want to make that decision. He said that Connecticut needs an ash landfill and that was a good location.

Chairman Pace said to Mr. Barlow's credit he did stand up for the Franklin landfill. Mayor Currey said she did as well and noted that she and a number of folks had been to the Governor's office in support of the landfill. Chairman Pace said a letter from the Governor and a call from the Attorney General detailing a press conference with a message that proceeding may result in the State of Connecticut suing CRRA influenced the CRRA Board's decision.

First Selectman Barlow said that the former Mayor of Waterbury used to challenge similar warnings. He said that the CRRA Board should have done the same. Chairman Pace said that the CRRA Board represented the best interest of the State of Connecticut and most people do not know that he was receiving some serious threats which were being investigated by the Attorney Generals' office.

Director Jarjura said Edith Prague made the Franklin landfill into a big issue which became a political football. He said that First Selectman Barlow is right and CRRA should have continued on, and may still.

Director Desmarais said that the other side of this issue is whether it would be in First Selectman Barlow and his towns' best interest to spend another \$2 million on this landfill only to be told to stop two years down the road.

First Selectman Barlow said that the CRRA Board spent his money on the Project on behalf on Towns that are Mid-Conn. He said that he raised the issue at the CRRA annual meeting of why CRRA was spending development costs for that ash landfill funded by the Mid-Conn towns when CRRA claimed that ash landfill will serve all the CRRA Projects.

Director Desmarais replied that the answer to that question is that the Mid-Conn Project would get the financial benefit. First Selectman Barlow said that he was told when the Franklin Landfill Plant is up and running the Mid-Conn towns would be surcharged. He said that did not happen and to this day he paid a disproportionate share for a landfill which would have benefited all the projects. Director Desmarais said that ultimately Mid-Conn would have been the largest beneficiary by far and would have benefited finically from the SouthEast projects use of the landfill.

Chairman Pace said it may be convenient for the CRRA Board to take the blame of constitutional offices and departments but if you take a look at the history and the realities it cost more dollars as well because it took so long to convince the Mayor of Hartford to negotiate the close of the Hartford landfill. Chairman Pace said that CRRA agreed to pay for that and take it off the table. Chairman Pace said that these components can't be put aside and ultimately no one can agree CRRA should have approved spending \$2 million in public money with State leaders committed to killing the landfill.

Director Jarjura said that he believes these two groups are not that far away from each other. He said based on the tremendous energy dollars that CRRA will be able to generate after its contract with CL&P expires it is possible that the Mid-Conn Project may grow. Director Jarjura said selling the electricity to subsidize the tip fees of the Mid-Conn Project will result in savings for the member towns. He said at the end of the day it doesn't matter to him who is sitting on the Board as long as his City's best interests are represented, but the Plant has to be run correctly as a fiduciary.

First Selectman Adams said that the CRCOG group history began as the member towns grew concerned over the impending ends of their contracts. He said they wanted to know what was out there and what was available for the group. First Selectman Adams said that the group had never said that CRRA intended any harm but they are upholding their responsibilities as CEO's to understand what is out there and what the best opportunity is for them.

Director Desmarais said that in terms of an earlier comment concerning the CRRA Board ad-hoc members it is important to look at that with a historical lens. He said the structure there 20 years ago may change after 2012.

Mayor Currey said that she personally believes that the CEO's should be electing the CEO's sitting at the table as opposed to gubernatorial appointment.

Chairman Pace said that because the Mayors can't say what the present legislatively appointed CRRA Board has done wrong, that change sounds like inside baseball to him.

First Selectman Barlow said that the only representatives of the Mid-Conn Project are adhoc members which to him is a fundamental flaw. Chairman Pace said that he believes First Selectman Barlow's is incorrect. First Selectman Barlow said he feels the Board is not responsive because he has no way to influence the central office.

Director Desmarais said that First Selectman Barlow has the ability to influence the Board if he was to call a Board member.

