



ADDENDUM NO. 1
Issued December 11, 2007

TO

**“REQUEST FOR PROPOSALS
FOR
SHELTON LANDFILL POST-CLOSURE ENVIRONMENTAL
LIABILITY AND RISK TRANSFER”
(Bid Number FY08-EN-001)
(RFP Issued November 15, 2007)**

Note: Proposers are required to acknowledge this and all Addenda in Section 4(a) of the Proposal Form.

This Addendum consists of the Connecticut Resources Recovery Authority’s (CRRA) responses to questions that were raised at the pre-proposal conference and site tour on December 4, 2007.

1. RFP PROCEDURES

1.1	Question	Will CRRA consider additional visits to the Landfill by individual potential proposers?
	Answer	Yes, CRRA will provide for additional visits to the Landfill by individual potential proposers. Such visits should be arranged through Ron Gingerich ((860) 757-7703) and should be arranged as far in advance as possible.

1.2	Question	Will CRRA make additional time available between the date of the pre-proposal conference (December 4, 2007) and the deadline for submittal of written questions on the RFP documents (December 14, 2007)?
	Answer	CRRA is changing the deadline for submittal of written questions on the RFP documents to Friday, December 21, 2007 at 3:00 p.m.
1.3	Question	Will CRRA make additional time available between the date when it will respond to written questions on Landfill documents (March 14, 2008) and the proposal due date (March 26, 2008)?
	Answer	CRRA is changing the proposal due date to Wednesday, April, 2, 2008 at 3:00 p.m. In addition, CRRA intends to respond to questions about the Landfill documents as such questions are received. It does not intend to wait until March 14, 2008 to respond to questions. Rather, March 14 th is the date by which it plans to respond to the last of the questions.
1.4	Question	Will CRRA make available to potential proposers CRRA's current contracts with contractors at the Landfill?
	Answer	Yes, CRRA will make available its contracts with the various contractors who work at the Landfill in the document review room.
1.5	Question	Has CRRA identified any changes that need to be made to the RFP Package Documents?
	Answer	<p>Yes, CRRA has identified two changes, both relatively minor, that need to be made to the RFP Package Documents.</p> <p>First, in the Instructions To Proposers, beginning on Page 3 and continuing onto Page 4, the definition of "Contract Documents" should be modified by inserting "Compliance History Form" into the list of Contract Documents.</p> <p>Second, in the Issues And Questions To Be Addressed, in the last line of question 3, the reference to "Question #1 above" should be changed to "Question #2 above."</p>

2. GENERAL

2.1	Question	Why is CRRA considering this project now and why with the Shelton Landfill?
	Answer	Municipal solid waste ("MSW") and ash residue from the combustion of MSW from the 18 municipalities that are members of the CRRA Bridgeport Project was disposed at the Shelton Landfill. Even though

		<p>CRRA is the owner of the Landfill, the Bridgeport Project municipalities are concerned that they may have some residual liability for the Landfill.</p> <p>The municipal services agreements that are the basis for the Bridgeport Project and, therefore, the Project itself, expire December 31, 2008.</p> <p>The Bridgeport Project Solid Waste Advisory Board (“SWAB”), which is composed of representatives from the Project municipalities and which provides advice to CRRA, asked CRRA to investigate the possibility of transferring the liability for the Landfill to a third party. CRRA has responded by initiating this procurement process.</p>
2.2	Question	Will the successful proposer have to provide liability and risk protection to CRRA and the municipalities that are members of the Bridgeport Project?
	Answer	No, CRRA is the owner of the Landfill and it is the only entity for which the successful proposer will have to provide liability and risk protection.
2.3	Question	Will the municipalities that are members of the Bridgeport Project have to approve the Agreement with the successful proposer?
	Answer	<p>No, the municipalities that are members of the Bridgeport Project will not have to approve the Agreement with the successful proposer.</p> <p>If an Agreement is ready for execution prior to December 31, 2008 (the date the municipal services agreements with the Bridgeport Project municipalities expire), CRRA will certainly seek the advice of SWAB concerning the Agreement, but it is solely the responsibility of the CRRA Board of Directors to approve the Agreement. If an Agreement is not ready for execution until after December 31, 2008, the Agreement would go directly to the CRRA Board of Directors since SWAB would no longer exist.</p>
2.4	Question	Will title to the Shelton Landfill be transferred to the successful proposer? If title transfer is not currently contemplated, will CRRA consider proposals for the transfer of the title?
	Answer	While CRRA has not envisioned transferring title to the Landfill to the successful proposer, it will certainly consider proposals for it to do so. In considering such proposals, CRRA will be particularly interested in the proposer’s reasons for wanting to transfer the title.
2.5	Question	What portions of the Landfill are capped and with what types of a cap?
	Answer	The MSW/Ash Area (i.e., the central land form) is capped with a low-

