



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**
CONNECTICUT'S RECYCLING LEADER
MID-CONNECTICUT PROJECT
MUNICIPAL ADVISORY COMMITTEE

DRAFT MINUTES
JANUARY 23, 2012

The Mid-Connecticut Project Municipal Advisory Council (MAC) held a regular meeting on January 23, 2012, at the CRRA Trash Museum, 211 Murphy Road, Hartford, Connecticut. In attendance were:

<u>Town</u>	<u>First Name</u>	<u>Last Name</u>	<u>Title/Proxy</u>
Avon	Richard	Barlow	Proxy for Town Manager Brandon Robertson
Barkhamsted	Donald	Stein	First Selectman
Bloomfield	William	Hogan	Delegate for Mayor Sydney Schulman
Canton	Richard	Barlow	First Selectman
Colebrook	Thomas	McKeon	First Selectman
Cornwall	Ralph	Eno	Proxy for First Selectman Gordon Ridgway
Durham	Laura	Francis	First Selectman
East Granby	James	Hayden	First Selectman
Essex	Susan	Malan	Delegate for First Selectman Norman Needleman
Farmington	Richard	Barlow	Proxy for Town Manager Kathleen Eagen
Glastonbury	Michael	Bisi	Delegate for Town Manager Richard Johnson
Granby	John	Adams	First Selectman
Haddam	Ralph	Eno	Proxy for First Selectman Paul DeStefano
Hartford	Robert	Painter	Delegate for Mayor Pedro Segarra
Killingworth	Catherine	Iino	First Selectwoman
Litchfield	Donald	Stein	Proxy for First Selectman Leo Paul
Lyme	Ralph	Eno	First Selectman
Middlefield	Ralph	Eno	Proxy for First Selectman Jon Brayshaw
Norfolk	Donald	Stein	Proxy for First Selectman Susan Dyer
Old Lyme	Bonnie	Reemsnyder	First Selectwoman
Rocky Hill	Larrye	deBear	Delegate for Town Manager Barbara Gilbert
Salisbury	Ralph	Eno	Proxy for First Selectman Curtis Rand
Sharon	Ralph	Eno	Proxy for First Selectman Robert Loucks
Torrington	Ryan	Bingham	Mayor, M-CPMAC Vice-Chairman (participating by telephone; left meeting at 9:16 a.m.)
Wethersfield	Jeff	Bridges	Town Manager
Winchester	Donald	Stein	Proxy for Town Manager Dale Martin
Woodbury	Gerald	Stomski	First Selectman

CRRA MANAGEMENT ATTENDEES:

Thomas D. Kirk, President
 Paul Nonnenmacher, Director of Public Affairs, CRRA Liaison
 Peter W. Egan, Director of Operations & Environmental Affairs
 Jim Perras, Government Affairs Liaison
 Marianne L. Carcio, Executive Assistant
 Lori Samele-Bates, Brown Rudnick (CRRA Municipal Government Relations Liaison)

MEMBERS OF THE PUBLIC PRESENT:

Susan Hemenway, Bristol Resource Recovery Facility Operating Committee
Mark Bobman, Bristol Resource Recovery Facility Operating Committee
John Pizzimenti, USA Hauling & Recycling

1. CALL TO ORDER

In the absence of Chairman Susan Dyer, Municipal Advisory Committee **Vice-Chairman Ryan Bingham** called the meeting to order at 8:40 a.m.

2. PLEDGE OF ALLEGIANCE

Those in attendance stood and recited the Pledge of Allegiance.

3. ROLL CALL

Mr. Nonnenmacher called the roll and informed the chair that with 26 members in attendance or represented by delegates or proxies there was a quorum. At this moment, **Ms. Iino** and **Ms. Baummer** arrived, bringing the total to 28 members in attendance or represented by delegates or proxies.

4. APPROVAL OF MINUTES

Mr. Eno moved to approve the minutes of the meeting of August 17, 2011. **Ms. Reemsnyder** seconded. The motion passed unanimously.

5. MID-CONNECTICUT PROJECT UPDATE

Mr. Kirk reported that the system and its facilities have operated safely since the last MAC meeting. He said he would discuss specifics during his President's Report.