First Selectman Barlow said that he was offended that he received an FOIA act request from CRRA management. First Selectman Wawruck said that Mr. Nonnenmacher had sent a FOIA request to the CRCOG members present at the meeting several weeks ago. Mayor Currey said that the CRCOG group's inclination to investigate changing the CRRA Board did not really have anything to do with the current Board. She said that having read the Board minutes Vice-Chairman O'Brien does defend the member towns. Mayor Currey said this is not personal. She said this is an opportunity to control ones' own destiny as all the contracts have expired. Mayor Currey said that Enron issue was addressed and cleaned up and congratulated the Board for that.

Mayor Currey said that this is more about CEO's wanting to control a large part of their budgets. She said there were some frustrations along the way such as when the salaries of the CRRA employees were not provided freely which they should be as CRRA is a public entity.

First Selectman Adams said that his Town manager has not received a response to their calls to Mr. Nonnenmacher. Director Jarjura said that he is surprised to hear that and will look into it.

Vice-Chairman O'Brien asked that the issue of the FIOA request and responsiveness of CRRA staff be discussed at the CRRA Board meeting.

First Selectman Wawruck said that the FIOA request had included what was on the CRCOG's member's calendar from July 2008-Dec. 2009. Chairman Pace said the FIOA request may relate to actions taken by public officials to hold a meeting, if that meeting was noticed, and the question of whether a vote was taken. He said if the CRCOG group is saying that they have 20-30 local people making these recommendations unless it is done by phone and/or meeting and having a vote that vote is either a legal vote, a non-legal vote, binding or non-binding the question is when are these meetings be held and for what purpose. Chairman Pace said that CRRA has public meetings for issues of transparency, why should the CRCOG group meet in secret.

Ms. Cruz-Aponte asked what meetings were being held that could be subject to an FOIA request. She said that those were CRCOG meetings but were ad-hoc and not a formal committee. Director Desmarais suggested that the FIOA request may have been to obtain information concerning the creation and formalization of the CRCOG group as those meetings should be open to the public.

Director Jarjura said that the feeling he was getting is the Mid-Conn project wants to stick together post-2012 to get the cheapest tip fees they can. Mayor Currey said that is all the CRCOG group is looking for. She said she would like to go back to Mr. Wawruck's suggestion to see if an agreement may be met that way. Mayor Currey said maybe it will be a flip situation with the experts of the CRRA Board serving as ad-hocs.

Director Desmarais said that the first issue there is that a new Board or a change in the existing Board to accomplish CRCOG's goal may result in some negative feelings. He said seven or eight years ago no one would have wanted the difficult job some of the older Board members faced. Director Desmarais said in terms of looking at the Board and how to deal with the ad-hocs going forward there may be a consensus possible in that area.

Chairman Pace said that the Legislature did an excellent job appointing the newly constituted CRRA Board when he and others were appointed. He said that he has done what he set out to accomplish with CRRA and he would not like to see it destroyed. Chairman Pace said that CRRA is solvent and has a strong future moving forward because the Legislature understood the big picture view concerning the best interest of the towns and the State of Connecticut.

Chairman Pace said that the CRRA model works, and the business is changing rapidly and the Board is focusing on meeting those charges effectively. He said they are taking recyclables and electronics out of the mainstream. Chairman Pace said that he is concerned regarding contracting out who will be managing the plant in the future as there are many risks for the towns and the State if CRRA returns to the old way of doing things.

Vice-Chairman O'Brien said that there is one area which needs tweaking concerning appointments to the CRRA Board. He said that presently the municipal officials must be from municipalities that have a full faith and credit contract with CRRA. Vice-Chairman O'Brien said that reduces the pool substantially right now because only the Mid-Conn Towns presently meet that requirement which will go away with the end of those contracts. He said that he would encourage the group to support a change that would give meaningful representation to smaller Towns and Towns in outlying areas rather than reduce the influence of smaller towns through weighted votes. Vice-Chairman O'Brien said that he agrees that municipal officials should remain on the Board however the Chief Financial Officer or Town Manager could fill that role.

First Selectman Barlow said that one of the CRCOG group's chief complaints is that CRRA cherry picks which issues that it chooses to deal with concerning the waste stream. He said that he used to bring his bulky waste (he does not differentiate between that and C&D) to his transfer station. Mr. Barlow said that when Hartford was closing he asked for assistance with where that waste should go and received reply from CRRA in the form of a CT DEP list of approved volume reduction facilities.