		permeability soil cap. The Northeast and Southeast Lined Ash Areas have synthetic caps as does the Metal Hydroxide Cell.
2.6	Question	If, as part of the anticipated global Resource Recovery and Conservation Act (“RCRA”) Part B permit to be issued by the Department of Environmental Protection (“DEP”), DEP requires additional remediation/corrective action, would such remediation/corrective action be the responsibility of the successful proposer?
	Answer	Yes, the successful proposer will be responsible for any additional requirements for remediation/corrective action that might be imposed by DEP or any other regulatory body.
2.7	Question	Will the various permits for the Landfill be transferred to the successful proposer or will they remain in CRRA’s name?
	Answer	CRRA will consider proposals to transfer the various permits for the Landfill from CRRA to the proposer. CRRA will be particularly interested in the proposer’s reasons for requesting such a transfer.
2.8	Question	If the permits will remain in CRRA’s name, will the successful proposer make required submittals directly to the regulatory agencies or would they go through CRRA?
	Answer	If the various permits for the Landfill remain in CRRA’s name, the successful proposer will make required submittals directly to the regulatory agencies with a copy to CRRA.
2.9	Question	Will CRRA or the successful proposer be responsible for preparing the “Annual Closure and Post-Closure Care and Evaluation for GASB 18 Costs” for the Shelton Landfill?
	Answer	CRRA is not sure whether the Local Government financial Test will be an allowable financial assurance mechanism for post-closure care in the event the liability is transferred to a third party. Please see item #5 in Section 13 of the RFP, entitled “Issues and Questions to be Addressed.” CRRA is asking proposers to answer this question.
2.10	Question	Does CRRA’s responsibility for the Landfill end at the end of the 30-year post-closure monitoring and maintenance period?
	Answer	CRRA’s responsibility for post-closure monitoring and maintenance for the Landfill is unlikely to end at the end of the 30-year post-closure period. Pursuant to DEP’s ash residue disposal facility regulations (RCSA 22a-209-14(e)(7)), two years before the end of the 30-year period, DEP is required to begin a review of the closure and post-closure data on the landfill. If DEP determines that the landfill is causing or has

		<p>the potential to cause pollution of the waters of the state or presents a threat to public health, DEP may require that the owner or operator of the landfill continue for a specified time and in a specified manner to inspect, monitor and maintain such disposal area.</p> <p>In addition, the landfill gas management system at the Landfill may have to continue to be operated until the gas falls below 15 tons of methane per year and/or until methane is no longer a threat to migrate to adjacent properties at concentrations exceeding 100% of the lower explosive limit (“LEL”). This is CRRA’s opinion; it should not be used as the basis for estimating any landfill management costs.</p>
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3. METAL HYDROXIDE SLUDGE CELL

