

Policies & Procurement Committee
Feb. 14, 2013
Regular Meeting Draft Minutes

Members Present: Committee Chairman Damer
 John Adams
 Richard Barlow

CRRA Staff Present: Tom Kirk, President
 Dave Bodendorf, Senior Environmental Engineer
 Peter Egan, Director of Environmental Affairs
 Tom Gaffey, Enforcement Recycling Director
 Roger Guzowski, Contracts and Procurement Manager
 Laurie Hunt, Director of Legal Services
 Virginia Raymond, Operations Manager
 Chris Shepard, Senior Environmental Engineer
 Moirra Benacquista, HR Specialist/Board Administrator

Others present: Doug Pelham, Esq., Cohn Birnbaum & Shea and John Pizzimenti, USA Hauling.

Committee Chairman Damer called the meeting to order at 11:03 a.m. and noted that a quorum was present.

Committee Chairman Damer noted there were no members of the public present which cared to speak during public comment, and said the regular meeting would commence.

1. **APPROVAL OF MINUTES OF THE DEC. 6, 2012, POLICIES & PROCUREMENT COMMITTEE MEETING**

Committee Chairman Damer requested a motion to accept the minutes of the Dec. 6, 2012, Policies & Procurement Committee meeting. The motion to approve the minutes was made by Director Adams and seconded by Director Barlow.

The motion to approve the minutes was approved by roll call.

2. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING AUTHORITY TO EXECUTE A DECLARATION OF ENVIRONMENTAL LAND USE RESTRICTION ASSOCIATED WITH REMEDIATION OF THE SOUTH MEADOWS PROPERTY**

Committee Chairman Damer requested a motion to accept the above referenced item. The motion to approve was made by Director Adams and seconded by Director Barlow.

RESOLVED: That the President of CRRA be authorized to execute a Declaration of Environmental Land Use Restriction and Grant of Easement (“ELUR”) in favor of the Commissioner of the Department of Energy & Environmental Protection (“DEEP”) of the State

of Connecticut, in form and content as required by the Commissioner, associated with remediation activities at the South Meadow Station Site; and

FURTHER RESOLVED: That the President of CRRA be authorized to execute an *Affidavit of facts relating to title or interest in real estate* (“*Affidavit of Facts*”), in accordance with C.G.S. §47-12a, if filing of such an affidavit is determined to be necessary in order to correct any factual matters that may affect the status of the title to the South Meadow Station property, in connection with the execution of the ELUR; and

FURTHER RESOLVED: That the President of CRRA be authorized to record on the City of Hartford land records the ELUR, Affidavit of Facts and any subordination agreements necessary to subordinate existing title encumbrances on the South Meadow Station site to the ELUR, as required by DEEP; substantially as presented and discussed at this meeting.

Mr. Egan provided background information on the resolution. He explained Doug Pelham, Esq. of Cohn Birnbaum was also present for questions and explained Mr. Pelham has worked with management on this issue for the last eight years. Mr. Egan provided an over view of the remediation project which has been underway at the South Meadows site since 2001.

Mr. Egan said as a result of the de-regulation of power in Connecticut in the late 90’s Connecticut Light & Power (hereinafter referred to as “CL&P”) had to get out of the generation business. He said as a result the South Meadows property and the electric generating facility of the waste to energy plant and the South Meadows jet turbine facility were transferred to CRRA when CL&P exited the generation business. He said the contract which was put into place in the 1980’s originally was to extend into 2012, but was bought-down by CL&P which then transferred several hundred million dollars to CRRA.

Mr. Egan said \$26 million of that transfer was used to remediate the facility, which was required because the facility met the definition of an establishment under the Connecticut Transfer Act. He said the money was used to buy an insurance policy from a subsidiary of the AIG insurance company which essentially guaranteed or back stopped the remediation by guaranteeing to pay the certifying party to undertake and complete the remediation.

Mr. Egan said TRC Environmental Corporation entered into a contract with CRRA and CL&P to take certifying party status under the transfer act. He said TRC is legally obligated to remediate this facility under the Connecticut remediation standard regulations. Mr. Egan said there are also additional remediation activities outside the requirement of the Environmental Land Use Restriction and Grant of Easement (hereinafter referred to as “ELUR”). Mr. Egan said for example a former old mercury boiler building was demolished and moved off site. He said TRC has the certifying party status and has been undertaking the remediation activities for about ten years. Mr. Egan said TRC is now at the point where it will need to start recording environmental land use restrictions in the land records.