6. PRESIDENT'S REPORT

Mr. Kirk reported that results of an auction to sell power generated by the Mid-Connecticut trash-to-energy plant were universally disappointing. He said out of four bidders the best price came from Constellation Energy, which will purchase the plant's electricity for one year at a price of about 3.5 cents per kilowatt-hour. He said the low price was due to a drop in the price of natural gas, which fuels most electric generation in New England. He did say another factor, though probably a much less significant factor, was the lack of tonnage committed to the Mid-Connecticut system.

Mr. Kirk said the Mid-Connecticut Project is currently showing a surplus of about \$360,000, but with the new power price going into effect June 1 the Project will end the fiscal year with a deficit of about \$300,000. He said the CRRA Board of Directors will consider all available options for dealing with the sudden loss of revenue and expects that CRRA will be able to honor all municipal service agreements (MSAs.)

Mr. Barlow asked how designating trash-to-energy plants as Class 1 renewable sources would impact the system's finances. **Mr. Kirk** said that would make up for the low power price and obtaining that designation is CRRA's top legislative priority. **Mr. Adams** asked whether Covanta's power auctions are public. **Mr. Kirk** said results of auctions for electricity generated at the Bristol and Preston plants would be public because those facilities are still publicly-owned and added Covanta could realize a better price

for its electricity because it can bundle power from a number of plants. **Mr. Egan** noted that the Preston facility is selling its power for about 20 cents per kilowatt-hour under a contract that runs through 2015, while the Bristol plant's power is sold for about 8 cents per kilowatt-hour under a contract that runs through 2017.

Mr. Eno asked whether it would be helpful if the MAC adopted a resolution supporting the Class 1 renewable designation. **Mr. Kirk** said CRRA has been discussing the matter with the commissioner of the Department of Energy & Environmental Protection (DEEP), representatives of the governor's office and legislative leaders, and while they have been receptive it will be a hard sell to the environmental community.

Mr. Kirk said trash deliveries appear to have bottomed out and are now starting to trend upward. He said the plant is operating efficiently, a result of CRRA's investment in the plant, though one of the turbines has a vacuum leak.

Mr. Kirk said the Metropolitan District (MDC) elected not to appeal the ruling in its lawsuit over CRRA's selection of a new contractor to operate the trash-to-energy plant, and the transition from MDC to the new operator, NAES Corporation, has proceeded smoothly. He said MDC and CRRA are continuing toward arbitration over MDC's claim that CRRA owes \$39 million in post-retirement pensions and benefits for the MDC employees who worked at the plant, a claim which CRRA believes has no merit.

Vice-Chairman Bingham announced he had to leave the meeting and asked the remaining members to elect a temporary chairman. **Mr. Adams** nominated **Mr. Stein**. **Mr. Hogan** seconded. The motion passed unanimously and Mr. Stein assumed the chair at 9:16 a.m.

Mr. Barlow asked whether those towns with new MSAs would be responsible for any judgment against CRRA in the MDC arbitration. **Mr. Kirk** said the 70 Mid-Connecticut Project towns would be responsible.

Mr. Kirk said CRRA has intervened in a request to DEEP to modify a solid-waste permit for Nutmeg Road Recycling and will intervene in three other similar requests because these permit modifications would allow exporting of trash in contravention to the state Solid Waste Management Plan (SWMP) and the solid-waste hierarchy codified in statute and the SWMP. **Mr. Eno** asked whether there were other intervenors, saying he was concerned about CRRA going it alone. **Mr. Egan** said there were no other intervenors. He said CRRA had solicited the Bristol Resource Recovery Facility Operating Committee and the Housatonic Resources Recovery Authority, but both declined.

Mr. Kirk said the CRRA board will set FY 2013 disposal fees at its Feb. 23 meeting and will review Mid-Connecticut Project reserves in October.

On the subject of host-community benefits for the City of Hartford, **Mr. Kirk** said he met with Mayor Pedro Segarra but could not negotiate because the CRRA board has not taken a position. He said power prices will impact the amount of host-community benefits CRRA will be able to pay. **Mr. Stein** noted the MAC host-community benefits subcommittee had met to discuss the issue. **Mr. Eno** said the

subcommittee minutes contained in the MAC agenda package were an accurate representation of the outcome of that discussion. The subcommittee recommended to the full MAC the following:

- A host benefit equal to 70 percent of the facilities' appraised value times the City's property tax rate;
- A five-year phase-in of the new host benefits, with benefits dropping each year by 20 percent of the difference between present and new benefits; and
- Making part of the benefits come from power sales.