3.1	Question	Are there any private companies that are “potentially responsible parties” for the metal hydroxide sludge cell at the Landfill?
	Answer	It is possible that those companies that shipped metal hydroxide sludge to the Shelton Landfill for disposal are still in operation today. CRRA has not attempted to identify or contact any such companies.
3.2	Question	How much material was disposed in the metal hydroxide sludge cell?
	Answer	Between 10,685 and 16,028 cubic yards of metal hydroxide sludge was disposed in the metal hydroxide sludge cell.
3.3	Question	Has CRRA indemnified companies that shipped material for disposal in the metal hydroxide sludge cell so that there is no avenue to pursue them for expenses involved in post-closure care?
	Answer	Not to the best of CRRA’s knowledge.
3.4	Question	Was a permit for the metal hydroxide sludge cell issued prior to metal hydroxide sludge waste being disposed in the Landfill?
	Answer	A previous review of historical records indicates that the DEP issued a “Hazardous Waste Disposal Permit” to the Shelton Landfill on January 4, 1980. It is likely that metal hydroxide sludge was disposed in the MSW/Ash Area prior to the issuance of this permit. Following enactment of RCRA and the development by the Environmental Protection Agency (“EPA”) of the regulations to implement the RCRA hazardous waste program, the Landfill owner filed a Part A Permit Application with the EPA on November 15, 1980. The Landfill (EPA ID Number CTD000604546) accepted metal hydroxide sludge (F006 listed waste) for disposal until April 1983 under “Interim Status” (i.e., an application for a Part B operating permit was never submitted to EPA).

		A second Part A Permit Application (for EPA ID Number CTD010153369) for operation of an on-site treatment lagoon for dewatering metal hydroxide sludge from lime treatment of spent pickle liquor from steel finishing operations was submitted by the site owner to EPA on November 14, 1980. However, EPA returned this Part A Permit Application in 1981 because the treated spent pickle liquor was granted a temporary exclusion from RCRA regulations on March 18, 1981.
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4. ESTIMATES OF EXPENSES

4.1	Question	What is the current annual operating budget for the landfill?
	Answer	<p>The CRRA FY08 budget for the Shelton Landfill is \$3,097,000. The budget for FY07 was \$3,275,000. A copy of the CRRA budget for the Landfill will be available in the document review room. However, potential proposers should be aware that CRRA's Landfill budget does not include the cost of insurance for the Landfill. CRRA obtains insurance for all of its facilities and operations combined. Individual facilities and operations are not insured separately. Therefore, CRRA cannot provide a definitive figure for the amount it costs CRRA to insure the Shelton Landfill.</p> <p>In FY06, CRRA asked its insurance broker and insurance carrier to estimate how much it would cost to carry liability insurance and pollution legal liability insurance for the Shelton Landfill. CRRA was advised that it would cost approximately \$131,000 per year to carry such insurances for just the Shelton Landfill.</p>
4.2	Question	What is the relationship between the annual operating budget for the landfill and the cost estimates in Section 17 of the RFP, "Shelton Landfill Chapter of 'Annual Landfill Closure and Post-Closure and Post-Closure Care Evaluation for GASB 18 Costs – Status as of June 30, 2007,'" particularly in reference to the discussion concerning liability insurance in Section 17 and the inclusion of expenses for the Future Use Plan?
	Answer	<p>On an annual basis, CRRA is required by Statement 18 of the Government Accounting Standards Board ("GASB 18") to evaluate the costs of landfill closure and post-closure monitoring and maintenance. GASB 18 costs are those that are required to be incurred by federal or state laws and regulations. Costs incurred for prudent business reasons that are not required by federal or state laws and regulations are not considered in the GASB 18 annual evaluation, nor are costs associated with the disposal of materials other than MSW.</p> <p>CRRA prepares the annual evaluation for GASB 18 costs for all five of</p>