Mr. Egan said the resolution before the Committee is to provide Mr. Kirk the authority to execute a declaration of the ELUR and several other authorities in the event that they are necessary.

Mr. Egan said in addition to the actual insurance policy for the remediation CRRA is also covered for thirty years after the remediation against any pre-existing conditions which reveal themselves and have been determined to have occurred before December 2000. He said CRRA is also covered for another fifteen years after the original fifteen year term. Mr. Egan said CRRA is insured

for two fifteen year terms against any liabilities from any contamination for off-site third party claims, and anything that emanates from the facility.

Mr. Egan said material has been moved to third party offsite disposal facilities. He said CRRA has thirty year insurance policy to cover CRRA against superfund liabilities. He said this was put in place during calendar year 2000. Director Barlow said to the extent the Authority is incurring costs beyond what was in the policy for oversight, are those costs being paid by the Mid-CT Project? Mr. Egan said any expenses that CRRA has concerning this matter are being paid by the Mid-Ct Project. He said CRRA will continue to use Attorney Pelham for 2-3 more years and noted that funds have been set aside based on an estimate. Mr. Egan said CRRA also employees a third party consulting firm and has set funds aside for several years from Mid-CT funds.

Director Adams asked if non-disturbance and prohibition of residential use will be recorded. Mr. Shepard replied yes. He said there is a total of about fifteen areas onsite. Mr. Shepard said some areas have engineered controls which have been installed and other areas have deed restrictions because they are contaminated. He said there will be a site wide restriction limiting the site to industrial/commercial use. Mr. Pelham said buildings cannot be knocked down if CRRA needs to preserve the structures to the extent that they also act as a cap over contamination.

Committee Chairman Damer asked if the maps are subject to negotiation. Mr. Egan replied yes. He said this issue will go to the CT DEEP in March. Mr. Egan said CRRA is contractually obligated to do this and CL&P is contractually obligated to subjugate its rights.

Committee Chairman Damer asked if these areas concern the area which CRRA is discussing with CL&P. Mr. Egan replied yes. He said the additional area given to CL&P in October extends onto an area which was already remediated. Committee Chairman Damer asked if CL&P understands those rights and obligations. Mr. Egan replied yes. Director Adams asked if CL&P will perform all of their work prior to the placement of the ELUR. Mr. Egan replied yes.

Mr. Pelham said there are two pieces to that, deed restrictions to go on pursuant to federal requirements, and the land descriptions under Connecticut law. He said the intent is to let them do their work before those go on rather than put them on and try and get relief from that.

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

3. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING A CONTRACT FOR METALS RECOVERY AND MARKETING SERVICES**

Committee Chairman Damer requested a motion to accept the above referenced item. The motion to approve was made by Director Adams and seconded by Director Barlow.

RESOLVED, That the President is hereby authorized to enter into the First Amendment to the contract with wTe Recycling, Inc., for the transportation, processing and marketing of municipal solid waste post-combustion ferrous metals generated at the South Meadows Resource Recovery Facility, and be it

FURTHER RESOLVED: The President is authorized to enter into a new agreement with wTe Recycling, Inc., for the transportation, processing and marketing of municipal solid waste pre-and-post-combustion ferrous and scrap metals generated at the South Meadows Resource Recovery Facility, substantially as presented and discussed at this meeting.

Mr. Egan said Ms. Raymond has been managing this contractor and contract for twenty years. Mr. Egan said this is special capability contract. He explained CRRA has been working with wTe Recycling, Inc. for almost twenty years. Mr. Egan said wTe takes in metal streams which are generated at the waste to energy facility and will soon start taking in an additional metal stream, the post combustion ferrous, from the ash.

Ms. Raymond said CRRA does a pre-combustion metal and ferrous removal with a magnetic separator. She said that wTe Recycling, Inc. has been taking this material for many years. Ms. Raymond said the special capability comes into play with this material because approximately 35% of the metals removed are entrained with trash. She said the metals company that takes this material is required to have a solid waste permit because their facility essentially starts acting like a transfer station.