Mr. Kirk said the host benefit would be scaled down from its present level of about \$4.8 million per year to about \$2 million per year.

Ms. Francis moved to accept the subcommittee's recommendation. **Mr. Hayden** seconded.

Ms. Malan said she wanted to point out that the subcommittee was working not with an appraisal but an estimate of the facilities' appraised value. **Dr. Painter** said appraisals change every five years, and if there was a dramatic change in the appraised value an arbitration process should be used to settle the issue. He said there are other ways CRRA and the City could work together that would mitigate the impact of the reduced host-community benefits. After further discussion, **Mr. Hayden** said the MAC's role is advisory so the MAC should vote on whether to endorse the subcommittee's recommendation. **Mr. Stein** called for a vote and the motion passed unanimously.

Mr. Kirk said that as of Dec. 31 37 towns had signed new MSAs. He discussed East Hartford's decision to sign with Covanta to deliver its trash to Willimantic and reported on a letter he wrote to East Hartford Mayor Marcia Leclerc pointing out that average wait times for trucks delivering to the Mid-Connecticut plant are about 9 minutes.

7. LEGISLATIVE REPORT

Referring to the list of legislative initiatives in the agenda package for this meeting, **Mr. Kirk** again stressed the importance of Class 1 renewable status, saying at current power prices the long-term viability of the Mid-Connecticut trash-to-energy system is to be determined. With regard to governance, he noted the MAC formed a subcommittee to discuss the issue and said the CRRA board is welcoming participation in those discussions.

Mr. Kirk said CRRA is proposing a task force to study the siting of regional composting facilities in the hopes of heading off the NIMBY opposition that effectively stopped CRRA from building an ash landfill in Franklin. **Dr. Painter** asked what CRRA had done to research the feasibility of such facilities, and **Mr. Kirk** said CRRA has possible sites and has researched different technologies but does not want to discuss details at this time.

Mr. Stein asked about the likelihood of getting CRRA's initiatives into legislation. **Mr. Perras** said that he and Mr. Kirk have met with key legislators and all have expressed interest in CRRA's legislative agenda. He said the legislature is willing to work with CRRA, but how far any bill goes will be determined by the support of the municipalities.

Mr. Eno moved to adopt the concept of item 1 of the CRRA 2012 legislative initiatives. **Ms. Reemsnyder** seconded.

Ms. Baummer asked whether Connecticut Light & Power is buying its Class 1 renewable power from other states. **Mr. Egan** said that Connecticut uses about 25 percent of the renewable energy generated in New England.

The motion passed unanimously. **Mr. Barlow** then asked for a letter to the governor, legislative leaders and DEEP regarding this resolution.

Mr. Adams moved that the MAC support changes in CRRA's governance as proposed by the Capitol Region Council of Governments. **Mr. Hayden** seconded.

Mr. deBear summarized the recommendation of the MAC's governance subcommittee as included in the agenda package for this meeting. He said eventually the MAC would have to negotiate with the CRRA board, and his sense from discussing the matter was that a 15-member board would be too unwieldy, so the subcommittee agreed on a 13-member board as a compromise. **Mr. Stein** said he was not aware of any number being discussed with the CRRA board. **Mr. Kirk** said the board has not discussed such details, but management has concerns, including that the present ad-hoc members become directors.

Mr. Adams amended his motion to reflect the recommendation of the MAC subcommittee. **Mr. Hayden** seconded the amended motion, which passed unanimously.

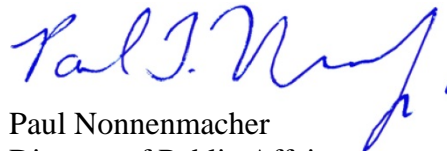
8. PUBLIC COMMENT

Mr. Bisi asked whether CRRA would continue to offer paper-shredding. **Mr. Kirk** said CRRA would do so at its electronics recycling collections.

9. ADJOURNMENT

There being no further business, **Mr. Barlow** moved to adjourn. **Mr. Adams** seconded. The motion passed unanimously and the meeting adjourned at 10:35 a.m.

Respectfully submitted,



Paul Nonnenmacher
Director of Public Affairs
CRRA Liaison