	<p>its landfills, and has included as Section 17 of the RFP the chapter for the Shelton Landfill for the June 30, 2007 evaluation. Because the MSW/Ash Area and the lined ash areas were closed at different times, CRRA treats the two areas separately in the GASB 18 evaluation. Many of the expenses are shared between the areas, but there are several that are particular to one area or the other.</p> <p>In describing the reasons for the change in the estimated total costs for the various areas of the Landfill between the June 30, 2006 and the June 30, 2007 evaluations, CRRA commented that it had determined that the cost carrying pollution liability insurance (estimated at \$131,000 per year; \$65,500 per year for both the MSW/Ash Area and the Northeast And Southeast Lined Ash Areas) was not a GASB 18 cost. Such costs are, therefore, not included in the projections for future costs for monitoring and maintaining the Landfill. CRRA has in the past and continues to carry general liability and pollution liability insurance for the Landfill, but does not include it as a GASB 18 expense because the insurance is carried for prudent business reasons rather than as a result of a federal or state law or regulation. Therefore, the cost of liability insurance would have to be added to the costs listed in the GASB 18 evaluation to arrive at the total cost that CRRA has estimated for for post-closure monitoring and maintenance.</p> <p>CRRA is required by state regulation (i.e., the permit for the construction of the lined ash areas) to implement the Future Use Plan for the Shelton Landfill. Therefore, estimates of the cost of doing so are included in the GASB 18 evaluation (estimated at \$530,000 in FY10 and \$50,000 per year for each subsequent year for operation and maintenance) for the Northeast And Southeast Lined Ash Areas. However, CRRA plans to retain responsibility for the Future Use Plan under this Project rather than transferring it to the successful proposer (see Section 6 below). Therefore, the cost listed in the GASB 18 evaluation for the Future Use Plan should be included in any estimate that a proposer develops to provide monitoring and maintenance.</p> <p>The GASB 18 evaluation only considers costs related to the monitoring and maintenance of the MSW areas of the Landfill. It does not include costs related to the Metal Hydroxide Cell. However, because the area of the Cell is relatively small and because the cost of monitoring and maintenance activities related to it (e.g. mowing, stormwater control, etc.) are indistinguishable from the cost of activities related to the remainder of the Landfill, in reality, the costs of monitoring and maintaining the Metal Hydroxide Cell are included in the GASB 18 evaluation costs with one exception. The exception is for permit fees related to the Metal Hydroxide Cell. CRRA pays to DEP annual permit fees for the Metal Hydroxide Cell of \$2,250.00.</p>
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5. FINANCIAL ASSURANCE

5.1	Question	After liability and risk for the Shelton Landfill is transferred to the successful proposer, most or all of the funds that CRRA currently has reserved for post-closure monitoring and maintenance of the Landfill will also be transferred to the successful proposer. Will CRRA continue to provide financial assurance for the Landfill through the local government financial test after the transfer or will the successful proposer be responsible for providing financial assurance?
	Answer	CRRA is not sure whether the Local Government financial Test will be an allowable financial assurance mechanism for post-closure care in the event the liability is transferred to a third party. Please see item #5 in Section 13 of the RFP, entitled “Issues and Questions to be Addressed”. CRRA is asking proposers to answer this question. CRRA does not want to be involved in providing financial assurance – this is a component of the liability/risk that CRRA wishes to transfer.
5.2	Question	Does CRRA currently have insurance in effect for the Shelton Landfill and, if so, will it remain in effect for the duration of the Project?
	Answer	CRRA currently has general liability and pollution legal liability insurance for the Shelton Landfill, but such insurance is bundled into a single policy that covers all of CRRA’s facilities and operations. Individual facilities and operations are not insured separately. If the liability and risk for the Shelton Landfill are transferred to a successful proposer, CRRA will no longer include the Shelton Landfill in its insurance policies. The successful proposer will be responsible for providing insurance for the Landfill.
5.3	Question	If the successful proposer is responsible for providing insurance, will CRRA have to be listed as an additional insured? Will the municipalities that are members of the Bridgeport Project have to be listed as additional insureds?
	Answer	CRRA will have to be listed as an additional insured on insurance policies obtained by the successful proposer for the Landfill. The municipalities that are members of the Bridgeport Project will not have to be listed as additional insureds.
5.4	Question	Who is CRRA’s current insurance underwriter?
	Answer	CRRA’s current insurance underwriter for pollution legal liability is Illinois Union Insurance Co.

5.5	Question	How much did CRRA's insurance payout for the 1999 off-site landfill gas migration incident?
	Answer	As a result of the 1999 off-site landfill migration incident, CRRA's insurance carrier paid out \$861,234. This amount does not include various legal costs associated with several lawsuits that resulted from the incident.