Ms. Raymond said that wTe Recycling, Inc. holds this permit from Massachusetts. She said over the years CRRA has gone out on a competitive bid on numerous occasions to find other contractors however, that has been unsuccessful because other contractors do not have the required permit and are not interested in obtaining one because of the nature of the material involved. Ms. Raymond said recently CRRA added the removal of ferrous metals from the post-combustive MSW to the metal program. She said the purpose of this amendment is to allow wTe Recycling, Inc. to take this material and market it as the front end material is processed.

Ms. Raymond explained wTe Recycling, Inc. takes the material in trailers to its' facilities, process and cleans it up, markets it and then returns the MSW to CRRA. She said in addition to expanding the agreement management would like to enter into a new three year agreement beginning July 1, 2013, to handle both the front and back end ferrous.

Committee Chairman Damer asked what the process is. Ms. Raymond explained it is a typical metal recycling facility however; wTe Recycling, Inc. has tweaked the process, which is propriety and noted that she has visited the facility on more than one occasion. Mr. Egan said wTe Recycling, Inc. has a more rigorous and refined set of ferrous metal magnets combined with vibratory screens for more precise separating of the metal from the trash. Ms. Raymond said other contractors have indicated they are not interested in the material after attempting to process it.

Mr. Kirk said CRRA has gone out to bid multiple times in an attempt to find other competitors but has not been successful in finding a qualified contractor. Committee Chairman Damer said he was on the Committee the last time CRRA went out to bid and discovered that there were no other qualified contractors. Ms. Raymond said other firms were invited on site to look at this material in an effort to convince them to get the permit but there were no interested parties. Mr. Egan said there are no other scrap metal facilities which have the authority to take in scrap metal mixed with 35% garbage.

Committee Chairman Damer asked if the revenue values are for the three year term or just annual. Mr. Raymond said these are just annual numbers.

Director Barlow asked if the three year contract has exit provisions. Ms. Raymond said management has a provision of no guarantees for the material. She said there is not a termination for convenience; however CRRA retains the right to do as it pleases with this material. Director Barlow asked if there are penalties associated with termination. Ms. Raymond replied no.

Committee Chairman Damer asked if management knows what percentage of wTe Recycling, Inc. business CRRA produces. Ms. Raymond replied that it is a significant amount.

Mr. Kirk said management is comfortable that wTe Recycling, Inc returns the material after the separating process. He said a non-ferrous post-combustion program is a future goal of management and CRRA.

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

4. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION TO AMEND AN EASEMENT AGREEMENT BETWEEN CRRA AND CL&P AT THE SOUTH MEADOWS FACILITY**

Committee Chairman Damer requested a motion to accept the above referenced item. The motion was made by Director Adams and seconded by Director Barlow.

RESOLVED: That the President of CRRA is hereby authorized to execute an Amendment to the Easement Agreement with the Connecticut Light & Power Company, associated with property at the South Meadows site, substantially as presented and discussed at this meeting.

Mr. Kirk said Mr. Egan approached Connecticut Light and power (hereinafter referred to as “CL&P”) and was able to work out an opportunity to post-pone this agreement. Mr. Egan said this resolution is identical to what the Board approved in October. He said CL&P unfortunately should have requested this additional 600 square feet in October and now needs to add that. Mr. Egan said this contract requires Board approval because it is over five years and will provide the easement with the additional 600 square feet and CL&P will compensate CRRA at the square foot value that the original appraiser determined the value was and will also pay all associated legal costs.

Committee Chairman Damer asked if there is anything unusual about this land. Mr. Egan replied no. He said CL&P is making a modification to its construction.

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

5. **REVIEW AND RECOMMEND FOR BOARD APPROVAL RESOLUTION REGARDING CONTRACTS FOR TRANSFER STATION O&M AND TRANSPORTATION SERVICES**

Committee Chairman Damer requested a motion to accept the above referenced item. The motion was made by Director Adams and seconded by Director Barlow.