Vice-Chairman O'Brien said CRRA did take bulky waste at the plant after the landfill closed. First Selectman Barlow said that CRRA is accepting bulky waste. Vice-Chairman O'Brien said that CRRA does not have any capacity for C&D waste. First Selectman Barlow said that may be true but he needs it.

Mayor Currey said the frustration in dealing with that issue is CRRA's responsibility. Mr. Adams said that this discussion has come up at the CRCOG meetings with roughly twenty-nine towns. He said that he believes the problem is that none of those twenty-nine towns have representation on the CRRA Board.

First Selectman Barlow said that his problem was that after that service went away he was told that he is on his own. Vice-Chairman O'Brien said the other Towns in the State were also in a similar position. He said that CRRA responded concerning the bulky waste when CRRA looked into and purchased a shredder.

Director Desmarais said that the Municipal Advisory Committee meetings will go a long way towards stemming problems such as communications with CEO's for issues like bulky waste issue from the start. He said that Linda Savitsky, who was unable to attend, is representing the same point of view as Director Desmarais.

First Selectman Wawruck asked why that letter went out without the understanding that the Towns would be concerned. He explained that trucks would be going in five different directions in his Town in order to comply with CRRA. First Selectman Wawruck said that his town is proactive and has gone so far as to take electronics out of the waste stream and has its own collection for electronics recycling.

Chairman Pace said it is important to remember that there are also permitting issues to consider and these are not under CRRA control. He said even if CRRA took those items where would it then go? He said that there was a lot of capacity wasted in the Hartford landfill which could have been used.

Vice-Chairman O'Brien said that CRRA staff had planned to use that capacity but the Board voted against it with the understanding that it was not fair to the host community. He said that decision was made well before the Franklin Landfill. Chairman Pace said that in addition there was a political and environmental push back against using the capacity that remained in the Hartford Landfill.

Mayor Currey said that she believes that great headway was made today and that she is very encouraged by the discussion and an opportunity to continue the dialogue exists. She said that the CRCOG group is going to continue looking at the legislation but there is an opportunity for the Board to do something jointly with the CRCOG group.

Director Desmarais said that the Board was supportive of the member towns looking into their future prospects carefully. He said that it is the CRRA Board's hope that decision works out ultimately.

Mayor Currey asked why when the request for information letter went out was CRRA's response to say "good luck" instead of putting forth something. She said that letter was a request for information about municipal solid waste. Chairman Pace said that quite honestly he read the letter and was not impressed. He said that it is not the CRRA Board's role to convince towns to stay with them. He said that the Board's role is to provide the public option at the lowest net cost of operation, which it continues to do.

Director Desmarais said that CRRA is not ready in terms of the MSA's to respond to the request for information. Ms. Cruz-Aponte said that the letter was not worded as such and was rather dismissive. Director Desmarais said that the Board does not want to convince the towns and wants to be able to offer the lowest cost possible, a price which will require no convincing. He said CRRA has always encouraged the towns to find their best deal. Chairman Pace said that CRRA will always be there to serve the towns.

First Selectman Adams said that he doe not understand Chairman Pace's statement that the CRRA Board is not there to convince the member towns to stay with the project. Chairman Pace said that the Board will be trying to free the towns from restrictions like the put or pay and mandates. He said a menu of choices will be available. Chairman Pace said that the Board has tried to pay off debt, cut down the cost of operations and make the net cost of operations as low as possible. He said CRRA can now free the towns of their long term commitments and allow them to determine their own destiny. Chairman Pace said that CRRA welcomes the towns that find CRRA the best deal.

Director Desmarais said that the CRRA Board was happy when the CRCOG group got together to propose that they work in conjunction with CRRA on the Mid-Conn Project. He said that the Board thinks in the end that great discussions will take place concerning this issue and the municipal advisory committee meeting is a great way to reach these towns.

First Selectman Barlow said that both groups need to look to try and come up with better representation of the municipalities. Chairman Pace and Vice-Chairman O'Brien agreed.

ADJOURNMENT

Chairman Pace said that the meeting was adjourned in terms of the record at 3:13 p.m.

Respectfully submitted,

Moira Kenney Secretary to the Board/Paralegal