6. FUTURE USE PLAN

6.1	Question	Who will be responsible for implementing, operating, maintaining and monitoring the future use plan for the Shelton Landfill?
	Answer	CRRA will be responsible for implementing, operating, maintaining and monitoring the activities set out in the Future Use Plan for the Landfill.
6.2	Question	Who will have the liability and risk involved with implementation of the future use plan for the Shelton Landfill?
	Answer	CRRA will have the liability and risk associated with the implementation, operation, maintenance and monitoring of the activities associated with the Future Use Plan.
6.3	Question	What risks and liabilities would CRRA insure versus those that would be insured by the successful proposer?
	Answer	CRRA will insure for the liability and risk associated with the implementation, operation, maintenance and monitoring of the activities associated with the Future Use Plan.
6.4	Question	Will the current future use requirements become part of the global permit DEP is expected to issue for the Landfill?
	Answer	At present, it is unclear if the Future Use Plan requirements will be incorporated into the anticipated Part B RCRA permit, but CRRA believes that, one way or another, the requirements for the Future Use Plan will continue to be in effect.
6.5	Question	Are there land uses other than those in the future use plan that would be considered for the Shelton Landfill?

	Answer	CRRA is certainly willing to consider proposals for land uses for the Landfill other than those or in addition to those in the current Future Use Plan, but such proposals would require the approval of DEP and CRRA would need certain assurances from the proposer that DEP would approve such a proposal before CRRA would select such a proposer for the Project.
6.6	Question	Is there an option to reopen the Landfill?
	Answer	No, CRRA does not believe that reopening the Landfill is a viable option.
6.7	Question	Is there an option to mine the Landfill to make more property available for other uses?
	Answer	CRRA is certainly willing to consider proposals to mine the Landfill to make more property available for other uses, but such a proposal would require the approval of DEP and CRRA would need certain assurances from the proposer that DEP would approve such a proposal before CRRA would select such a proposer for the Project.

7. TRANSFER STATION

7.1	Question	Who will be responsible for the MSW transfer station on the Shelton Landfill property?
	Answer	CRRA will continue to be responsible for the MSW transfer station and CRRA anticipates that the transfer station will continue to operate.
7.2	Question	If the successful proposer purchases the Shelton Landfill from CRRA, will it be possible to subdivide the property to remove the transfer station from the Landfill?
	Answer	Yes, it will be possible to subdivide the property to remove the transfer station from the Landfill if title to the Landfill is transferred to the successful proposer. However, because the entire property is a RCRA corrective action site, such a subdivision may be complicated and difficult.

8. LANDFILL GAS SYSTEM

8.1	Question	Please provide an overview of the layout of the landfill gas system at the Shelton Landfill?
	Answer	Drawings are available at CRRA's offices in Hartford. As discussed at the meeting on December 4, prospective proposers may make arrange-

		ments to review documents through Ron Gingerich ((860) 757-7703).
8.2	Question	Who owns the landfill gas generated by the Shelton Landfill?
	Answer	CRRA owns the landfill gas generated by the Shelton Landfill.
8.3	Question	Is electricity currently being generated through combustion of the gas?
	Answer	No, electricity is not currently being generated through combustion of the landfill gas at the Shelton Landfill.
8.4	Question	Could CRRA provide figures on the quality of the landfill gas in the perimeter system, the central system and the combined gases?
	Answer	The central system provides about 100 scfm at 42% methane. The perimeter system provides about 200 scfm at 6% methane. The combined gas is about 300 scfm at 18% methane.
8.5	Question	CRRA has indicated that it envisions that the landfill gas flare will have to be changed/upgraded. Will such change/upgrade be the responsibility of the successful proposer as part of this Project?
	Answer	Yes, the successful proposer will be responsible for meeting the requirements of the permits that relate to the operation of the landfill gas system and CRRA believes that the flare will have to be changed/upgraded in order to continue to be in compliance with the permit requirements.
8.6	Question	Has CRRA modified the flare to respond to the difficulties posed by the low quality of the landfill gas?
	Answer	No, CRRA has not yet undertaken any major modifications to the flare to respond to the difficulties posed by the low quality of the landfill gas.
8.7	Question	How old is the flare?
	Answer	The flare was installed in 2001/2002 and was first tested on June 21, 2002.
8.8	Question	What is the capacity of the flare?
	Answer	The flare is a John Zink 18.6 MMBTU ZTOF flare with a maximum heat input of 18.6 MMBTU/hr.
8.9	Question	How much landfill gas (cubic feet and tons) is processed through the flare?