RESOLVED: That the President is hereby authorized to enter into an agreement with Copes rubbish removal for the Waste Transportation and Transfer Station Operation and Maintenance

Services associated with the Torrington Transfer Station, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: The President is authorized to enter into an agreement with CWPM LLC for the Waste Transportation and Transfer Station Operation and Maintenance Services associated with the Watertown and Essex transfer Stations, substantially as presented and discussed at this meeting.

Mr. Egan said this resolution involves operation and maintenance services at three of CRRRA's transfer stations. He said Ellington is not included because it was closed. Mr. Egan said CRRRA is coming to the end of a five year term (with two one year extensions) with the current operator of the transfer stations. He said the second option year ends this June and this fall management undertook a bid solicitation to identify operators. Mr. Egan said the new contractor agreed to a one year base with four one year option years.

Mr. Gaffey said these are the contracts for the Essex, Torrington, and Watertown operation and maintenance and provide transportation of the waste from the outlying towns into the Mid-CT WPF. He said Mr. Guzowski handled the procurement of the five firms which participated in the RFP process. Mr. Gaffey said the current operator, Copes, submitted the lowest bid and are very qualified. He said that Copes has done an excellent job at the Torrington transfer station.

Mr. Gaffey said the existing contractor for Essex and Watertown, which have significantly more volume, is CWPM. He said CWPM has also done an excellent job however they were not the low bid as Goulet Trucking was slightly lower. Mr. Gaffey said CWPM offered a combined control price which presented further savings.

Mr. Gaffey said Goulet had very little relevant experience in managing a transfer station. He explained he and Mr. Guzowski traveled to their operation and found very little relevance to operating and maintaining a MSW and recycling transfer station and as a result recommends awarding the contract to CWPM. He said although they were higher in price their expertise and experience exceeds Goulet.

Mr. Guzowski provided a revised version of the write-up. He said table one shows what CRRRA is currently paying in this contract after management normalized the transportation portion to the current projected tonnage, which essentially shows the rates of the old contract compared to the new contract, which has about a half million in savings.

Mr. Guzowski noted that Goulet did submit a proposal for Watertown (which was not originally in Table 2), an omission which will be corrected for the Board meeting. Mr. Kirk said management is generally biased to the low bidder however; in this case the experience is worth the additional expense for continued good operations.

Committee Chairman Damer said this may be a one year contract with four renewals however if it was a one year contract he would be concerned that Goulet Trucking would need to hire operators and acquire equipment to support what starts out as a one year contract.

Director Barlow asked if the contract allows management the provision of separating out the operation and maintenance versus the transportation. Mr. Guzowski replied no. He said management

had considered that option; however there was concern that having two different operators providing the same service created the potential for disruption and issues.

Director Barlow asked if the transportation contract specified the routes which will be taken by the trucks. Mr. Kirk replied yes in the case of Torrington, but not the other two contracts. Mr. Kirk said there is a prohibition on a certain route in Torrington.

Committee Chairman Damer asked what management's lead time on recommending a vendor contract is. Mr. Egan said management advertised in September. Committee Chairman Damer said so four to six months then. Mr. Egan agreed. Director Adams said management needs to let the contractor know by Jan. 1, 2014, if the contract will be renewed. He asked if management will be in a position to make that decision. Mr. Egan said he expected in both cases that the contractors will be amenable to pushing that date out to March 1, 2014. Mr. Guzowski said the notification to renew or terminate is 60 days prior to the base term each year.

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

EXECUTIVE SESSION

Committee Chairman Damer requested a motion to enter into Executive Session to discuss pending litigation, trade secrets, personnel matters, and feasibility estimates and evaluations. The motion made by Director Adams and seconded by Director Barlow was approved unanimously. Committee Chairman Damer requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Laurie Hunt, Esq.
Peter Egan

The Executive Session commenced at 11:45 a.m. and ended at 12:15 p.m. Committee Chairman Damer noted that no votes were taken.

The meeting was reconvened at 12:15 p.m., the door was opened, and the Board secretary and all members of the public (of which there were none) were invited back in for the continuation of public session.

ADJOURNMENT

Committee Chairman Damer requested a motion to adjourn the meeting. The motion made by Director Adams and seconded by Director Barlow was approved unanimously by roll call.

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Moira Benacquista
HR Specialist/Board Administrator