	Answer	The flare currently processes about 300 scfm, which equals 15.4 tons per day.
8.10	Question	Could the perimeter and the central gas systems be separated?
	Answer	It is CRRA's opinion that it might be possible to separate the perimeter and the central gas systems.
8.11	Question	Is the Landfill permitted to use assist gas?
	Answer	Yes, the Landfill is permitted to use assist gas.
8.12	Question	How frequently must the condensate storage tanks for the landfill gas system be pumped out?
	Answer	For calendar year 2007, there have been six pump-outs (through December 6, 2007) for a total condensate volume of approximately 22,100 gallons. For calendar year 2006, there were a total of ten condensate pump-outs for a total volume of approximately 32,200 gallons.
8.13	Question	Why is the leachate from the landfill condensate storage tank shipped off-site for disposal rather than discharged to the sanitary sewer?
	Answer	At some point in the past, the Stratford POTW (to which the Landfill discharges) detected an odor in the effluent reaching the POTW. The odor was traced back to the landfill gas condensate. The DEP and the POTW established several conditions for CRRA to meet if it wanted to continue to discharge the landfill gas condensate. CRRA determined that it was more cost-effective to ship the landfill gas condensate off-site by truck for disposal rather than to meet the conditions imposed by the Stratford POTW. (The leachate from the ash residue disposal areas is still discharged to the Stratford POTW.)
8.14	Question	Are the landfill gas collection pipes in system in the central portion of the Landfill above or below the cap?
	Answer	The cap on the MSW/Ash Area of the Landfill is a low-permeability, earthen cap. The collection pipes are typically between two and three feet deep in the earthen cap.

9. GROUNDWATER/STORMWATER/SANITARY SEWER DISCHARGES

9.1	Question	What is the status of permit and regulatory compliance of the various water discharges?
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	Answer	<p>There are two permits that regulate the discharge of pH-adjusted ash residue leachate to the sanitary sewer: one issued by DEP, and one issued by the Town of Stratford Water Pollution Control Authority. Both are current permits that require periodic renewal (10-year cycle for the DEP permit, 5-year cycle for the Town permit).</p> <p>With respect to leachate discharges to groundwater, there are two expired permits that regulate leachate discharges from the MSW/Ash area, and from the two ash residue disposal areas. CRRA had previously submitted timely permit applications to renew both groundwater discharge permits, and the continued discharge is therefore authorized until the DEP renders a decision on the applications. CRRA anticipates that DEP will ultimately move to have these discharges to groundwater covered by a global “Stewardship” permit (similar to a RCRA Part B post-closure permit) to be issued by DEP as part of the RCRA Corrective Action program.</p> <p>Discharges of stormwater to the Housatonic River lagoon and to the Farmill River are covered under the “General Permit for the Discharge of Stormwater Associated with Industrial Activities,” issued by DEP. This General Permit is generally renewed/ revised by DEP on a 5-year cycle.</p>
9.2	Question	With regard to the annual updates prepared by CRRA on the habitat characterization study, are annual updates required or does CRRA do them on its own?
	Answer	CRRA is required to prepare the annual updates of the habitat characterization study.
9.3	Question	Is the pH adjustment system for the leachate from the lined ash areas operated manually?
	Answer	Currently, CRRA operates the pH adjustment system for the leachate from the lined ash areas manually. It can be operated automatically, but CRRA has found that, given the current leachate generation rates, it is generally sufficient to operate the system once per week and, at that frequency, it is prudent to operate it manually. More frequent operation of the system may occur during wet seasons (i.e., during the spring thaw), in which case automatic operation of the system may be more effective.
9.4	Question	How much sodium hydroxide is used in the pH adjustment system on an annual basis?
	Answer	Less than one 700 pound drum of 50% sodium hydroxide solution is used in the pH adjustment system annually.